

**The Effects of Privatisation on Human Resource Management Practices,
Organisational Commitment and Job Satisfaction: A Study of Two
Malaysian Organisations**

By

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SPECIALLY DEDICATED TO

MY HUSBAND,

MUHAMMAD FAHMI

AND

CHILDREN,

TASNIM AND MUHAMMAD QAIYIM

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ABSTRACT

A study of the impact of privatisation on human resource management (HRM) practices was carried out on 319 employees of two privatised utilities in Malaysia, the telecommunication and electricity organisations. Employees were surveyed after privatisation, and two sets of data referring to before and after privatisation were obtained.

Dependent variables comprised measures of organisational commitment and job satisfaction. Independent variables were human resource management practices concerning pay, promotion, benefits, performance appraisal, job security, physical working conditions and training and development. The sample comprised non-executive employees working at the headquarters of both organisations. Data were collected by questionnaires.

The results were analysed using SPSS for Windows 6.1 using t-tests, chi-square, correlation analysis and multiple regression analysis.

The results supported some propositions. First, significant differences were found regarding the practices of job security, performance appraisal, and training and development before and after privatisation in both organisations. Second, both similar and different antecedents of the affective commitment (wanting to belong), continuance commitment (needing to belong), and normative commitment (obligated to belong) emerged in both organisations before and after privatisation. Third, the antecedents of intrinsic satisfaction (motivating factors) and extrinsic satisfaction (hygiene factors) also exhibited similarities and differences before and after privatisation. The practices of training and development was found to have strong relationship with employees' affective and normative commitment and also with intrinsic and extrinsic satisfaction before privatisation. After privatisation, the common antecedents in both organisations were: training and development for affective commitment, benefits for continuance commitment, and benefits and training and development for normative commitment. The antecedents of intrinsic

satisfaction after privatisation in both organisations were training and development and job security, while for extrinsic satisfaction the antecedent practices were performance appraisal and pay.

Further analysis of the change in practices in both organisations indicated that training and development was associated strongly with all the dependent variables except continuance commitment. The result showed that changes in training and development were highly associated with affective and normative commitment and with intrinsic and extrinsic satisfaction in both organisations.

Results in this study showed that training and development practice has a strong association with organisational commitment and job satisfaction both before and after privatisation. Therefore it could be inferred that training and development is related to many aspects of employees' attitude regarding the organisation and their job. Management must clearly make a great effort to understand employees' needs and behaviour and to meet their needs and expectations in order to have committed and satisfied employees working in their organisations.

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CONTENTS

Abstract	i
Acknowledgement	iii
Table of Contents	iv
List of Tables	xi
List of Figures	xiv

	Page
Chapter One : OVERVIEW OF THE RESEARCH	
1.1 Introduction.	1
1.2 Background.	1
1.3 Research Questions.	3
1.4 Importance and Contribution of the Study.	4
1.5 Organisation of the Thesis.	6
Chapter Two : PRIVATISATION AS A MAJOR ECONOMIC CHANGE	
2.1 Introduction.	9
2.2 Overview.	9
2.3 Privatisation Policy.	12
2.3.1 Origins and Rationales for Privatisation.	12
2.3.2 Reasons for Privatisation.	13
2.3.3 Global Privatisation Policy.	14
2.3.4 Impact and Implications of Privatisation.	16
2.4 Comparison of Countries' Privatisation Policies.	17
2.4.1 Privatisation in the UK.	17
2.4.2 Privatisation in Developing Countries.	19
2.5 The Malaysian Economy.	20
2.5.1 Background on Malaysia.	20
2.5.2 Economic Development and Progress.	20
2.5.3 Role of Privatisation in Accelerating Economic Growth.	22
2.5.4 An Overview of Malaysia's Privatisation Policy.	23
2.5.4.1 Background and Definition.	23
2.5.4.2 Objectives of Privatisation in Malaysia.	26
2.5.5 Gains from Privatisation.	29
2.5.6 Privatisation Trends in Malaysia.	30
2.5.7 Privatisation Progress (1991-1995).	31
2.5.8 Prospects for Privatisation (1996-2000).	31
2.5.9 Current Privatisation Issues in Malaysia.	32
2.6 Conclusion.	33

Chapter Three : PRIVATISATION AND ORGANISATIONAL CHANGE	
3.1 Introduction.	34
3.2 Organisational Change as a Result of Privatisation.	34
3.3 The Impact of Privatisation on Management.	35
3.4 Changes in Human Resource Management.	36
3.5 Public-Private Sector Differences.	39
3.6 Conclusion.	46
Chapter Four : IMPORTANCE OF ORGANISATIONAL COMMITMENT AND JOB SATISFACTION	
4.1 Introduction.	47
4.2 Employee Attitudes.	47
4.3 Organisational Commitment.	48
4.3.1 The Concept of Organisational Commitment.	49
4.3.2 Dimensions of Organisational Commitment.	51
4.3.2.1 Affective Commitment	52
4.3.2.2 Continuance Commitment	52
4.3.2.3 Normative Commitment	53
4.4 Job Satisfaction.	55
4.4.1 Concepts and Theories of Job Satisfaction.	56
4.4.2 Measures of Job Satisfaction.	58
4.4.2.1 Intrinsic Commitment	58
4.4.2.2 Extrinsic Commitment	58
4.5 Differences between Organisational Commitment and Job Satisfaction.	59
4.6 Importance of Organisational Commitment and Job Satisfaction.	61
4.7 Conclusion.	65
Chapter Five : HOW HUMAN RESOURCE MANAGEMENT PRACTICES AFFECT ORGANISATIONAL COMMITMENT AND JOB SATISFACTION	
5.1 Introduction.	66
5.2 Human Resource Management.	66
5.3 Human Resource Management (HRM) Practices.	73
5.4 Human Resource Management Practices Variables.	77
5.4.1 Pay.	82
5.4.2 Promotion.	86
5.4.3 Benefits.	91
5.4.4 Performance Appraisal.	94
5.4.5 Job Security.	97
5.4.6 Physical Working Conditions.	99
5.4.7 Training and Development.	103
5.5 Privatisation, Human Resource Management Practices, Organisational Commitment and Job Satisfaction	107
5.6 Conclusion.	110

Chapter Six : RESEARCH OBJECTIVES AND METHODOLOGY

6.1	Introduction.	111
6.2	Research Questions and Propositions.	111
6.2.1	Research Objectives.	112
6.2.2	Variables and Propositions.	114
6.3	Research Model.	116
6.4	Research Design.	118
6.4.1	Qualitative Versus Quantitative Methods.	119
6.4.2	The Chosen Research Design.	120
6.5	Data Collection Method	122
6.6	Sampling Procedures.	124
6.6.1	Population.	125
6.6.2	Sample.	126
6.6.3	Sample Size Determination.	128
6.7	Questionnaire Development.	131
6.7.1	Data Collection Instrument.	132
6.7.1.1	Human Resource Management Practices Measure.	132
6.7.1.2	Organisational Commitment Measure.	134
6.7.1.3	Job Satisfaction Measure.	136
6.7.2	Design of the Questionnaire.	138
6.7.3	Validity and Reliability of the Questionnaire.	140
6.7.4	Translation of the Questionnaire.	146
6.7.5	Pretesting the Questionnaire.	147
6.7.6	Data Collection.	147
6.7.7	Questionnaire Administration.	147
6.7.8	Response Rate.	148
6.8	Analysis of Data.	148
6.9	Assumptions and Limitations of the Study.	148
6.9.1	Assumptions.	148
6.9.2	Limitations.	149
6.10	Conclusion.	150

Chapter Seven : CHARACTERISTICS OF RESPONDENTS AND HUMAN RESOURCE MANAGEMENT PRACTICES

7.1	Introduction.	151
7.2	Sample Characteristics of the Study.	151
7.3	Differences in Human Resource Management Practices Before and After Privatisation.	152
7.3.1	Pay.	153
7.3.2	Benefits.	153
7.3.3	Training.	157
7.3.4	Performance Appraisal.	158
7.3.5	Daily Working Hours.	158
7.3.6	Promotions.	159

7.4	Differences in Responses to the Questionnaire at Time 1 and Time 2.	159
7.4.1	HRM Practices.	160
7.4.2	Organisational Commitment.	167
7.4.3	Job Satisfaction.	172
7.5	Descriptive Statistics for all the Variables.	176
7.6	Rank of Importance.	179
7.7	Conclusion.	180
Chapter Eight : TEST OF THE RESEARCH PROPOSITIONS		
8.1	Introduction.	182
8.2	Test of Propositions: HRM Practice.	182
8.3	Changes in Organisational Commitment After Privatisation.	187
8.4	Changes in Job Satisfaction After Privatisation.	188
8.5	Comparison of HRM Practices between Telekom Malaysia and Tenaga Nasional.	189
8.6	Comparison of Organisational Commitment between Telekom Malaysia and Tenaga Nasional.	192
8.7	Comparison of Job Satisfaction between Telekom Malaysia and Tenaga Nasional.	193
8.8	Testing of Propositions.	195
8.8.1	Correlation Analysis.	195
8.8.2	Regression Analysis.	195
8.8.3	HRM Practices and Organisational Commitment.	197
8.8.3.1	Testing of Propositions for Affective Commitment.	198
8.8.3.2	Testing of Propositions for Continuance Commitment.	201
8.8.3.3	Testing of Propositions for Normative Commitment.	205
8.8.4	Human Resource Management Practices with Job Satisfaction.	209
8.8.4.1	Testing of Propositions for Intrinsic Satisfaction.	209
8.8.4.2	Testing of Propositions for Extrinsic Satisfaction.	213
8.9	Comparison between Time 1 and Time 2 of the Independent and Dependent Variables.	216
8.9.1	Human Resource Management Practices at Time 1 and Time 2	216
8.9.2	Organisational Commitment at Time 1 and Time 2.	219
8.9.3	Job Satisfaction at Time 1 and Time 2.	220
8.10	Change Analysis.	221
8.10.1	Procedures used in the Change Analysis.	224
8.10.2	Correlation of the Change Variables.	224
8.10.3	Regression Analysis Results.	226
8.10.4	Changes in Job Satisfaction.	229
8.11	Summary	231

Chapter Nine: DISCUSSION OF RESULTS		
9.1	Introduction.	234
9.2	Human Resource Management (HRM) Practices Before and After Privatisation.	235
9.2.1	The Results for Telekom Malaysia.	235
9.2.1.1	Pay.	236
9.2.1.2	Promotion.	236
9.2.1.3	Benefits.	237
9.2.1.4	Job Security.	237
9.2.1.5	Performance Appraisal.	238
9.2.1.6	Physical Working Conditions.	239
9.2.1.7	Training and Development.	239
9.2.2	The Results for Tenaga Nasional.	240
9.2.2.1	Pay.	240
9.2.2.2	Promotion.	240
9.2.2.3	Benefits.	241
9.2.2.4	Job Security.	241
9.2.2.5	Performance Appraisal.	242
9.2.2.6	Physical Working Conditions.	243
9.2.2.7	Training and Development.	243
9.2.3	Similar Human Resource Management Practices in Telekom Malaysia and Tenaga Nasional Before and After Privatisation.	244
9.3	Organisational Commitment Before and After Privatisation.	247
9.3.1	Organisational Commitment in Telekom Malaysia.	249
9.3.2	Organisational Commitment in Tenaga Nasional.	250
9.3.3	Similar Organisational Commitment Results in Telekom Malaysia and Tenaga Nasional Before and After Privatisation	252
9.3.4	The Interrelationship between Affective, Continuance and Normative Commitment.	252
9.3.4.1	Telekom Malaysia.	252
9.3.4.2	Tenaga Nasional.	254
9.4	Human Resource Management Practices as Antecedents of Organisational Commitment: Their Relationship Before and After Privatisation.	255
9.4.1	The Results of HRM Practices as Antecedents of Organisational Commitment in Telekom Malaysia.	256
9.4.2	The Results of HRM Practices as Antecedents of Organisational Commitment in Tenaga Nasional.	264
9.4.3	Common Antecedents of Dimensions of Organisational Commitment in Telekom Malaysia and Tenaga Nasional.	271
9.5	Job Satisfaction Before and After Privatisation.	276
9.5.1	Job Satisfaction at Telekom Malaysia.	276
9.5.2	Job Satisfaction at Tenaga Nasional.	277
9.5.3	The Interrelationship between Intrinsic and Extrinsic Satisfaction.	278

9.5.4	Job Satisfaction and Human Resource Management Practices : The Relationship Before and After Privatisation in Telekom Malaysia	278
9.5.5	Job Satisfaction and Human Resource Management Practices: The Relationship Before and After Privatisation in Tenaga Nasional.	283
9.5.5.1	Common Antecedents of Job Satisfaction in Telekom Malaysia and Tenaga Nasional Before Privatisation	287
9.5.5.2	Common Antecedents of Job Satisfaction in Telekom Malaysia and Tenaga Nasional After Privatisation	289
9.6	Results of the Change Practices.	292
9.6.1	Changes in HRM Practices and Changes in Organisational Commitment : The Relationships.	292
9.6.2	Common Antecedents of Changes in Organisational Commitment in Telekom Malaysia and Tenaga Nasional.	297
9.6.3	Changes in Human Resource Management Practices and Changes in Job Satisfaction After Privatisation : The Relationships.	299
9.6.3.1	Changes in Human Resource Management Practices and Changes in Job Satisfaction After Privatisation in Telekom Malaysia.	300
9.6.3.2	Changes in Human Resource Management Practices and Changes in Job Satisfaction After Privatisation in Tenaga Nasional.	302
9.6.3.3	Common Antecedents of Change in Job Satisfaction Dimensions in Telekom Malaysia and Tenaga Nasional After Privatisation.	304
9.7	Implications for Practice.	307
9.8	Summary.	308
 Chapter Ten: TOWARDS A MODEL		
10.1	Introduction.	309
10.2	A Proposed Model.	310
10.3	Implications of the Findings.	314
10.4	Limitations of the Research.	319
10.5	Suggestions for Future Research.	320
10.6	Conclusion.	321
 REFERENCES		 324

APPENDIXES

Appendix 1	Map of Peninsular Malaysia.	350
Appendix 2	Malaysia's Economic Structure.	351
Appendix 3	Malaysia : Privatisation of Major Infrastructure Projects.	352
Appendix 4	Number of Privatised Projects By Sector and Mode, 1991-1995.	353
	Sectoral Distribution of Privatised Projects, 1991- 1995.	
Appendix 5a	Cover Letter for Questionnaire.	354
Appendix 5b	Questionnaire (English)	355
Appendix 5c	Translated Questionnaire (Bahasa Malaysia).	366
Appendix 6	Results of Chi-Square Tests and T-tests.	378

LIST OF TABLES

Tables	Title of Table	Page
Table 2.5.5	Proceeds, Savings and Reduction of Public Sector Employees	30
Table 3.5	Stereotypical Distinctions between the Public and Private Sectors.	40
Table 6.6.3	Table for Determining Sample Size from a Given Population.	129
Table 6.7.1	Operational Definitions and Items for Human Resource Management Practices.	133
Table 6.7.1.2	Dimensions of Commitment and Their Respective Items.	136
Table 6.7.1.3	Dimensions of Job Satisfaction and Their Respective Items.	138
Table 6.7.3a	Comparison of Reliability Coefficients of Organisational Commitment Sub-scales.	140
Table 6.7.3b	Comparison of Reliability Coefficients of Job Satisfaction Sub-scales.	141
Table 6.7.3c	Reliability Analysis Results for Human Resource Management Practices Items.	144
Table 6.7.3d	Reliability Analysis Results for Organisational Commitment Items.	145
Table 6.7.3e	Reliability Analysis Results for Job Satisfaction Items.	146
Table 7.2	Sample Characteristics of Telekom Malaysia and Tenaga Nasional.	152
Table 7.3.1	The Distribution of Monthly Pay at Time 1 and Time 2 in Telekom Malaysia and Tenaga Nasional.	153
Table 7.3.2	Benefits at Time 1 and Time 2 in Telekom Malaysia and Tenaga Nasional.	154
Table 7.3.3	Training at Time 1 and Time 2 in Telekom Malaysia and Tenaga Nasional.	157
Table 7.3.4	Performance Appraisal at Time 1 and Time 2 in Telekom Malaysia and Tenaga Nasional.	158
Table 7.3.5	Daily Working Hours at Time 1 and Time 2 in Telekom Malaysia and Tenaga Nasional.	158
Table 7.3.6	Number of Promotions at Time 1 and Time 2 in Telekom Malaysia and Tenaga Nasional.	159
Table 7.4.1a	Abbreviations for Items in Human Resource Management Practices Dimensions.	161
Table 7.4.1b	Means, Standard Deviations, T-tests and Ranks of Human Resource Management Practices Items of Telekom Malaysia at Time 1 and Time 2.	162
Table 7.4.1c	Means, Standard Deviations, T-tests and Ranks of Human Resource Management Practices Items of Tenaga Nasional at Time 1 and Time 2.	165
Table 7.4.2a	Labels for Organisational Commitment Items.	168

Table 7.4.2b	Means, Standard Deviations, T-tests and Ranks of Organisational Commitment Items of Telekom Malaysia at Time 1 and Time 2.	169
Table 7.4.2c	Means, Standard Deviations, T-tests and Ranks of Organisational Commitment Items of Tenaga Nasional at Time 1 and Time 2.	171
Table 7.4.3a	Labels for Job Satisfaction Items.	173
Table 7.4.3b	Means, Standard Deviations, T-tests and Ranks of Job Satisfaction Items of Telekom Malaysia at Time 1 and Time 2.	174
Table 7.4.3c	Means, Standard Deviations, T-tests and Ranks of Job Satisfaction Items of Tenaga Nasional at Time 1 and Time 2.	175
Table 7.5a	Variable and Scale Descriptive Statistics in Telekom Malaysia.	177
Table 7.5b	Variable and Scale Descriptive Statistics in Tenaga Nasional.	178
Table 7.6a	Rank of Importance, Means and Standard Deviation of Human Resource Management Practices in Telekom Malaysia.	179
Table 7.6b	Rank of Importance, Means and Standard Deviation of Human Resource Management Practices in Tenaga Nasional.	180
Table 8.2a	T-test Results for Pay in Telekom Malaysia and Tenaga Nasional.	183
Table 8.2b	T-test Results for Promotion in Telekom Malaysia and Tenaga Nasional.	184
Table 8.2c	T-test Results for Benefits in Telekom Malaysia and Tenaga Nasional.	185
Table 8.2d	T-test Results for Job Security in Telekom Malaysia and Tenaga Nasional.	185
Table 8.2e	T-test Results for Performance Appraisal in Telekom Malaysia and Tenaga Nasional.	186
Table 8.2f	T-test Results for Physical Working Conditions in Telekom Malaysia and Tenaga Nasional.	186
Table 8.2g	T-test Results for Training and Development in Telekom Malaysia and Tenaga Nasional.	187
Table 8.3a	Paired T-test for Organisational Commitment at Time 1 and Time 2 for Telekom Malaysia.	188
Table 8.3b	Paired T-test for Organisational Commitment at Time 1 and Time 2 for Tenaga Nasional.	188
Table 8.4a	Paired T-test for Job Satisfaction at Time 1 and Time 2 for Telekom Malaysia.	189
Table 8.4b	Paired T-test for Job Satisfaction at Time 1 and Time 2 for Tenaga Nasional.	189
Table 8.5a	Mann-Whitney U Test for HRM Practices in Telekom Malaysia and Tenaga Nasional Before Privatisation.	190
Table 8.5b	Mann-Whitney U Test for HRM Practices in Telekom Malaysia and Tenaga Nasional After Privatisation.	191

Table 8.6a	Mann-Whitney U Test for Organisational Commitment in Telekom Malaysia and Tenaga Nasional Before Privatisation.	192
Table 8.6b	Mann-Whitney U Test for Organisational Commitment in Telekom Malaysia and Tenaga Nasional After Privatisation.	193
Table 8.7a	Mann-Whitney U Test for Job Satisfaction in Telekom Malaysia and Tenaga Nasional Before Privatisation.	194
Table 8.7b	Mann-Whitney U Test for Job Satisfaction in Telekom Malaysia and Tenaga Nasional After Privatisation.	194
Table 8.8.3.1a	Multiple Regression Analyses Results of HRM Practices on Affective Commitment in Telekom Malaysia and Tenaga Nasional at Time 1.	198
Table 8.8.3.1b	Correlation between HRM Practices and Affective Commitment in Telekom Malaysia and Tenaga Nasional at Time 1.	199
Table 8.8.3.1c	Multiple Regression Analyses Results of HRM Practices on Affective Commitment in Telekom Malaysia and Tenaga Nasional at Time 2.	200
Table 8.8.3.1d	Correlation between HRM Practices and Affective Commitment in Telekom Malaysia and Tenaga Nasional at Time 2.	200
Table 8.8.3.1e	Summary of Results of Correlation Coefficient and Regression Analysis of HRM Practices on Affective Commitment at Time 1 and Time 2.	201
Table 8.8.3.2a	Multiple Regression Analyses Results of HRM Practices on Continuance Commitment in Telekom Malaysia and Tenaga Nasional at Time 1.	202
Table 8.8.3.2b	Correlation between HRM Practices and Continuance Commitment in Telekom Malaysia and Tenaga Nasional at Time 1.	202
Table 8.8.3.2c	Multiple Regression Analyses Results of HRM Practices on Continuance Commitment in Telekom Malaysia and Tenaga Nasional at Time 2.	203
Table 8.8.3.2d	Correlation between HRM Practices and Continuance Commitment in Telekom Malaysia and Tenaga Nasional at Time 2.	204
Table 8.8.3.2e	Summary of Results of Correlation Coefficient and Regression Analysis of HRM Practices on Continuance Commitment at Time 1 and Time 2.	204
Table 8.8.3.3a	Multiple Regression Analyses Results of HRM Practices on Normative Commitment in Telekom Malaysia and Tenaga Nasional at Time 1.	206
Table 8.8.3.3b	Correlation between HRM Practices and Normative Commitment in Telekom Malaysia and Tenaga Nasional at Time 1.	206

Table 8.8.3.3c	Multiple Regression Analyses Results of HRM Practices on Normative Commitment in Telekom Malaysia and Tenaga Nasional at Time 2.	207
Table 8.8.3.3d	Correlation between HRM Practices and Normative Commitment in Telekom Malaysia and Tenaga Nasional at Time 2.	208
Table 8.8.3.3e	Summary of Results of Correlation Coefficient and Regression Analysis of HRM Practices on Normative Commitment at Time 1 and Time 2.	208
Table 8.8.4.1a	Multiple Regression Analyses Results of HRM Practices on Intrinsic Satisfaction in Telekom Malaysia and Tenaga Nasional at Time 1.	210
Table 8.8.4.1b	Correlation between HRM Practices and Intrinsic Satisfaction in Telekom Malaysia and Tenaga Nasional at Time 1.	210
Table 8.8.4.1c	Multiple Regression Analyses Results of HRM Practices on Intrinsic Satisfaction in Telekom Malaysia and Tenaga Nasional at Time 2.	211
Table 8.8.4.1d	Correlation between HRM Practices and Intrinsic Satisfaction in Telekom Malaysia and Tenaga Nasional at Time 2.	211
Table 8.8.4.1e	Summary of Results of Correlation Coefficient and Regression Analysis of HRM Practices on Intrinsic Satisfaction at Time 1 and Time 2.	212
Table 8.8.4.2a	Multiple Regression Analyses Results of HRM Practices on Extrinsic Satisfaction in Telekom Malaysia and Tenaga Nasional at Time 1.	213
Table 8.8.4.2b	Correlation between HRM Practices and Extrinsic Satisfaction in Telekom Malaysia and Tenaga Nasional at Time 1.	213
Table 8.8.4.2c	Multiple Regression Analyses Results of HRM Practices on Extrinsic Satisfaction in Telekom Malaysia and Tenaga Nasional at Time 2.	214
Table 8.8.4.2d	Correlation between HRM Practices and Extrinsic Satisfaction in Telekom Malaysia and Tenaga Nasional at Time 2.	215
Table 8.8.4.2e	Summary of Results of Correlation Coefficient and Regression Analysis of HRM Practices on Extrinsic Satisfaction at Time 1 and Time 2.	215
Table 8.9.1a	Intercorrelations of Human Resource Management Practices at Time 1 and Time 2 for Telekom Malaysia.	217
Table 8.9.1b	Intercorrelations of Human Resource Management Practices at Time 1 and Time 2 for Tenaga Nasional.	218
Table 8.9.2a	Intercorrelations of Affective, Continuance and Normative Commitment at Time 1 and Time 2 for Telekom Malaysia.	219

Table 8.9.2b	Intercorrelations of Affective, Continuance and Normative Commitment at Time 1 and Time 2 for Tenaga Nasional.	220
Table 8.9.3a	Intercorrelations of Intrinsic and Extrinsic Satisfaction at Time 1 and Time 2 for Telekom Malaysia.	220
Table 8.9.3b	Intercorrelations of Intrinsic and Extrinsic Satisfaction at Time 1 and Time 2 for Tenaga Nasional.	221
Table 8.10a	Means and Standard Deviations of Change in all Variables as a result of privatisation in Telekom Malaysia.	222
Table 8.10b	Means and Standard Deviations of Change in all Variables as a result of privatisation in Tenaga Nasional.	223
Table 8.10.2a	Correlation Coefficients of Change in all Variables as a result of privatisation for Telekom Malaysia.	225
Table 8.10.2b	Correlation Coefficients of Change in all Variables as a result of privatisation for Tenaga Nasional.	226
Table 8.10.3a	Multiple Regression Analyses of Change in HRM Practices on Change in Organisational Commitment for Telekom Malaysia.	227
Table 8.10.3b	Multiple Regression Analyses of Change in HRM Practices on Change in Organisational Commitment for Tenaga Nasional.	229
Table 8.10.4a	Multiple Regression Analyses of Change in HRM Practices on Change in Job Satisfaction for Telekom Malaysia.	230
Table 8.10.4b	Multiple Regression Analyses of Change in HRM Practices on Change in Job Satisfaction for Tenaga Nasional.	231
Table 9.2.3a	Summary of Results of T-tests on Human Resource Management Practices Before and After Privatisation for Telekom Malaysia and Tenaga Nasional.	245
Table 9.2.3b	Summary of Results of Non-Parametric Test on Human Resource Management for Telekom Malaysia and Tenaga Nasional.	245
Table 9.4.1	Antecedents of Affective, Continuance and Normative Commitment in Telekom Malaysia Before and After Privatisation.	260
Table 9.4.2	Antecedents of Affective, Continuance and Normative Commitment in Tenaga Nasional Before and After Privatisation.	271
Table 9.5.4.	Antecedents of Intrinsic and Extrinsic Satisfaction in Telekom Malaysia Before and After Privatisation.	282
Table 9.5.5.	Antecedents of Intrinsic and Extrinsic Satisfaction in Tenaga Nasional Before and After Privatisation.	285

LIST OF FIGURES

Figures	Title of Figures	Page
Figure 1.5	Organisation of the Research.	7
Figure 5.2	A Road Map for Managing Organisational Capabilities.	69
Figure 5.4.2	A Model of Promotion Opportunity in Organisation.	87
Figure 6.3	Research Model.	118
Figure 6.6.3	Relationship Between Sample Size and Total Population	130
Figure 9.4.1	Common Antecedents of Organisational Commitment in Telekom Malaysia Before and After Privatisation.	264
Figure 9.4.2	Common Antecedents of Organisational Commitment in Tenaga Nasional Before and After Privatisation.	271
Figure 9.4.3a	Common Antecedents of Organisational Commitment in Telekom Malaysia and Tenaga Nasional Before and After Privatisation.	273
Figure 9.4.3b	Common Antecedents of Organisational Commitment in Telekom Malaysia and Tenaga Nasional Before and After Privatisation.	275
Figure 9.5.4	Common Antecedents of Job Satisfaction in Telekom Malaysia Before and After Privatisation.	283
Figure 9.5.5	Common Antecedents of Job Satisfaction in Tenaga Nasional Before and After Privatisation.	287
Figure 9.5.5.1	Common Antecedents of Job Satisfaction in Telekom Malaysia and Tenaga Nasional Before Privatisation.	289
Figure 9.5.5.2	Common Antecedents of Job Satisfaction in Telekom Malaysia and Tenaga Nasional After Privatisation.	291
Figure 9.6.1a	Antecedents of Changes in Organisational Commitment in Telekom Malaysia.	293
Figure 9.6.1b	Antecedents of Changes in Organisational Commitment in Tenaga Nasional.	295
Figure 9.6.2	Common Antecedents of Change in Organisational Commitment in Telekom Malaysia and Tenaga Nasional.	298
Figure 9.6.3.1	Antecedents of Change in Job Satisfaction in Telekom Malaysia After Privatisation	300
Figure 9.6.3.2	Antecedents of Change in Job Satisfaction in Tenaga Nasional After Privatisation	302
Figure 9.6.3.3	Common Antecedents of Change in Job Satisfaction in Telekom Malaysia and Tenaga Nasional.	304
Figure 10.2a	Model of HRM Practice Antecedents of Organisational Commitment and Job Satisfaction Before Privatisation.	311
Figure 10.2b	Model of HRM Practice Antecedents of Organisational Commitment and Job Satisfaction After Privatisation.	312
Figure 10.2c	Model for Change in HRM Practices as Antecedents of Change in Organisational Commitment and Job Satisfaction.	313

Chapter One : OVERVIEW OF THE RESEARCH

1.1 Introduction

This research analysed the effects of privatisation on human resource management practices in relation to organisational commitment and job satisfaction. This research also addressed the dimensionality and antecedents of organisational commitment and job satisfaction by reporting the results of a cross-sectional study of changes in human resource management (HRM) practices as a result of organisational change associated with privatisation.

The human resource management practices in this research reflect the policy of the organisations studied. Practices in this study are defined in terms of employees' perception of the organisation policy, as perceptions influence employees' commitment towards the organisation (Ogilvie, 1987).

1.2 Background

Privatisation has been the global development issue in the 1990s. The policy was first introduced in the UK and it is still an issue there. The Malaysian government chose to follow the UK's example of privatisation, which was initiated by the Thatcher government. According to Ernst (1994), the British Government's privatisation programme since 1979 has attracted a considerable degree of academic attention. The interest has been primarily directed at the economic rather than the political dimensions of the programme. Much attention has been directed at the economic analysis of privatisation literature.

The Malaysian government has *"determined targets indicating a long-term commitment to industrialisation using privatisation as a catalytic policy instrument"* (Hensley and White, 1993). Its privatisation programme was initiated in 1983 as a way to relieve the growing financial pressures on the government which had arisen from the government's commitment to heavy industries and an over-zealous drive for redistribution of wealth on the basis of race. Privatisation of most public enterprises

in Malaysia was part of the Privatisation Master Plan initiated by the government. The Privatisation Policy was a strategy adopted by the government in order to achieve five main objectives:

- Reduce the financial and administrative burden of the government.
- Promote competition, increase efficiency and productivity.
- Stimulate private entrepreneurship and accelerate the growth of the economy.
- Reduce the size and presence of the public sector in the economy.
- To achieve the objectives of the New Economic Policy.

(Malaysia, 1990)

In Malaysia, several forms of privatisation have been adopted, including the partial or total divestment of government companies, corporatisation of government departments, leasing, management buy-outs and build-operate-transfer arrangements. A specially commissioned Privatisation Master Plan report was completed in 1990, identifying up to 246 public enterprises and services which could potentially be privatised over the next decade (Malaysia, 1993). The programme has gathered momentum over the years and there have been a number of landmark public flotation: the national airline carrier (Malaysian Airline System) in 1985; Malaysian International Shipping Corporation in 1986; Syarikat Telekom Malaysia (telecommunication) in 1990; Proton (the national car company) in 1992 and Tenaga Nasional (electricity) also in 1992.

Economic and financial reasons have been shown to be the main reasons for the implementation of privatisation policy (Hemming and Manssor, 1988; Pirie, 1988; Wiltshire, 1987; Heald and Steel, 1986; and Ernst, 1994).

Growing public expenditure as a result of public sector expansion has resulted in financial difficulties faced by many governments. The problem areas of the public sector in the UK and other countries have been identified by Pirie (1988) as production costs, capital costs, consumer input, innovation and flexibility, decision

making, condition of equipment, interruption of service and responsiveness. Therefore, compared to the private sector, the public sector has been ineffective.

In addition to this, the poor performance of the public sector in terms of its profitability had shown deficit balance (Yarrow, 1993). In Malaysia, privatisation policy appears to reflect the government's growing disenchantment with the performance of the government bureaucracy in running the enterprises (Taib and Mat, 1992). It was felt that the private sector would be able to run economic and training enterprises more efficiently and profitably. The economic recession and the government's increasing financial burden provide a further reason for a privatisation policy.

Public organisations in Malaysia are known for being less efficient, less productive and more bureaucratic in comparison to private organisations. According to Taib and Mat (1992), the public sector can never match the private sector in terms of remuneration and benefits to motivate and ensure quality performance by civil servants. The government hoped that, by privatising organisations, the human resource management practices and policies of the privatised organisations in terms of pay, promotion, benefits, performance appraisal, job security, physical working conditions and training and development would be better than in the public sector.

This study explores whether there are changes in the human resource management practices regarding pay, promotion, benefits, performance appraisal, job security, physical working conditions and training and development after privatisation. In addition, this research tries to determine if there is a relationship between these practices and employees' commitment and job satisfaction.

1.3 Research Questions

Based on the proposition that there are changes in HRM practices before and after privatisation, the present study aimed to look for the antecedents of organisational commitment and job satisfaction before and after privatisation. There is little

literature which examines HRM practices as antecedents of organisational commitment and job satisfaction. This study was intended to enrich the literature and facilitate further research regarding HRM practices, organisational commitment and job satisfaction. In short, the current study aims to answer the following research questions:

- Which of the HRM practices have changed before and after privatisation?
- What are the similar HRM practices which are antecedents of organisational commitment before and after privatisation?
- What are the similar HRM practices which are antecedents of job satisfaction before and after privatisation?

In order to answer these questions, the following research objectives were formulated:

- To discover if human resource management practices before privatisation (in terms of pay, promotion, benefits, job security, performance appraisal, physical working conditions and training and development) change after the organisation has been privatised.
- To discover the HRM practices which were antecedents of affective, continuance and normative commitment before and after privatisation.
- To discover the antecedents HRM practices of intrinsic and extrinsic satisfaction before and after privatisation.
- To discover the changes in the practices between the two periods and look for antecedents of the change in organisational commitment and job satisfaction dimensions.

1.4 Importance and Contribution of the Study

There are several reasons why this study is important:

- Public organisations are increasingly being privatised in Malaysia; many employees will be affected by the change.
- Privatisation may have led to changes in HRM practices.

- Changes in HRM practices may influence employees' commitment and job satisfaction.

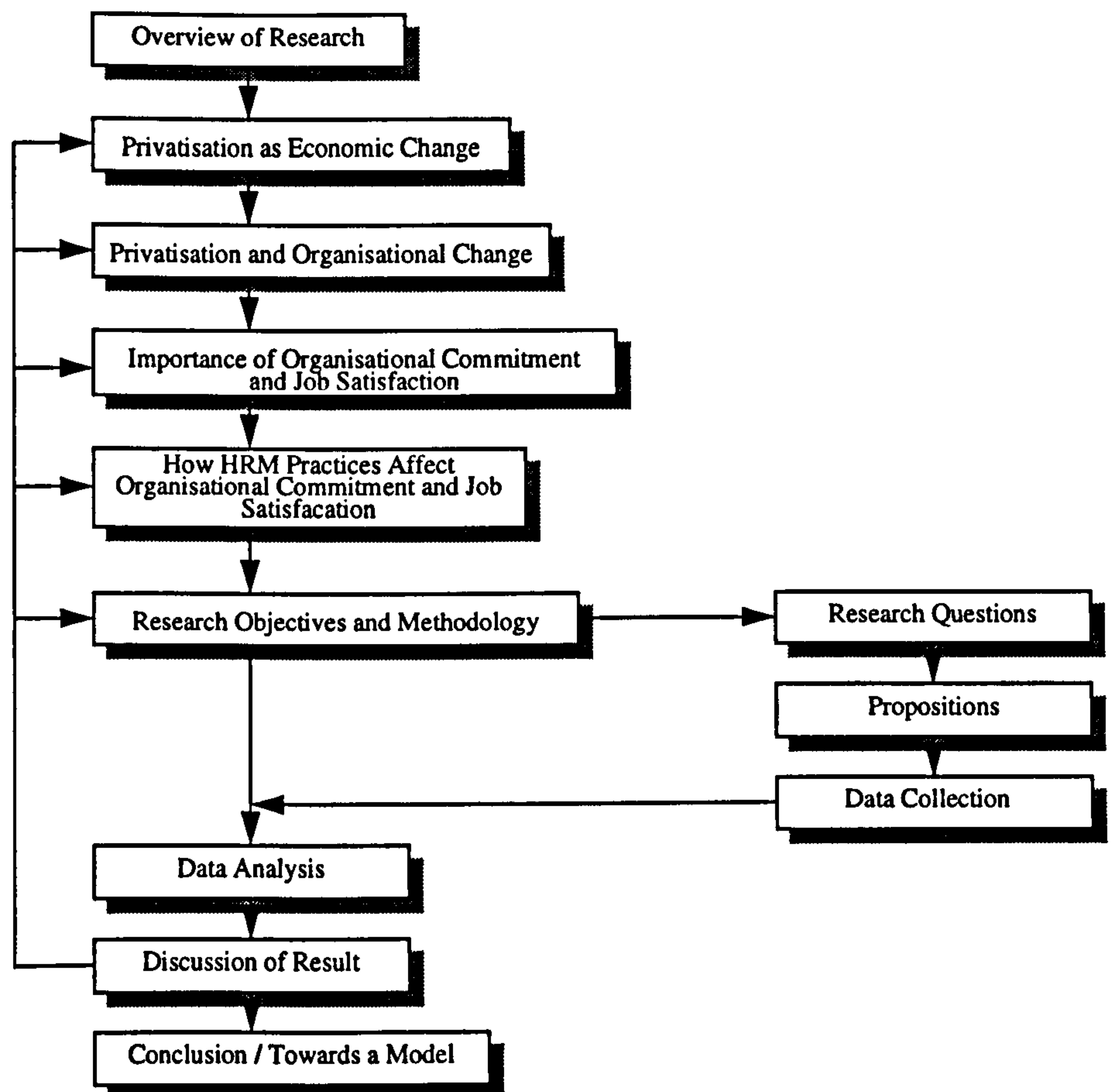
Very few studies have considered at the effects of privatisation on human resource management practices particularly in relation to employees' organisational commitment and job satisfaction. There is much research on commitment (Mathieu and Zajac, 1990; Randall, 1990; Balfour and Wechsler, 1991; Morris *et al*, 1993; Dunham *et al*, 1994; Zeffane, (1995) and job satisfaction (Arvey *et al*, 1991; Zeffane, 1994; Carlopio and Gardner, 1995; Crow and Hartman, 1995; Lam, 1995; Clark, 1996) but very few studies have examine the relationship between human resource management practices and policies with organisational commitment (Ogilvie, 1987; Akuamoah-Boteng, 1989; Morris *et al*, 1993) and job satisfaction dimensions.

No such studies have been carried out in Malaysia so far. This present study attempts to examine the role of human resource management (HRM) practices as antecedents of organisational commitment and job satisfaction as a result of privatisation, and thus fill a void in the literature (Chapter 2, 3, 4, and 5) particularly in Malaysia. Malaysia situation may be different because its culture and the context of implementation of privatisation policy differ from those in the UK.

It is hoped that the findings of this study will benefit organisations when considering the practices which affect employees' commitment and job satisfaction. It is also hoped that this study will benefit public sector organisations that have yet to undergo privatisation not only in Malaysia but also in other countries. This study intends to develop a model derived from the findings that can be used by researchers and organisations which have been privatised or plan to privatised in the near future.

1.5 Organisation of the Thesis

Figure 1.5 Organisation of the Research



Chapter One gives a general overview of the study and explains the research questions as well as the importance and contribution of the study.

Chapter Two considers privatisation as an aspect of economic change. It discusses privatisation in the UK and in developing countries. A section of this chapter examines privatisation in Malaysia.

Chapter Three considers privatisation and organisational change. The chapter relates privatisation to Human Resource Management practices and their implication for employees. The distinction between public and private sectors was also discussed.

Chapter Four considers the importance of organisational commitment and job satisfaction. The chapter discusses aspects of employees' attitude to work. An explanation and discussion of organisational commitment is included in terms of its affective, continuance and normative commitment and studies that have examined antecedents of organisational commitment. The differences between organisational commitment and job satisfaction are examined.

Chapter Five considers how human resource management practices affect organisational commitment and job satisfaction. The chapter relates studies on pay, promotion, benefits, performance appraisal, job security, physical working conditions and training and development in relation to organisational commitment and job satisfaction. The possible relationship between privatisation, human resource management practices, organisational commitment and job satisfaction are then discussed.

Chapter Six considers the research objectives and methodology. The first section of this chapter lists the research questions, research objectives and propositions. This is followed by a review of the different types of research design and the quantitative approach which has been chosen for the present study. Sample design, sampling, the chosen sampling method and the sample size are also examined. The chapter explains the procedures which have been undertaken in the design and development of the questionnaire, plus an explanation of the validity and reliability of the questionnaire. A part of this chapter presents the reliability results for the questionnaire. A final section of this chapter discusses translation of the questionnaire, data collection, questionnaire administration, response rate, and the assumptions and limitations of the study.

Chapter Seven describes the analysis of information gathered. This chapter starts by providing descriptive statistics of the organisation, the respondents' gender, marital status, age group, academic qualification and working duration. The chapter provides a statistical analysis of human resource management practices and organisational

commitment and job satisfaction before and after privatisation. The chapter also examines the importance of human resource management practices in Telekom Malaysia and Tenaga Nasional.

Chapter Eight test the research propositions concerning the differences in HRM practices before and after privatisation, and the antecedents of organisational commitment and job satisfaction before and after privatisation. The results are presented in table form and followed by discussion. A further analysis is presented of the changes in HRM practices and their regression on changes in organisational commitment and job satisfaction. This chapter also describes the t-test, chi-square, Mann-Whitney U test, correlation analysis and regression analysis, and their role in testing the propositions. The chapter ends with a brief discussion of the changes, the antecedents of affective, continuance and normative commitment, and the antecedents of intrinsic and extrinsic satisfaction before and after privatisation.

Chapter Nine discusses the findings from the empirical analysis.

Chapter Ten presents the conclusion of the research and their implication both for research and practitioners who are interested in this topic. A research model derived from this research is also presented. Finally the chapter suggests themes for future research.

Chapter Two : PRIVATISATION AS A MAJOR ECONOMIC CHANGE

2.1 . Introduction

Privatisation has spread throughout the world. This chapter reviews the origins and rationale of privatisation, its definition, objectives and application throughout the world, particularly in Malaysia.

2.2 Overview

Privatisation, now a world-wide phenomenon, is growing in its extent and impact. The original term 'privatisation' appeared in Britain at the beginning of 1980s (Helman, 1991). Privatisation is the full or partial transfer of government responsibilities to the private sector. It is an attempt to reduce the role of government bureaucracies (Utt, 1989). Throughout the world, governments are turning over to private managers control of many functions: from electrical utilities to prisons, from railroads to education (Ramamurti, 1992). Many countries such as Malaysia, Brazil, Columbia, Sri Lanka, Jamaica and Guyana have turned to privatisation to solve their economic and financial problems, and according to Salama (1995), privatisation has become the political creed of the 1990s.

Leeds (1989) says that, in most of the countries that are undergoing transformation, privatisation is part of a broader public policy response to poor public enterprise performance, mounting domestic and external debt levels, unsustainable public sector deficits and political change.

'Privatisation' itself is a new word if not a completely new process. It appears for the first time in the 1983 edition of the Webster's Ninth New College Dictionary. According to Hemming and Mansoor (1988), there were, before the 1980s, applications of what could now be described as privatisation. What distinguishes the present practices or policies from previous ones is the range of public sector activities that are now being considered for privatisation, the methods, and the enthusiasm with which the policies are being pursued.

Although the term itself is used quite frequently, there is as yet no consensus on its meaning. It has many conflicting connotations. This could be partly due to the fact that, as pointed out by Bailey (1987), it has become a political weapon.

The term privatisation has been used to describe any shift in economic activity from the public to the private sector. Tatar (1993) defined privatisation as

“a process by which the proportionate role of the private sector in production and/or finance in any particular activity is increased. This may or may not involve ownership transfer and embraces all policy initiatives such as deregulation, contracting out, introduction of user-charges, asset sale and management contract”.

Rose (1988), however, defined privatisation as the process of increasing the scope of the market, that is, private action of producers and consumers in the production and allocation of goods and services.

Veljanovski (1987) suggested that governments claim that privatisation enhances individual freedom, encourages and improves efficiency, makes industry more responsive to the demands of the customer, decreases the public debt and weakens the power of the trade unions by forcing management to face the realities of the market place. It may also create a shareholder democracy by giving a large number of small shareholders a stake in the industry.

In the UK, privatisation did not start with a coherent set of objectives : the goals of privatisation evolved gradually (Tatar, 1993). In the early days, the objectives of privatisation appeared to be purely financial and managerial. According to Veljanovski (1987), it was not until the speech of John Moore in 1983 that the objectives of privatisation were first stated. The following have emerged as the major objectives of privatisation :

- to reduce government involvement in the decision making of industry.

- to permit industry to raise funds from the capital market on commercial terms and without government guarantee.
- to raise revenue and reduce public sector borrowing requirements.
- to promote wider share ownership.
- to create an enterprise culture.
- to encourage workers' share ownership in their companies.
- to increase competition and efficiency.
- to replace state ownership and financial control with a more effective system of economic regulation designed to ensure that benefits of greater efficiency are passed on to consumers.

However, Liberman (1993) found that there are many objectives mentioned in connection with privatisation, and he distilled them into three key issues, namely:

- Get government out of business to the fullest extent possible so as to strengthen private market forces and competition in order to increase productivity, efficiency, quality and service in provision of goods and services to the population.
- Generate new resources of cash flow and financing for enterprises, such as increased domestic investment, return of flight capital, direct foreign investment, external lending and deepening capital domestic markets.
- Reduce the government's fiscal deficit and its external and internal debt.

In general, privatisation covers a wide range of different activities, all of which imply the transfer of provision and services from the public to the private sector. For example, privatisation covers the sale of public assets to private owners, the simple cessation of government programmes, the contracting out of services formerly provided by state organisations to private producers, and the entry by private producers into markets that were formerly public monopolies (Goodman and Loveman, 1991). Privatisation also means different things in different parts of the world, where in many countries, the political and economical situation determines the types and activities of privatisation. The implementation of privatisation differs according to the political and economic situation of the country.

2.3 Privatisation Policy

2.3.1 Origins and Rationales for Privatisation

The year the British Conservative Party, under the leadership of Margaret Thatcher who took office in 1979, according to Tartar (1993) marked the beginning of a period dominated by liberal economic reforms in the UK. This trend, manifesting itself in privatisation, later spread to other countries, both developed and underdeveloped. To date, various explanations have been put forward by both opponents and proponents of privatisation as to why privatisation policies have been adopted. Despite the difficulties surrounding the term privatisation itself, its political origins and objectives are relatively unambiguous :

“it emerges from the counter movement against growth of government in the West and represent the most serious conservative effort of our time to formulate the positive alternative”.

(Starr, 1988)

Privatisation itself is not something new. It is another phase in which boundaries between the public and private sectors are once more fundamentally being questioned and redrawn. Clearly, this phase is witnessing a roll-back in the state boundaries, leaving relatively larger space for private sector. Hence, privatisation is predominantly about the roles and functions that the state is expected to undertake or not undertake (Tatar, 1993).

Privatisation is taking place in more than seventy countries around the world, and the number expands every year. The movement started in the UK, and more and more proponents of privatisation still draw their inspiration and the bulk of their examples of success from that country (Young, 1987). Privatisation has been spurred on by widespread dissatisfaction with the performance of public enterprise and the need to cut government expenditure (Van de Walle, 1989).

According to Young (1987), the economic rationale for privatisation is essentially two-fold, namely to open up industry to competition and to change its ownership. In

principle, opening up industry to competition should raise efficiency and create more responsible attitudes and behaviour amongst employees at all levels. The organisation is now on its own and it no longer has to rely on government if its performance is not satisfactory. It can, in principle, go out of business or be forced to contract in the face of superior companies. On the other hand, it is free to diversify its business. The change in ownership means the managers are now accountable to shareholders, rather than ministers, and these, will be more demanding of commercial performance and have less reason to interfere for non-commercial ends. In addition, Rose (1988) says that privatisation has four distinguishing qualities: an increase in the private ownership, competition, deregulation, and a reduction in public finance. There are many reasons for governments' moves towards privatisation. The most frequent ones mentioned by Pirie (1988); Hemming and Mansoor (1988); Leeds (1988); Ramanadham (1988, 1993), Tatar (1993), and Prokopenko (1995) are financial and economic reasons.

2.3.2 Reasons for Privatisation

The poor performance of public enterprises has been shown to be one of the main reasons for privatisation policy. Public sector enterprises have been seen as inherently bureaucratic, as being inefficient and costly because of their monopolistic position (Poole *et al.*, 1994).

The justification for individual privatisation attempts could vary from one country to another, and from one sector to another in a particular country, depending on the political, economic, fiscal and ideological situation (Tatar, 1993). However, it seems that, no matter how different, all privatisation policies in the developed world take their root from some relatively easy identifiable ideological streams.

The claimed problem areas of the public sector in the UK and in other countries have been identified by Pirie (1988) as: production costs, labour costs, capital costs, consumer input, innovation and flexibility, decision-making, conditions of

equipment, interruption of service and responsiveness. He further mentioned that the public sector, compared to the private one, has been ineffective.

There have been some additional reasons which have affected privatisation policy in Britain. According to Wiltshire (1987), those which have played a role in adopting privatisation policy are: breaking of trade union power, reduction of the public sector borrowing requirements; enthusiasm of public sector managers for privatisation; and the personality of the then Prime Minister (Mrs. Thatcher).

Although privatisation has been implemented to tackle this problem. Hemming and Mansoor (1988) do not agree with the claim that privatisation is the only way. Previous efforts have involved statutory and administrative measures to control public enterprises. Because these have been judged unsuccessful, attention has turned to the possibility of increasing private sector involvement in public enterprises. One of the alternative ways of tackling the problem of unresponsiveness to consumer requirements, for example, could be the provision of more information to clients and granting to them more formal power to choose from competing public agencies. It has now become apparent that many governments have resorted to privatisation rather than to other solutions to cure the problems mentioned.

In summary, privatisation has emerged as a result of problems that are perceived to be inherent in the public sector. It could be seen as the declaration of governments' failure, after so many attempts, to solve the perceived problems of public sector, among which the control and management of public expenditure have a significant place.

2.3.3 Global Privatisation Policy

There are many studies that have been undertaken on privatisation around the world (Prokopenko, 1995; Hensley and White, 1993; Ramanadham, 1989, 1993; Ramamurti, 1992; Liberman, 1993; Kikeri *et al.*, 1992; Henig, 1990; and Letwin, 1988). On the whole, individual country studies reveal diversities in implementing

privatisation. These have resulted partly from the political circumstances, country-specific attitudes to growth and equity, ethnic preference and foreign capital.

Apart from that, Moore (1992) in the Harvard Business Review mentioned that privatisation has shown itself capable of rescuing individual industries and a whole economy headed for disaster, it can also transform public attitudes towards economic responsibilities and the concept of private property. It began as a radical experiment but privatisation works so well that it has become a practical process by which a state-owned industry can join the free market with visible, often dramatic gains for the industry, its employees, its customers, and for the citizens who set it free by purchasing its shares. More important, privatisation has become an education process by which the people of a country can grasp the fundamental beliefs and values of free enterprise.

According to Young (1987), privatisation in developing countries as well as in the West is essentially a political process, not an economic formula. Privatisation works best when it is seen as a positive process, not just as a means of repairing damage. When it is advocated for its potential to give energy to an economy, to spread wealth among ordinary citizens, to improve services, and to create functioning capital markets, it has a better chance of success.

Ramanadham (1989), concluded from his studies of developing countries the objectives of privatisation as:

1. To relieve the budgetary strains on the government :
 - because of losses to the government.
 - because of their investment requirements.
 - so as to permit the release of government funds for other uses.
2. To improve the efficiency of enterprise performance :
 - through market disciplines and competition.
 - by eliminating governmental interventions.

3. To improve the allocation efficiency of investments :
 - by improving the rates of savings and growth.
 - by developing money markets.
4. To withdraw from activities more suited to private enterprise :
 - where the original objectives of a public enterprise are fully achieved or are no longer valid.
 - to eliminate unfair competition with private enterprises.
5. To relieve the administrative burdens of the government.
6. To widen indigenous ownership :
 - by encouraging a share-holding democracy.
 - by making workers share-owners.
 - by raising productivity through stock-owning incentives.

The objectives constitute a multiple range and are stated in the overall terms. Some of the objectives seem to belong to the 'borrowed category' drawn from the experience of developed market economies.

In conclusion, privatisation has emerged as a result of many public sector problems that were perceived to be inherent in the public sector.

2.3.4 Impact and Implications of Privatisation

The privatisation of government assets or services is a radical organisational change. The public seeks both monetary and non-monetary value, including equal access to services, adherence to performance standards, and a lack of corruption. According to Goodman and Loveman (1991), privatisation will work best when private managers find it in their own interest to serve the public interest. For this to occur, the government must define the public interest in such a way that private providers can understand it and achieve for it.

According to Goodman and Loveman (1991), the pros and cons of privatisation can be measured against the standards of good management, regardless of ownership.

They concluded that :

- Neither public nor private managers will always act in the best interest of their shareholders. Privatisation will be effective only if private managers have incentives to act in the public interest, which includes, but is not limited to, efficiency.
- Profits and public interest overlap best when the privatised services or assets are in a competitive market. It takes competition from other companies to discipline managerial behaviour.
- When these conditions are not met, continued governmental involvement will generally be necessary.

2.4 Comparison of Countries' Privatisation Policies

Privatisation has made a visible progress in reducing the administrative burden of the government. Privatisation seems to be a policy that gained considerable popularity in the 1980s and in the 1990s.

The common features for the organisations that were privatised were large scale organisations and bureaucracy which had become rigid, inefficient and consequently failure to respond to changes in technology and consumer demand (Colling, 1991). However, Ramamurti (1992), says that privatisation was more likely to be pursued by countries with high budget deficits, high foreign debt and high dependence on international agencies. This relates to privatisation around the world. The UK was the pioneer and other countries such as Malaysia, Indonesia, Tanzania, Turkey, Italy, Brazil, Colombia, China, Russia became followers of privatisation policies. This chapter limits its discussion to the UK and the developing countries in general, particularly focusing on the Malaysian privatisation policy.

2.4.1 Privatisation in the UK

Privatisation in the UK started in the beginning of 1980s under the Tory administration of Margaret Thatcher as already discussed in sub-section 2.3.1. According to Wiltshire (1987), the aims and objectives of the privatisation programmes in the UK have been changing. But the basic aims are claimed to be the promotion of competition and the increase efficiency. Other objectives include the promotion of wide share ownership by both employees and the public.

The Economist (1995a), mentioned that many government around the world are taking steps to privatise, but the privatisation efforts in the UK have politically hurt the Conservative Government in the early 1990s. One lesson other countries might learn from the UK is the advantage of eliminating monopolies, rather than trying to regulate them. Privatised UK companies such as British Telecom and British Airways are more profitable in 1994, than before their privatisation. But many British citizens and politicians do not favour privatisation. Public opinion polls consistently found that only one-sixth of voters consider that water privatisation has been a good thing and one quarter says the same of the gas and electricity privatisation. More than ten years after its privatisation, less than two-fifth of the voters even approve the sale of British Telecom although there is evidence that it is now a far better company than before privatisation (Economist, 1995a).

Privatisation has become the political creed of the 1990s. Although widely praised abroad, UK privatisation policy became a political “albatross” around the neck of the Conservative Government. That government was attacked by the then opposition Labour Party (now the governing party) for the ‘excessive’ prices charged and executive salaries paid, by the privatised utilities (electricity, gas, telecom and water). The former government has seem bewitched and bewildered. The then prime minister made a humiliating U-turn on executive pay, promising to consider legislation only months after saying that bosses pay was no business of the government (Economist, 1995a).

The issue on privatisation is a debatable topic surrounding the former Conservative Government. There have been debates and articles regarding the performance of the executive in relation to their salaries and bonuses they received. Conyon (1995) in his study on "Directors' Pay in the Privatised Utilities" concluded that the salary plus bonus of top directors in the privatised utilities has increased by 12 percent per annum since 1990, but employees' average pay has grown by about 3.1 percent in the same utilities. This has been an issue of concern among the public for some time.

Recently, many privatised organisations in the UK have been facing problems regarding the management of their companies. Privatised water companies in 1995 faced criticism from the public because of water shortage and drought problems apparently aggravated by a lack of investment due to excessive distribution to shareholders. To politicians, all this must be worrying as they might reasonably wonder if a similar fate awaits them. It need not, if in their own privatisation programmes they learn from errors made in Britain. As Britain's experience shows, privatisation quick-fixes carry a heavy political price (Economist, 1995a).

2.4.2 Privatisation in Developing Countries

Privatisation has been a popular policy among both the developed countries and the developing countries. Ramamurti (1992) found that privatisation does seem to be associated with financial problems in developing countries. Most of these countries are turning to privatisation in order to lessen their burden of external borrowing. Developing countries, say Goodman and Loveman (1991) have been quick to jump on the privatisation bandwagon, sometimes as a matter of political and economic ideology, other times simply to raise revenue. There are cases where it has been imposed upon these countries by donor governments or international aid bodies. Over the next decade, privatisation is still likely to be at the top of the economic agenda of many countries, covering both the rich and poor countries as well.

There has been much pressure on the developing countries to adopt privatisation as a way out of their intractable economic problems (Clarke, 1993). Similarly, in Eastern Europe, the democratic transformation of the communist states has been

accompanied by a call for immediate and universal privatisation of public assets. Ramamurti (1991) suggests that privatisation is likely to continue in developing countries in the 1990s because of budget deficits, external indebtedness and the policies of international agencies. As a developing nation, the Malaysian government has also adopted the privatisation policy to solve the economic and financial difficulties faced by the government.

2.5 The Malaysian Economy

This sub-section discusses the Malaysian economy, in relation to the privatisation policy, the background, objectives, gains, trends, progress and prospects since the implementation of the policy in 1983.

2.5.1 Background on Malaysia

Malaysia is a federation of thirteen states, in which eleven of the states are situated in West Malaysia (the Peninsular) and the remaining two in the East of Malaysia. Malaysia occupies an area of about 329,758 sq.km and comprises of Peninsular Malaysia (131,598 sq.km) and East Malaysia (198,160 sq.km). Malaysia is a multi-racial country with an estimated population of 20.1 million (DOS, 1995) of which the Malays and the indigenous groups constitute 58.8%, Chinese 26.2%, Indians 7.5% and others 7.5% (Malaysia, 1996).

Malaysia was a British colony before independence in 1957. In 1963, Sabah and Sarawak chose to join the then "Malaya" to form the Malaysian Federation. Peninsular Malaysia is located in the Southeast of Asia, with its neighbours: Thailand (north), Singapore and Indonesia (south), and Brunei and the Philippines (east). The eastern Malaysian states of Sabah and Sarawak are separated from the peninsular by the South China Sea (Appendix 1).

2.5.2 Economic Development and Progress

For a small country that depended almost entirely on rubber and tin for its foreign exchange earnings at independence in 1957, Malaysia has achieved remarkable and

impressive advancement in its economic development by industrialising countries' standard (Bank Negara Annual Reports 1995/96; Malaysia, 1996; Jomo 1990). Malaysia had successfully changed its economy from being highly dependent on the production of rubber and tin to include a wider range of commodities and manufactured goods. In 1994, export of manufactured goods made up over three quarters of Malaysia's total gross exports of RM153.7 billion (current exchange rate as at 7/9/98, 1 pound = 6.4 ringgit (RM)). This has led it being one of the leading growth sectors contributing 31.7% of GDP. The underlying growth of the Malaysian economy was forecasted to increase by 8.5% in 1995, but based on the prevailing and prospective domestic and external environment, the real GDP growth was expected to be higher at 9.5% (E.I.U., 1996). A summary of Malaysia's economic structure can be referred to Appendix 2.

Malaysia continues to be an attractive country for the investment to both foreign and local investors. Among the factor contributing to Malaysia's positive investment environment are its political stability, well developed infrastructure, skilled labour force, the competitive value of the ringgit as well as various Government's measures to improve the investment climate (KPMG, 1995).

The general thrust of the country's economic strategies are pledged in its five years plans. Since independent, there have been seven five-years development plans with the current being the Seventh Malaysia Plan for 1996-2000. Under the First Outline Perspective Plan (OPP1), covering the period of 1971-1990, the government has implemented four development plans from the Second Malaysia Plan (1971-1975) to the Fifth Malaysia Plan (1986-1990). These plans have been implemented within the framework of the New Economic Policy (NEP), which was introduced by the government in 1970, after the race riots of 1969. NEP had a twin strategy of eradication of poverty and restructuring of the society.

The Second Outline Perspective Plan (OPP2), covering the period of 1991-2000 was introduced during the Sixth Malaysia Plan (1991-1995). The OPP2 with a shorter

time frame of ten years, has been formulated based on the New Development Policy (NDP). NDP placed high emphasis on industrialisation to achieve rapid economic growth but stressing also on balanced development in order to established a more united and just society. National unity remains the ultimate goal of socio-economic development because it is the fundamental prerequisite to social and political stability, and sustained development (Mahathir, 1995).

Under the NDP, 'Vision 2020' was introduced. Its main goal is to transform Malaysia into a fully-developed country not only economically, but in all aspects by the year 2020. Malaysia aim to be a developed and industrialised country by that year. With that target, the Malaysian government will continue to make privatisation the key instrument in attaining the NDP.

The recent economic turmoil that occurred in South East Asia countries including Malaysia has affected the economy especially with the devalue of its currency. Most of these countries faces several years of slower economic growth and painful financial restructuring (Economist, 1997). In line with the economic problems, the Malaysian government will need to amend some of its plans on the country's development and privatised projects.

2.5.3 Role of Privatisation in Accelerating Economic Growth

By and large, the privatisation policy in Malaysia is seen as being playing an important role in helping Malaysia achieve the status of an industrialised nation by the year 2020. Under the current Seventh Malaysian Plan, the privatisation program will be accelerated, covering projects in the infrastructure, utilities and transport sectors as well as in the services sector, particularly education and training, health services, and research and development (Malaysia, 1996).

During the Sixth Malaysian Plan period, privatisation continued to be a vital part of the overall strategy to strengthen the role of the private sector in the country's economic development. It has also contributed to the accelerated growth of the

economy and had assisted in the restructuring objective aimed at further enhancing Bumiputera participation in the corporate sector.

According to Ali Abul Hassan (1992), privatisation has played a role in accelerating economic growth in the following ways:

- Privatised entities are much more flexible in pursuit of corporate expansion goals. Growth opportunities are also increased through the pursuit of the profit motive.
- Privatisation has resulted in multiplier effects.
- Growth has been generated in a more direct manner through various BOT (Build-Operate-Transfer) projects.

Privatisation has played an important role in accelerating economic development in Malaysia. The increased efficiency of privatised companies is proven by their impressive financial performance. According to KLSE/MSM (1992), "*privatisation has the effect of deepening and broadening the Malaysian capital market, particularly the stock market, by increasing the number of stocks that will be made available as well as introducing new sectors into the stock market*". Apart from that, privatisation will also be able to open up new opportunities to furthering the progress of the NDP.

2.5.4 An overview of Malaysia's Privatisation Policy

2.5.4.1 Background and Definition

In general, the privatisation policy represents a new approach to the NDP and complements other national policies, such as the Malaysia Incorporated Policy, designed to emphasise the increased role of the private sector in the Malaysian economy (Ernst and Young, 1992). The policy was adopted as a result of a rising public sector budget deficit, the widespread dissatisfaction with the performance of the public enterprises and the need to spur the growth of the economy through active private sector participation (Mohd. Hanafiah, 1990). It was based on the premise that the transfer of activities and functions which traditionally rested with the Government to the private sector will bring about positive changes to the

organisation, management and performance of public enterprises. The introduction of privatisation signalled the government's intention to reduce its role in the economy, to decrease both the level and scope of public spending and to permit market forces to govern economic activities.

In essence, privatisation is concerned with the transfer of various government interest or investment to the private sector. However, the concept of privatisation could be extended to include the transfer of the Government's responsibilities in providing goods and services that are traditionally within its domain to the private sector. Privatisation in the Malaysian context not only involves the transfer of a public enterprise through the sale of up to 100% of its assets or shares to private shareholders, but also include the transfer of a departmental entity or statutory body. Apart from that, it also involves the liberation of market forces, which means the freeing of entry to an industry which was hitherto state-owned, which encourage competition. In short, it can be said that privatisation is a strategy by the Government of rolling back its involvement in favour of freedom, competition, efficiency and productivity (Mohd. Hanafiah, 1990).

According to Ali Abul Hassan (1992), privatisation in the Malaysian context is defined as the transfer to the private sector of activities and functions which have traditionally rested with the public sector. This definition applies to enterprises already owned by the government and to new projects which would normally have been implemented by the public sector. In effecting such transfers, three components are involved, namely management responsibilities, assets and personnel.

In Malaysia, the discussion of privatisation has included reference of the following phenomena:

- sale or divestment of state concerns. The public service concern usually has to first be incorporated legally as a public limited company to facilitate such a sale.
- public issue or sale of a minority or even a majority of shares in a state-owned public company.

- placement of shares with institutional investors.
- sale or lease of physical assets.
- joint public-private sector ventures.
- schemes to draw private financing into construction projects.
- “contracting-out” public services previously provided within the public sector.
- allowing private competition where the public sector previously enjoyed a monopoly.

(Jomo *et al.*, 1995)

The Guidelines on Privatisation (Malaysia, 1985) employs a relatively standard definition of privatisation, encompassing principally asset sale, including partial sales. Apart from that, it also includes leasing, management contracting and contracting-out of services or other activities, including the build-operate-transfer (BOT) schemes for large capital investment. Up until recently, corporatisation was also classified as a form of privatisation in Malaysia. It is one of the method which has been frequently employed in the privatisation of State owned enterprises in the Malaysian infrastructure. In the corporatised organisations, their legal status has been changed to that of a limited company, but their shares are still fully owned by the Government. According to Naidu (1995), corporatisation, in many respects the most rudimentary form of privatisation, is often the precursor to the eventual divestment, partial or complete, of the shares in the SOE by the Government. It is also seen as a launching ground or the transition period before full privatisation of those organisations. From past practice, it is likely that the equity of the organisations would eventually be divested (partially or fully) or by public flotation of shares, which was the path adopted in the privatisation of Telekom Malaysia and Tenaga Nasional. Currently, the KTM (Malayan Railway) and Postal Services have been corporatised and their equity will be either divested or put in public flotation later on. Under the privatisation program, the private sector was invited to take over the provision of public services and utilities, as well as government-owned entities and projects. The privatisation exercise also saw the government selling off some of its

shares in utilities companies such as Tenaga Nasional Berhad (electricity utility) and Telekom Malaysia (telecommunications).

Besides providing some leeway to certain orders, the government allows maximum competition in the privatised industry. In cases where the government feels that the competition is not healthy in economic terms (for example in the case of a natural monopoly), effective monitoring would be introduced to replace the competition. The recent energy problem by Tenaga Nasional is an example of the government interference in the privatised organisation.

The Malaysian experience in privatisation is characterised by four central themes :

- Politically driven and guided by measures intended to promote ethnic balance and participation as in the New Economic Policy (NEP).
- The programme is highly structured and has developed an extensive institutional capacity to plan and implement transactions.
- Privatisation and the role that foreign participation may play in the process is championed aggressively by the prime minister. This top-level commitment has created a policy design and implementation atmosphere where innovative approaches involving the private sector can be undertaken.
- The program has focused on utilising privatisation to develop the types of internationally competitive infrastructure, such as telecommunications, power, highways and ports.

(Hensley and White, 1993)

2.5.4.2 Objectives of Privatisation in Malaysia

The economic recession around the globe resulted in the deterioration of prices of Malaysian commodity products in the 1980s. This has resulted in a deficit balance of payments. Apart from that, the increasing demand for public sector expenditure, coupled with the public sector's under-performing, also contributed to this. Global competition, combined with the poor performance of public enterprises, demanded a change in the performance of the economy.

Government policy to promote a macro-level partnership between the public and the private sectors was aimed for in the new government led by Dr. Mahathir in 1981. The new government faced a severe and worsening fiscal crisis and protracted balance of payment deterioration. In 1982 they began to focus on two sets of corrective measures aimed firstly at a number of structural problems, such as the unsatisfactory performance of public enterprise and rigidities in wage and pricing policy, and secondly at making a fundamental reassessment of the public sector's role, particularly aiming at reducing the level and scope of public spending (Leeds, 1989). Privatisation became an important component of the new government's strategy. The privatisation policy is seen as being the contributing factor towards enlarging the private sector because government agencies, department and entities that are privatised will operate as private entities. To facilitate the implementation of the privatisation programme, the government has released the Privatisation Master Plan whose objective is to provide guidelines for the orderly and systematic implementation of the privatisation policy.

Furthermore, policies such as "Malaysia Incorporated" and the "Look East Policy" were the government's effort aimed at modelling certain aspects of the Japanese and Korean industrialisation and management practices. Therefore, the government structured a 'guideline on privatisation' to catalyse the programme.

The privatisation programme introduced under the Privatisation Master Plan is intended to achieve government's five main objectives, namely :

1. To relieve the financial and administrative burden of the government with respect to public enterprises.

The privatisation policy is introduced in order for the government to hand over its commercial activities to the private sector so that the government may concentrate its efforts on traditional functions such as administration of the country's peace and the distribution of the nation's wealth.

2. To promote competition, improve efficiency and increase the productivity of these enterprises.

The privatisation programme is expected to increase efficiency and output of economic activity. By privatising, efficiency can be increased in a few ways by introducing and promoting competition and providing incentives to employees, and this could reduce organisations' political involvement and the government's monitoring policy.

3. To stimulate private entrepreneurship and investment in order to accelerate the rate of growth of the company.

Privatisation will provide chances for the private sector to increase its role in the development of the country through profit-motivation, a major factor in economic development. With the increase in profits, the government will receive added income through corporate tax, to fund socio-economic development projects.

4. To assist in the reduction of the size of the public sector and its monopolistic and bureaucratic tendencies.

In the privatisation programme, the public sector size will be reduced as employees of the privatised organisations will no longer be considered public sector employees. On the other hand, the role of the private sector will increase in terms of its contribution to the nation's economy and at the same time increasing the sector's total employment.

5. To contribute toward the objectives of the New Economic Policy, with particular attention to the role of the Bumiputera entrepreneurship.

With the increased prospects of economic growth by the private sector, privatisation will provide chances to increase the rate of achieving the national economic policy's objectives from the aspect of restructuring the share ownership distribution trends in the economy.

The Privatisation Master Plan has incorporated the formulation of short-term Privatisation Action Plans which contain details of entities to be privatised. It is the government policy to ensure that all information pertaining to any public entity to be privatised is made public to facilitate competitive bidding.

The government has also instituted regulatory bodies to watch over the privatised entities to ensure that the public interest is served. In fact, the government will continue to have influence and effect upon the government entities even after they have been privatised (KLSE/MSC, 1992). Moreover, in certain cases, the government will even retain the Golden Share which it can use to veto decisions seen as against the public interest. As guardian of public interest, the government will ensure that the poor have access to essential services; that the quality of the output of privatised entities are up to the pre-specified levels; that services are provided at minimum cost and at affordable prices. It will also ensure that unproductive monopolistic services are avoided and the welfare of workers protected.

In summary, the aim of privatising public sector agencies and services is to increase private sector involvement and at the same time reduce the financial and administrative burden of the government. It is also aimed at increasing the efficiency and quality of public services within the economy. Privatisation is also consistent with the long-term aim of the Government of reducing its direct involvement in commercially-related activities and which lessens competition with private sector in various activities (Malaysia, 1985)

2.5.5 Gains from Privatisation

The Malaysian government has committed itself to extensive privatisation programmes. The number of privatised organisations in Malaysia between 1991-1995 was 204 (Malaysia, 1996) and the major infrastructure projects being privatised can be referred to Appendix 3.

Privatisation has played an important role in accelerating economic growth through greater investment which in turn has led to corporate expansion. Growth was also created through efficiency gains where more output was produced using a lesser amount of resources. It was reported that RM 51.6 billion of savings was accumulated from privatised projects since 1983, as indicated in Table 2.5.5. RM 14.1 billion was generated from the sale of assets and equity of the privatised entity, plus another RM 2.3 billion received from corporate tax. These have helped the government to reduce its borrowings and reallocated resources to other sectors for development.

Privatisation has reduced the size of government bureaucracy in personnel terms as well. According to the Privatisation Masterplan, with privatisation and corporatisation, the number of public sector personnel declined by at least 54,000 with their transfer to the private sector. It was reported that a total of 96,756 public sector employees were transferred to the private sector since 1983. As indicated by Jomo (1995), it has been argued that the problems of public sector personnel hiring, firing, promotion, and retraining remain. The perception and priority given to privatisation has contained and undermined much needed public sector reforms affecting personnel as in other areas.

Table 2.5.5 :
Proceeds, Savings and Reduction of Public Sector Employees

	1991-1995	1983-1995
Proceeds (RM billion)		
Sale of Equity	11.91	19.13
Sale of Assets	2.31	2.39
Savings (RM billion)		
Capital Expenditure	51.59	72.76
Number of Public Sector Employees Transferred	43,038	96,756

Source: Malaysia (1996)

2.5.6 Privatisation Trends in Malaysia

The important criteria for privatising an entity in Malaysia are its privatisability and potential profitability. The cost and benefits of privatising the services and activities would also need to be evaluated, particularly, the level for prices charged for the services after privatisation. Private sector interests proposing to take over basic

services will need to carefully consider the implications of the privatised services on the welfare of the lower income groups.

2.5.7 Privatisation Progress (1991-1995)

During the Sixth Malaysian Plan period, a total of 204 projects were privatised, of which 56.4% were Federal Government projects and 43.6% State Governments projects. The sector distribution of the privatised projects are shown in Appendix 4. The increased number of the privatised projects was mainly attributed to the increased capacity and dynamism of the private sector to undertake projects and the support provided by the government in terms of loan, tax incentives and other concessionary terms (Malaysia, 1996). Most of the projects privatised during the period were through the sale of equity (46.1%), sale of assets (16.2%) and BOT (10.3%). The breakdown of projects by sector and modes of privatisation is shown in Appendix 4.

Privatisation in Malaysia seems to have primarily involved the transformation of public monopolies into private monopolies, without any significant change in market structure (Rugayah, 1995). One of the objectives of the Malaysian privatisation policy is to improve the efficiency of enterprises, because transferring ownership rights alone will not necessary mean improving the performance of the enterprise. It is popularly believed that there are strong influences from private interests who try to determine what is to be privatised, in what manner and to whom, in many cases of privatisation in Malaysia (Jomo, 1995). It has been argued that the government has kept large shareholdings in important privatised entities such as Tenaga Nasional and Telekom Malaysia (the organisations studied). Ownership of "golden shares" empower the Government to veto board decisions and influence top management appointments, as well as to block hostile take-overs (de Jonquieres, 1996).

2.5.8 Prospects for Privatisation (1996-2000)

Under the Seventh Malaysian Plan, privatisation is expected to further contribute to the growth of the Malaysian economy through greater efficiency and productivity gains. Emphasis will continue to be given towards the privatisation of projects in the

infrastructure, utilities, and transport sectors, and other fields such as education and training, health and also research and development. In fields such as education and health which traditionally have been the responsibility of the Government, the privatisation programme will be planned in a more comprehensive manner to ensure the majority of the population have access to these services at affordable prices (Malaysia, 1996). Moreover, the Government will continue to hold equity in certain companies in order to protect public interest and to monitor the performance of the privatised entities.

2.5.9 Current Privatisation Issues in Malaysia

Privatisation in Malaysia has probably been most successful in contributing to the government's New Economic Policy objectives, particularly to Bumiputeras' wealth acquisition (Jomo, 1993). One might also argue that the prioritisation of this objective has probably seriously undermined achievement of the other stated aims of privatisation policy. But, on the other hand, privatisation policy appears to reflect the government's growing disenchantment with bureaucracy running the enterprises (Taib and Mat, 1992).

According to Jomo (1993), some of the cost of privatisation has been softened by policies to ameliorate adverse effects, especially in those sectors of the electorate considered supportive to the government. For example, employees in privatised organisations have been guaranteed security of employment as well as higher wages in the short term. It is also believed that the influential employees (politically and union leaders) have encouraged the government to ensure security of employment for five years, and to offer better service terms and conditions as 'carrots' to induce employees not to resist privatisation. Hence, most employees opt to join the privatised organisations.

To motivate employees, the Privatisation Master Plan (PMP) recommends employees' share ownership as well as other incentives. However, it acknowledges that such schemes have not benefited poorer employees very much, while loyalty

and commitment to the organisation have been undermined by the subsequent sale of shares.

Despite the Privatisation Master Plan (PMP) claims that privatisation is 'premised on the superiority of the market over the administrative directives in governing economic activity to achieve efficiency', and that 'the government's intervention in the economy will be minimal', efforts at deregulation are well behind those of privatisation.

Lately, the government has been having further thoughts about privatisation, although it will remain as a policy to boost the economy. The government now wants to limit the number of companies competing within a particular market (Economist, 1995b). This concern has been triggered by recent energy problems faced by Tenaga Nasional (the electricity utility) in the state of Penang.

Privatisation in itself only involves the transfer property rights, and, in many instances in Malaysia, management personnel have not been significantly changed (Jomo, 1993). This may or may not have affected human resource management policies after privatisation. Therefore, this study aims to discover if there have been changes in human resource policies after privatisation and if any such changes have altered employees' commitment and job satisfaction despite management personnel being retained.

2.6 Conclusion

Privatisation policies which started in the UK have been adopted by other developed and developing nations throughout the world, including Malaysia. The Malaysian Government has undertaken an extensive privatisation programme since 1983 and many public organisations have been privatised. Privatisation has played an important role in accelerating economic growth, reducing the financial and administrative burden of the government, and increase the private sector involvement in the country. Privatisation is one form of organisational change.

Chapter Three : PRIVATISATION AND ORGANISATIONAL CHANGE**3.1 Introduction**

This chapter discusses the impact of privatisation and organisational change on human resource management practices. It highlights the changes that occur as a result of privatisation in terms of management and the behaviour of the employees within the organisation in order to survive in a private sector business environment. The changes required from management are discussed in this chapter, while changes expected from employees are discussed in Chapter 4 in terms of organisational commitment and job satisfaction. Differences between public and private sector organisations are also discussed towards the end of this chapter.

3.2 Organisational Change as a Result of Privatisation

Organisational change is the key issue facing managers today, especially with the drive to privatise many organisations throughout the world. Reengineering, restructuring, downsizing, merger, acquisition and privatisation are important forms of organisational change. Organisations are expected to respond to the rapid changing environment in order to survive and prosper. According to Porras and Silvers (1991), planned change that makes organisations more responsive to environmental shifts should be guided by generally accepted and unified theories of organisations and organisational change. Changes in ownership status that lead to discernible performance improvements might be expected to be associated with changes in management (Parker, 1995).

Privatisation changes the internal and the external environment of the organisation concerned. Instead of being accountable to government, management become accountable to shareholders and commercial lenders who expect high profits in order to maximise their share value. Furthermore, organisations may face more competition after privatisation. According to Martin and Parker (1997), privatisation is popularly associated with changes from a bureaucratic, sluggish and badly managed

organisation to one that is dynamic, entrepreneurial, and customer oriented. What is involved is in essence a culture change within the organisation (Walters, 1990).

In general, management will be expected to be affected by the change in ownership and style of the organisation. In theory, it could be seen that management, until privatisation, have been working within the bureaucratic structure of an organisation. As such, they would have been functioning according to very specific legislation, statutes and ministerial constraints. Working under such conditions, management's main objectives have placed emphasis on technical expertise and public interest, rather than having 'the pursuit of profits as its primary goal' (Meredith, 1992). With the change, private enterprise management will need to review their organisational goals, control, long-term strategy, identification of investment need and the development of management skills (Meredith, 1992). Therefore management need to revise their plans and actions in order to cope with the changing environment.

3.3 The Impact of Privatisation on Management

The impact of privatisation can be looked at from several perspectives, that is efficiency, budget, and employment. Prokopenko (1995) indicated that the impact of privatisation on management can be traced through several logical stages; privatisation has an impact on organisational restructuring and managerial practices, leading to changes in managerial styles, skills and attitude, and new demands for management to meet the challenges. Privatisation has brought many changes to the work of the managers of the privatised organisations where they need to recognise the economic and social complexity of market conditions and deal with competitiveness.

Prokopenko (1995) further says that privatisation in itself, without dramatic improvements in the management system and managerial competence, attitudes and motivations, does not result in improvement in the effectiveness of the privatised organisations.

A fundamental improvement in the quality of management is the key to the successful transition to a market economy and to dynamic technological and social change. Newly privatised organisations are increasingly trying to become more client and market oriented. They are also beginning to recognise that the skills and commitment of their employees and the quality of their managers will determine future success (Prokopenko, 1995). According to Salama (1995), privatisation and market deregulation effectively change the business environment and thus increase the demands placed on management in improving long term profitability. Therefore, in order for the organisations to succeed in a competitive environment, the organisation must possess particular management characteristics, including the appropriate skills to manage in a market economy.

Privatisation at one level is about strategic choice or direction in which the organisation needs to move (Martin and Parker, 1997). Therefore, management in privatised organisations are clear about the general way the government expects them to change, in particular to be completely self-financing, entrepreneurial and more consumer oriented. Restructuring within the organisation is needed in order to carry out the change programme. Changes in the internal environment must therefore occur to complement those happening in the external environment (DeGagne and Goh, 1995; Prokopenko, 1995).

For change to occur in any organisation, each person must think, feel, or do something different. Duck (1993) argues that managers need a new way to think about managing change in today's knowledge organisation, that is, managers must connect and balance all pieces of the change effort. One of the areas that managers need to focus is the changes needed in managing its human resources.

3.4 Changes in Human Resource Management

Since management means first of all managing people and achieving results through human resources, it is important to discuss the implications of privatisation for human resource management (HRM). This is the reason why the researcher chose it

as the objective of the study. There are many differences in HRM between public and private organisations. Studies show that personnel policy objectives in private organisations are formulated more concretely and thus facilitate the development of employees (Vacha, 1995; DeGagne & Goh, 1995). As a consequence of privatisation, top management attitudes in the public organisation will change. Instead of considering employees in terms of production and cost factors, managers will view them as a vital creative resource to meet customer expectations and as a source of revenue.

Privatisation leads to changes in employment policies. Before privatisation, the employees abided by rules and regulations and laws imposed by the government. Afterwards, they may have to abide by rules set by mutual agreement between management and unions. We have to bear in mind that privatisation does not in itself determine change in management plans within the employment relationship.

Further, it should be noted that human resource policy is only one of the aspects that may change due to privatisation. Other aspects that should be taken into consideration are culture, technology, management, vision and objectives of the organisations.

Privatisation itself is a relatively simple political decision but it has huge effects on the employees who are required to work in a totally new environment. Staff have to adapt from working as public service employees in a centrally planned, organised and directed system to working as employees of business-oriented organisations where productivity, customer service and quality are needed in order to survive. Therefore, the adaptation to the new environment and circumstances implies the need to develop skills and competence, and in turn the need for training and development of both employees and management.

The real issue of privatisation lies with the people, the employees of the privatised organisation. It is evident that changes in human resources and their management would be a starting point for other changes in the organisation (Vacha, 1995).

According to Prokopenko (1995), with privatisation and more power decentralisation, as well as client orientation, it has been recognised that new, integrative management skills such as strategic planning, human resource management, marketing, financial management, and motivation are of critical importance in a competitive environment. These major changes in the business environment and conditions of employment will require more dynamic and sensitive HRM in the future. The personnel department will expand from administrative and clerical support to become a special advisory body for developing and maintaining HRM policies, integrated within total business strategy and long-term planning. The speed and intensity with which the changes are implemented depend greatly on how economic reform and privatisation proceed and on political circumstances, but the latter are difficult to predict.

New market oriented management practices and styles demand new managerial profiles in terms of knowledge, skills, attitudes and job behaviour which result in better decision-making and improved organisational performance. Of these attributes, the most difficult to change are the traditional values and attitudes which have developed over the years of being a public enterprise (Prokopenko, 1995). Employees need to adapt to the changing environment and market conditions after privatisation .

Further, changes in human resource management as a result of privatisation can be looked at from many aspects. The scope of the research for this thesis is HRM practices regarding pay, promotion, benefits, performance appraisal, job security, physical working conditions, and training and development.

3.5 Public-Private Sector Differences

Organisational change has been the distinguishing feature of public and private sector organisations. It is known that this difference exists. This sub-section addresses some of the issues regarding the differences.

The most obvious differences are that the political nature of strategic objectives in the public sector are not driven by market forces or factors (Storey, 1992) and that successful HRM in the public sector requires not only top management support but also political support from elected politicians.

Martin and Parker (1997) provide a table on the similarities and differences of the public and private sectors (Table 3.5). According to them, privatisation is popularly associated with a change from a bureaucratic, sluggish and badly managed organisation to one that is dynamic, entrepreneurial and customer focused. What is involved is in essence a culture change within the organisation (Walters, 1990).

Most public sector managers think in terms of production and quantity whereas managers in private companies talk about quality, marketing, profits and sales. Further, management in public organisations are often characterised by ambiguity and the widespread avoidance of responsibility. Privatisation, where there are unions, has also been seen as providing increased opportunities for negotiations and the prospects for collective bargaining for unions. As a result, participation in decision making is becoming an important trend in management and trade union practices. This may help to create a better climate for the employees, resulting in better employee attitudes. Besides that, managers may have to develop better techniques to promote and reinforce employees' participation to improve job satisfaction and to create self-managing teams, quality circles, employee involvement in decision making, training in problem solving and management skills, pay based on skills and results, and organisation-wide incentives such as gain-sharing.

Table 3.5 :
Stereotypical Distinctions between the Public and Private Sectors.

	Public Sector	Private Sector
Management	Agent-principal relationship: blurred Orientation: inward/production/professional interests Style: reactive Politically constrained	Clear Consumer/marketing focus Proactive Stakeholder interests but less constraints
Goals	Multiple and sometimes vague and conflicting (public interest) Equity and probity Closed system leading to continuity/consistency Focus on inputs Non-market prices/state subsidies	Uni-dimensional (profit) Entrepreneurial Open/adaptable Focus on outputs/outcomes Market prices/subsidy free
Organisational structure	Hierarchical pyramid/centralised Functional	Decentralised/diversified Business based/profit centres
Labour	High unionisation/centralised bargaining Salary grading High security of employment	Lower unionisation/decentralised bargaining Employment based on performance Less security of employment
Communication and reporting systems	Bureaucratic and formal/external environment more static Internal communication via written memoranda Formal committee structures Rule book procedures Accounting and management information systems under-developed	Non-bureaucratic/informal/external environment more turbulent More face-to-face Ad hoc team working Financial targets; outcomes Strong accounting and MIS systems
Nature and location of business	Politically and geographically constrained Business development limited Location: mainly national	Commercially determined Diversification, investment and divestment/mergers/overseas venture International/global orientation

Source: Martin and Parker (1997)

In the public sector, managers are required to place greater emphasis on the needs of external stakeholders with particular regard to national and local government. After privatisation, the survival of the organisation is no longer guaranteed (Crockford, 1994). Therefore, greater emphasis must be placed on the needs and desires of customers in order to generate sufficient revenue. Therefore, managers are required to acquire skills in marketing and strategic management in order to compete in the business world.

Privatised organisations are free from the control of Government, which should lead to better performance by management and staff. It is hoped that “*greater freedom*

will stimulate greater enterprise and commitment" (Crockford, 1994), which will in turn improve services to customers.

Wittmer (1991) indicated that various studies of work-related attitudes such as job satisfaction, organisational commitment, loyalty and involvement have shown that public sector managers have less favourable attitudes than private sector managers.

It is widely accepted that the prevalent management styles in public and private sector organisations differ significantly (Mishra et al, 1989) in that the nature of the ownership tend to affect preferences for different management styles. One of the explanations for such differences according to Zeffane (1994) is the fact that public and private sector strategic managers operate in different contexts that generate distinct constraints on their behaviour and choices. As Angle and Perry (1981) point out, some of the key constraints of public sector management are inherent in policy ambiguity. These constraints often have serious implications for public sector managers in particular. As indicated by Dopson and Stewart (1990), many public sector managers comment on the paradoxical nature of the demands being placed on them by the government, with a feeling that managers are given the responsibility but not the power to meet specific targets.

Stemming from the above literature findings and arguments is the idea that the removal of bureaucratic barriers and the creation of a more flexible structure (particularly after privatisation) are more likely to contribute to the enhancement of employee commitment and job satisfaction in terms of their loyalty and attachment to the organisations and their satisfaction level (Baldwin, 1987; Morrow *et al*, 1988; Odom *et al*, 1990).

Traditionally, the public sector has provided secure employment and reasonable working conditions and pay to its employees. It is expected, therefore, that privatisation will lead to important changes in employment practices. Apart from that, as Crockford (1994) points out, the justification for privatisation is based on the

belief that private sector organisations are better at managing business than are public sector organisations.

Changes in organisational conditions regarding pay, promotion, benefits, performance appraisal, job security, physical working conditions, and training and development are the most likely options for increasing productivity and performance in these organisation. Hence, in order for the organisation to be competitive in the open market, it needs employees who are capable, satisfied and committed to the organisation.

The public-private dimension as an antecedent of organisational commitment has been the subject of some research scrutiny in recent years, but this is not the case for job satisfaction. Some studies have uncovered a substantial effect of “publicness” on individual attachment to the organisation. Balfour and Wechsler (1990) found that the strength of an individual attachment to the organisation is a function of several dimensions of organisations’ experience that can be inconsistent in their effects. Public employees, in particular, may be simultaneously repelled by and attracted to the organisation.

In an attempt to identify the antecedents of public sector commitment and their related effects, Balfour and Wechsler (1991) reported that higher levels of commitment were linked with the desire to remain in the organisation, but they found no systematic connection between overall commitment and the extent of employee willingness to undertake efforts on behalf of the organisation. According to Brook and Price (1989), employee commitment and attachment to the organisation can be increased through efforts to improve the organisation’s social atmosphere and sense of purpose. In another perspective, Odom *et al* (1990) discussed the paradox for public sector employees. They say that the predominant dimension of organisational culture for their sample of organisations was bureaucratic and least conducive to the creation of employee commitment, job satisfaction and work-group cohesion.

On the contrary, Choudhry (1989) reported no significant difference in job attitudes of public and private sector employees. He further suggested that there is no relationship between employee attitudes and occupational level within both sectors. Similarly, Kline and Peters (1991) reported no relationship between behavioural commitment and perceived publicness.

Previous research has suggested that the type of organisational ownership can affect organisational commitment (Pierce and Furo, 1990; Wetzel and Gallagher, 1990). Private sector employees have often been reported to hold higher commitment than public sector employees (Odom *et al*, 1990; Savery, 1991). Despite these research efforts, there is still a lack of theoretical explanation for the differences in organisational commitment between public and private sector employees (Zeffane, 1995).

The removal of bureaucratic barriers and the creation of more flexible structures (in the public sector) are more likely to contribute to the enhancement of employee commitment in terms of employees' loyalty and their attachment to the organisation (Baldwin, 1987; Morrow *et al*, 1988; Odom *et al*, 1990). This is consistent with findings by Flynn and Tannenbaum (1993) that private sector managers reported greater autonomy and challenge in their jobs than their public sector counterparts. Moreover, they found that public sector managers rated job clarity more important to their job performance than did the private sector managers.

Wittmer (1991) found that private sector managers rank monetary incentives (higher pay) more important than public sector managers. Pay was found to be the primary motivator for private sector managers but it was also found to be relatively important in the public sectors.

It should be noted that individuals have different values, orientations and goals, and make choices of employer accordingly. Their focus and adaptation to different organisational cultures and environments may also be contributing factors to these

differences. Newstrom *et al* (1976) suggest that public sector managers may have resigned themselves to more limited and tightly structured pay scales, and that the higher values for monetary pay incentives and security among private sector managers is a function of a more competitive environment and existing incentive systems.

Wittmer (1991) also found similarities among public and private sector, where promotions, status, prestige, co-worker friendship and even opportunities were relatively less important than other factors of employment. He suggests that, for public employees, job security is of great importance. Government employees are viewed as preferring job security over the potential for higher financial rewards. Comparative studies tend to show that, contrary to the stereotype, either no significant differences exist between sectors (Rainey, 1982) or private sector employees actually attach greater importance to job security (Newstrom *et al*, 1976). Adopting Maslow's 'hierarchy of needs' as a theoretical framework, they suggest that lower scores on the importance of job security may indicate that the need is, in fact, more satisfied for employees in the public sector, allowing them to be more concerned about higher-order needs.

Zain's (1996) study of the quality of work life and organisational commitment indicates that organisational types do have similarities and differences in respect of organisational commitment. He found that salary was an antecedent of affective commitment for the public sector employees while physical environment and pay and benefits were such antecedent factors for the private sector employees. But for both organisational types, growth and development, social relevance and workplace integration seem to be similar factors in producing affective commitment. For normative commitment, he found that growth and development are antecedent factors for the public sector while, for the private sector, pay and benefits are antecedent variables.

Maidani (1991) conducted a study to investigate the job content (intrinsic) and job context (extrinsic) factors contributing to job satisfaction among public and private sector employees. The results indicated that a larger majority of satisfied employees are in the public sector. There were no differences found between public and private sector employees on the value placed on intrinsic factors but public sector employees placed a significantly higher value on extrinsic factors than did private sector employees.

On pay and promotion, Blunt and Spring's (1991) findings indicated that Masters in Public Administration (MPA) graduates derive greater satisfaction from pay and promotion opportunities in the private sector than in the public sectors. However, according to Martin and Parker (1997), in the public sector, pay tends to be linked to longevity within the post (salary grading) rather than with performance which tends to be the case in much of the private sector. Secure employment has traditionally been a hallmark of the public sector, with few redundancies and with dismissal usually occurring only for clear breaches of regulations. Such an environment favours a cautious and increment style of management.

The terms and conditions of employment may lead to a particular type of person being attracted to working in the public sector. Research in this area is limited and is not conclusive. Nevertheless, there is some evidence that public sector employees may be more concerned with job security than with pay (Rainey, 1991) and that they differ from private sector employees not in being lazy and bureaucratic but in terms of 'work-related values, reward preferences, needs, and personality types' (Wittmer, 1991). When working they may achieve lower levels of job satisfaction and commitment, especially at managerial grades. Research also suggests that public sector employees may place a higher value on public service and a lower value on financial rewards and perceive a weaker relationship between pay, promotion and job security, and that public sector management may be less enthusiastic about the possibility and desirability of change (Dopson and Stewart, 1990).

The scale of organisational change prompted by privatisation provides an ideal focus for the investigation of changes in human resource management practices. Privatisation changes the public organisation into a private organisation, but the question that arises is whether there are significant influences on the levels of employees' commitment and satisfaction. This research attempts to address this question.

3.6 Conclusion

This chapter has discussed the concept of organisational change in relation to general management and human resource management as well as the differences between public and private sectors. The shift from being a public organisation to being a private organisation has probably increased the interest of managers in better human resource management. The next chapter discusses the importance of organisational commitment and job satisfaction.

Chapter Four : IMPORTANCE OF ORGANISATIONAL COMMITMENT AND JOB SATISFACTION

4.1 Introduction

This chapter reviews the concepts of organisational commitment and job satisfaction, which are the dependent variables in this study. Organisational commitment and job satisfaction have attracted considerable research attention in recent years.

4.2 Employee Attitudes

The study of job attitudes such as job satisfaction, organisational commitment, employee involvement has been of central interest to researchers and practitioners because it can have important financial consequences for organisations (Judge *et al*, 1995) as well as important effects on the individuals who hold these attitudes.

Eisenberger *et al* (1990) found that fewer absences, increased performance, greater innovation, and positive work attitudes were outcomes for those employees who perceived that the human resource department and organisational management was concerned about them. According to Judge *et al* (1995), from a practical standpoint, these attitudes can be an important barometer of the effectiveness human resource management.

Judge *et al*. (1995) say that job attitudes continue to be of interest to researchers for many reasons, ranging from understanding their psychological causes (i.e., job attitudes are a result of interesting psychological processes) to the practical (i.e., work attitudes have pervasive influences on life attitudes, and job attitudes are related to behaviour, which researchers find interesting). Employee attitudes which have received a substantial amount of attention are organisational commitment and job satisfaction. Organisational commitment is important because it is associated with other important organisational variables including work performance and measures of organisational withdrawal (e.g. turnover and absenteeism). Organisational commitment has been defined as consisting of two components, that is attitudinal and behavioural commitment. More recently, Allen and Meyer (1990) conceptualised

organisational commitment as a group of attitudes composed of three different components, that is affective, continuance and normative. This concept is used in this research, and discussion of organisational commitment is one of two themes in this chapter.

Job satisfaction on the other hand, according to Locke (1976), is one of the most frequently studied concepts in organisational sciences. More recently, Hulin (1991) summarised a large amount of literature on job satisfaction while Cranny *et al* (1992) wrote a book which focuses on work concerned with understanding job satisfaction. Job satisfaction was described by Locke (1976) as an outcome of the perception that one's job fulfils the important values that are congruent with one's needs. Job satisfaction is the second theme of this chapter.

4.3 Organisational Commitment

According to McCaul *et al* (1995), theoretically organisational commitment influences a variety of behaviours that are important to the effective functioning of the organisation. Individuals who are committed to the organisation may intend to stay, exert great effort, and perform well (Mowday *et al*, 1982). One of the central aims of human resource strategies in recent years has been to increase employee commitment to the organisation (Morris *et al*, 1993). This occurs because high commitment is thought to result in lower labour turnover, better product quality, greater capacity to innovate, and employee flexibility, each of which can enhance the ability of the firm to achieve competitive advantage (Walton, 1985).

Moreover, the commitment of employees to the organisation is of prime concern to human resource managers in most environments (Pitt *et al*, 1995). Committed employees are believed to dedicate more of their time, energy, and talents to the organisation than those who are not committed, reflecting an individual's willingness to work towards and accept organisational goals (Reichers, 1985).

According to Coopey and Hartley (1991), there has been a dramatic increase interest in organisational commitment over the years. Many major academic and professional journals carry articles which seek to define and measure it and to relate it to individual and organisational outcomes. With the increased interest in human resource management (HRM) in the 1980s, the concept has been used as a variable in many studies and used to explain organisational processes and outcomes.

Coopey and Hartley (1991) claimed that the interest was attribute partly to its central position in HRM policies. For example, the influential model of HRM described by Guest (1987) includes employee commitment to the organisation as one of its four key dimensions (see Chapter 5). Commitment is defined by Mowday *et al* (1982) as the desire to maintain membership of an organisation, to accept its goals and values, and to work hard. However, according to Jones (1996) the literature on commitment has been conceptualised and operationalised in a variety of ways which makes comparisons across studies very difficult (Angle and Perry, 1986; Guest and Dewe, 1991; Jones, 1992).

4.3.1 The Concept of Organisational Commitment

The concept of organisational commitment is an important element that indicates how scholars and practitioners think about the linkage or attachment of individuals to the organisation. It has been theorised that committed employees are less likely to leave and more likely to make extra effort on behalf of the organisation than others who are less committed (Mowday *et al*, 1982). Morrow (1983), however indicated that there are at least 25 employee commitment concepts and measures, which may be grouped as commitment to work, the career, the organisation, the job and the union. Muller *et al* (1992) concur with this analysis. This chapter specifically addresses the concept of organisational commitment.

According to Dunham *et al* (1994), over several decades of study, organisational commitment has been approached from a variety of conceptual and operational perspectives. Most commitment studies refer to it as both attitude and behaviour, as

a unidimensional as well as a multidimensional construct, as a sociological (structure) as well as a psychological (functional) concept, and both as antecedent and outcome variables (Roth, 1992).

Organisational commitment shares a common theme where it is considered to be a 'bond' or 'linking' of the individual to the organisation (Mathieu and Zajac, 1990). Its definition differs in terms of how this bond is considered to have developed. The most commonly studied types of organisational commitment have been attitudinal and behavioural (Mathieu and Zajac, 1990; Randall, 1990). Attitudinal commitment indicates an affective response by members to the organisation which involves loyalty and support. The definition by Porter *et al* (1974) has been frequently used as it explains attitudinal commitment to be, "*the relative strength of an individual's identification with and involvement in a particular organisation*". Operationally, this definition has been sub-divided into three factors:

- A strong belief in and acceptance of the organisation's goals and values;
- A willingness to exert considerable effort on behalf of the organisation;
- A strong desire to maintain membership of the organisation.

Another form of commitment is behavioural. It focuses more on why employees choose to retain membership of an organisation or to quit (Angle and Perry, 1983). According to Somers (1993), this stems from Becker's (1960) notion of 'side-bets', which regards commitment as less affective and more calculative, a reflection of recognised, accumulated interests that bind one to a particular organisation (Hackett *et al*, 1994). According to Morris *et al* (1993), two main behavioural models are those derived from Salancik (1977) and Becker (1960). In Salancik's model, behavioural commitment develops from an individual's actions which binds him or her to the organisation. Salancik also argues that past and present commitment to an organisation is strongly linked to future tenure intention; thus high behavioural commitment will therefore be associated with a desire to remain with the same organisation in the future.

For many researchers, organisational commitment is considered to be the result of an exchange relationship, where individuals attach themselves to the organisation in return for certain valued rewards or payments from the organisation (Farrell and Rusbult, 1981; Mowday *et al*,1981; Angle and Perry, 1983; Mottaz, 1986). Individuals enter organisations with specific skills, desires and goals, and expect a work setting where they can use their skills, satisfy their desires and achieve their goals. To the extent that the organisation is perceived as facilitating these ends, commitment is likely to increase.

Allen and Meyer (1990) proposed three components of attitudinal commitment. These are affective commitment, which involves the idea of wanting to remain with the organisation because of positive work experiences, continuance commitment, which involves the idea of needing to remain with the organisation because of accumulated investment and a lack of employment alternatives, and normative commitment, which involves the idea of feeling one ought to remain with the organisation because of personal norms and values. Although their concepts have been criticised by some researchers, measures of these concepts have been found to demonstrate adequate internal consistency reliability (Allen and Meyer, 1990; McGee and Ford, 1987; Meyer and Allen, 1984) and the concepts have been found to have construct validity (Md. Zain, 1996; Hackett *et al* 1994; Allen and Meyer, 1990; Dunham and Grube, 1990; McGee and Ford, 1987). These concepts of organisational commitment are addressed in this research.

4.3.2 Dimensions of Organisational Commitment

The dimensions of organisational commitment have been a debatable issue for some time. As has been described (section 4.3.1) researchers define it multi-dimensionally and others unidimensionally. The various types and dimensions of organisational commitment used in this research are discussed below.

4.3.2.1 Affective Commitment

Affective commitment is also known as value commitment (Wittig-Berman and Lang, 1990). The conceptualisation of commitment as an affective state is exemplified by Buchanan's definition of organisation commitment : "*a partisan affective attachment to the goals and values of an organisation*" (Popper and Lipshitz, 1992). Porter's definition, "*the strength of an individual's identification with, and involvement in a particular organisation*", is also reflective of affective commitment. O'Reilly and Chatman (1986) suggested that identification occurs when an individual accepts influence to establish or maintain a satisfying relationship, that is, an individual may feel proud to be part of a group. Employees who are affectively committed to the organisation remain with the organisation because they want to (Meyer *et al*, 1990).

According to Judge *et al* (1995), affective commitment is similar to attitudinal commitment and refers to the emotional attachment employees feel for their organisation. Attitudinal commitment is rooted in the work of Buchanan (1974), Porter *et al* (1974) and Mowday *et al* (1982), who regard it as an affective attachment to the organisation based on identification with the organisation's goals and values. Exchange theory is often cited as an explanatory model for attitudinal commitment on the basis that employee commitment, i.e. identification and involvement, are exchanges for acceptable organisational inducement or rewards. Mottaz (1988) described attitudinal commitment as an affective response (attitude) resulting from an evaluation of the work situation which links or attaches the individual to the organisation.

4.3.2.2 Continuance Commitment

Continuance commitment shares some features of behavioural commitment but also reflects employees' perceived cost of leaving the organisation (Judge *et al*, 1995). Becker's definition of commitment as "*the tendency to engage in consistent line of activity because of the perceived cost of doing otherwise*" also represents this

concept. O'Reilly and Chatman (1986) suggested that individuals comply with the organisation not because of shared beliefs but simply to gain rewards.

Employees whose primary link to the organisation is based on continuance commitment remain because they need to do so (Meyer and Allen 1991). Self-interest is the guiding criterion for the development of commitment to the organisation. The degree of an employee's commitment to his organisation is dependent upon his or her perception of the overall reward-cost balance of maintaining membership. Brown (1990) defined continuance commitment (which he referred as calculative) as :

“an attachment to an organisation, built up over time through a composite of decisions, personal developments, investments and acquired benefits, which retrospectively binds an individual to an organisation by raising both the perceived benefits of remaining with an organisation and the perceived risks or costs associated with leaving”.

But according to Becker (1960, 1964), continuance commitment comes from the side-bets tradition and refers to the employee's sacrifices (e.g. losing seniority and pension benefits) associated with terminating employment. Critiques of the 'side-bets' approach are found in Cohen and Lowenberg (1990), Shoemaker *et al* (1977), and Ritzer and Trice (1969). In summary, measuring continuance commitment is primarily aimed at assessing employees' continued membership of an organisation based on past investments and perceived alternative opportunities for employment.

4.3.2.3 Normative Commitment

Normative commitment is the internalisation of the organisational goals and values such that employees become committed to the organisation because they believe it is the 'moral' or 'right' thing to do (Allen & Meyer, 1990; Wiener, 1982; Wiener & Vardi, 1980). The employee's feelings of obligation toward the organisation defines normative commitment (Judge *et al*, 1995). Normative commitment describes a process whereby organisational actions (e.g., selection, socialisation procedures) as well as individual propositions (e.g., personal-organisational value congruence and

generalised loyalty or duty attitudes) lead to the development of organisational commitment (Weiner, 1982). Normative commitment refers to the employee's feelings of obligation to stay with the organisation.

The normative component of commitment emphasises feeling of loyalty to a particular organisation resulting from the internalisation of normative pressures exerted on an individual (Popper and Lipshitz, 1992; Hackett *et al*, 1994). In explaining the basis for acceptance of influence by individuals in organisations, O'Reilly and Chatman (1986) suggest that internalisation occurs when the induced values of the individual and the group or organisation are the same. As a result of the congruence of values, individuals exhibit behaviour because they believe it is the right and moral thing to do (Allen and Meyer, 1990). This perspective of viewing commitment is consistent with the work of several authors who suggested that personal norms (defined as internalised moral obligation) are important contributors to behaviour, including terminating employment with an organisation (Allen and Meyer, 1990).

Jaros *et al* (1993) provided a definition of normative commitment (which they referred to as moral commitment) which differentiates it from the affective and continuance components of commitment. They defined normative commitment as:

“the degree to which an individual is psychologically attached to an employing organisation through internalisation of its goals, values and mission. This form of commitment differs from affective commitment because it reflects a sense of duty, an obligation or calling to work in the organisation, but not necessarily emotional attachment. It differs from continuance commitment because it does not necessarily fluctuate with personal calculation of inducements or sunk costs”.

Employees with a high level of normative commitment feel that they ought to remain with the organisation (Meyer and Allen, 1991). Such an employee could be expected to indicate his or her willingness to place organisational goals before his or her own personal goals (Brown, 1990). Wiener (1982) suggests a typology of individuals

according to their commitment predisposition with recommendations as to who should and should not be recruited by organisations (which want committed employees). Normative commitment suggests there is little that organisational policies such as reward policies can do to influence employee commitment because it is a personal rather than an organisational or situational characteristic that influences commitment.

To summarise, it could be said that organisational commitment comprises three dimensions: affective, continuance and normative. Affective commitment is based on the strength of an individual's identification with a particular organisation. Continuance commitment is based on the perceived costs or lack of alternatives for leaving one's organisation. Normative commitment develops from the internalised sense of duty towards an organisation's goals, values and mission.

4.4 Job Satisfaction

This section discusses the concept of job satisfaction. According to Zeffane (1994) job satisfaction is one of the most widely debated topics in the areas of organisational behaviour and human resource management. One of the reasons is that an understanding of the likely antecedents of satisfaction should assist the development of applied models of organisational behaviour and work redesign (Hackman and Oldham, 1980, 1981; Selladurai, 1991).

According to O'Reilly (1991), despite a late start in empirical research, it has become one of the most frequently studied areas in organisational psychology, with an estimated 4,000-plus published studies. Much earlier, Locke (1976) had reported that over 3,000 job satisfaction studies have been published by 1972. Gruneberg (1979) also wrote that: *"whilst there is no definite list of the number of publication in the field of job satisfaction, there is little doubt that this is one of the most researched topics in psychology"*.

Hoppock's study in 1935 appeared to be the first research purposely designed to study job satisfaction, and it was carried out among teachers. This landmark study led to more job satisfaction studies. One important study was by Herzberg, Mausner and Synderman (1959), who produced the two-factor theory of job satisfaction. This theory gave encouragement to the development of job satisfaction research and has been highly influential for almost four decades. It is and still being used in research today, for example Maidani (1991).

4.4.1 Concepts and Theories of Job Satisfaction

A popular definition of job satisfaction that it is an individual's attitude toward his or her job. Locke (1969), for instance, defined job satisfaction as:

“the pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job values”.

Lawler (1973) gave a shorter definition of job satisfaction: *“a person's affective reaction to his total work role”*. Another definition was given by Kallerberg (1977): *“job satisfaction refers to an overall affective orientation on the part of individuals toward work roles which they are presently occupying”*. It seems that Locke's definition is the one most frequently quoted, e.g. Gruneberg (1979), Landy (1989), Arnold, Robertson and Cooper (1991).

Satisfaction, according to several schools of thought, depends variously on the individual's expectations, needs (physical and psychological) and values. According to Clark (1996), work attributes that involve mental challenge can lead to satisfaction but too much mental challenge can bring about dissatisfaction.

However, according to Gruneberg (1979), there is no agreed definition of the concept of job satisfaction. Theories of job satisfaction take two forms: content theories and process theories. Content theories attempt to identify the factors which contribute to job satisfaction and job dissatisfaction. Maslow's 'Need Theory' (1954), Herzberg *et*

al's, 'Two Factor Theory' (1959), and McGregor's 'Theory X and Y' (1960) have been described as content theories because they are primarily an *"attempt to specify the particular needs that must be attained for individual to be satisfied with his job"* (Locke, 1976).

On the other hand, process theory attempts to describe the interaction among variables in their relationship to job satisfaction: *"job satisfaction is determined by the extent of discrepancy between what the job offers and what the individual expects, what the individual needs, and what the individual values"* (Gruneberg, 1979). Discrepancy theory, fulfilment theory and expectancy theory are some examples of these theories.

There is still confusion in defining the concept of job satisfaction, its causes and its relationship to HRM practices due to differences in perspective. From the perspective of scientific research, human resource managers are not sure what is the definition of job satisfaction. It has been defined variously by researchers as motivation, morale, or job attitude, each term specifying but not clarifying the nature of the relationship between an employee and his or her work organisation (Lawler, 1972). On the other hand, researchers themselves are not sure about the causes of job satisfaction. They have tended to focus instead on the causes and consequences of motivation. Herzberg's theory distinguishes between satisfiers (motivators) and dissatisfiers (hygiene). Maslow's assumes a hierarchy of causal variables which fluctuate in importance depending on circumstances. Expectancy theories, such as those developed by Vroom (1964) and Lawler (1973) are based on the assumption that each person's intrinsic motivation is determined by his or her perception of the desirability of rewards and the chances of attaining them. Fulfilment theory places the emphasis on a worker's evaluation of job-related outcomes. Discrepancy theory developed to account for individual differences in evaluating job outcomes.

Srivasta *et al* (1977) say that one can identify several categories of variables from the different schools of thought. These variable categories are the work itself, job

characteristics, rewards (intrinsic and extrinsic), supervisory style, personal characteristics, internal states, working conditions, interpersonal relationships, work values, role factors, job fit and organisational factors, etc. However, some of these variables, such as work values, have been predicted but not empirically tested as influencing job satisfaction and performance (Locke, 1970).

4.4.2 Measures of Job Satisfaction

There are two widely employed survey procedures used to measure job satisfaction, one that presents a global concept (O'Reilly and Caldwell, 1981) and one a facet-specific concept (Barling *et al*, 1990; DeCottis and Summers, 1987; Welsh and LaVan, 1981). Measures used include the Job Descriptive Index (JDI) developed by Smith *et al* (1969, 1975/1985), the Minnesota Satisfaction Questionnaire (MSQ) developed by Weiss and his colleagues (1967), and the Quality of Employment Survey developed by Quinn and Staines (1979). The JDI assesses the dimensions of work, pay, promotion, supervision and co-workers; the MSQ measures the intrinsic and extrinsic aspects of job satisfaction; while the Quality of Employment Survey measures six features of the job: comfort, challenge, financial rewards, relations with co-workers, resource adequacy and promotion. In this research, the MSQ was chosen as a measure of the dependent variable.

4.4.2.1 Intrinsic Satisfaction

Intrinsic factors comprise 'content' or 'motivators' (Maidani, 1991), and they include achievement, advancement, the work itself, responsibility and recognition. An earlier study by Wernimont (1966) identified these intrinsic factors of satisfaction in his study as job-related. Weiss *et al* (1967) regards measures of intrinsic satisfaction as items that reflect ability utilisation, achievement, the chance to do things for other people in the job, advancement and freedom to use one's own judgement .

4.4.2.2 Extrinsic Satisfaction

Extrinsic factors, often referred to as 'hygiene' factors, comprise (following Wernimont, 1966) company policy and administration, technical supervision,

working conditions, salary and interpersonal supervision. Weiss *et al* (1967) developed an extrinsic satisfaction scale consisting of items such as the way company policies are administered, quality of working conditions, pay and amount of work done, and the praise one gets for doing a good job.

Studies have shown that apparently either extrinsic or intrinsic factors may cause both satisfied and dissatisfied feelings about the job. Wernimont (1966) agreed with Herzberg *et al* (1959) that intrinsic factors are important determinants of satisfied feelings about the job, but his results conflict with the claim that extrinsic factors contribute most to dissatisfied feelings about the job. He suggested that satisfaction with the job can be due to a high level of satisfaction with intrinsic factors and that dissatisfaction can be due to low levels of satisfaction with intrinsic factors as well. Extrinsic factors may cause both satisfaction and dissatisfaction.

4.5 Differences between Organisational Commitment and Job Satisfaction

Although there are some conceptual overlaps between models of organisational commitment and job satisfaction, and they tend to be empirically related (Porter *et al*, 1974; Mowday *et al*, 1979; Peters *et al*, 1981; Bateman and Strasser 1984; Steers and Porter, 1983; Mathieu and Zajac, 1990), they are nevertheless distinct concepts. According to Porter *et al* (1974),

“although one would expect commitment and satisfaction to be related, each construct appears to contribute unique information about the individual's relationship to the organisation”.

Several differences between organisational commitment and job satisfaction have been identified by Mowday *et al* (1982), Mottaz (1987) and other researchers. Mowday *et al* (1982) suggested that, when viewed as an attitude, commitment is different from job satisfaction. Organisational commitment is broader, reflecting a general affective response to the organisation as a whole, while job satisfaction is narrower, referring to or reflecting one's affective response to one's job or certain aspects of one's job. On the other hand, Chelte and Tausky (1986) said that

organisational commitment is a more stable indicator of organisational behaviour than job satisfaction is and is not subject to the same daily fluctuations.

Mottaz (1987) suggested that organisational commitment and job satisfaction differ in several ways:

- Satisfaction refers to the degree to which individuals like, or are happy with, work, while commitment refers to their degree of attachment or loyalty to the organisation (Price and Muller, 1981).
- Commitment is a more global concept, reflecting a general response to the organisation as a whole, while satisfaction represents a response to one's specific task and task environment (Mowday and Steers, 1979).
- Commitment is relatively stable attitude that develops slowly over time as individuals establish a relationship with the organisation. Satisfaction on the other hand is less stable, more rapidly formed attitude, reflecting more immediate reactions to particular aspects of the work situation (Peter *et al*, 1974; Mowday *et al* 1982).
- Satisfaction is present-oriented, while commitment is at least in part future-oriented, related to intention to stay (Mobley *et al* 1979).

Rusbult and Farrel (1983) found organisational commitment and job satisfaction, however, to be affected largely by job rewards and job costs. They found that greater job rewards enhance job satisfaction and organisation commitment. Organisational commitment was also found to be affected by other factors such as alternative value and investment size. Both variables are considered by them as attitude and they both are empirically related, with several conceptual overlaps between them.

According to Akuamoah-Boteng (1989), the differences between organisational commitment and job satisfaction vary only by degrees rather than in an absolute sense, and the consequences of both variables and their antecedents are similar. The only difference is that organisational commitment seems to be a more stable and stronger predictor of some of the outcomes than job satisfaction. According to

Buchanan (1974) and Lawler (1976), one major difference between the two concepts is that organisational commitment is pro-management while job satisfaction is pro-employee.

In this study, organisational commitment is looked at in terms of affective, continuance and normative dimensions, while job satisfaction is measured using intrinsic and extrinsic dimensions. In view of their differential effects on organisational behaviour and the immediacy of job satisfaction which seems to develop earlier than organisational commitment, it will be valuable to study the concepts separately.

There are studies that have identified job satisfaction as antecedents of organisational commitment and vice versa (Bateman and Strasser, 1984; DeCottis and Summers, 1987; William and Hazer, 1986; Glisson and Durick, 1988; Lydka, 1994). This particular study will not address this issue, as the main aim of this research is to determine whether and how HRM policies are antecedents of organisational commitment and job satisfaction before and after privatisation.

4.6 Importance of Organisational Commitment and Job Satisfaction

The study of employees' organisational commitment and job satisfaction is an area of both theoretical and practical importance in organisational behaviour. Its importance is reflected in the following propositions:

1. Employees work for more than one third of their lives: this underlines the importance of organisational commitment and job satisfaction. According to Klinger (1983), the moral implication of job satisfaction is that it serves to highlight the value of work to the individual. It also emphasises the equity of employee relationship with the organisation, the importance of work, employees' self-concept and relationships with other employees. Organisational commitment on the other hand has been linked with employee turnover, performance,

productivity and work-related behaviour. Committed employees are less likely to leave an organisation than those who are uncommitted.

2. Management is interested in employees' commitment and satisfaction not only because of their intrinsic importance but also because they have significant managerial consequences. In fact much of interest in commitment and job satisfaction has been the result of management's desire to increase employees' efficiency and productivity. A generally accepted premise is that employees who achieve their personal goals in work tend to show satisfaction with the job and are more committed to the organisation. It is therefore necessary for management to answer the fundamental question, "What do the employees seek from their job?" Management has very little meaning without an effective realisation of the value of human resources as a basic element. Management can therefore benefit substantially if it knows what individual attitudes contribute to commitment and job satisfaction. This knowledge can be used in making future changes in the organisation's HRM policy and practices.
3. Employees cannot be productive if management policies and plans are not compatible with their values and attitudes. Individuals are an effective factor in the production of things. They should be respected, stimulated and properly prepared to do their job efficiently. Managers should recognise this and lead employees to greater achievement and higher performance. Kiely (1968) believed that increased job satisfaction leads to increased productivity and increased profitability. The study of organisational commitment and job satisfaction is necessary and valuable for understanding the behaviour of individuals and groups in the organisation. Further, today's human resource managers have to face an even more costly problem than labour turnover but one which is infinitely more difficult to calculate - the cost to their organisation of dissatisfied employees who stay. Unhappy employees will affect the attitudes and work performance of their colleagues, resulting in low morale (Kiely 1986).

4. The analysis of job satisfaction is a measure of individual well-being, and many social scientists would consider the distribution of welfare to be one of their principal concerns. The analysis of organisational commitment and job satisfaction may give us a number of insights into certain aspects of the labour market. Workers' decisions about their labour force participation, whether to stay on at a job or to quit and how much effort to devote to their job, are all likely to depend partly upon their job satisfaction. The other side of the labour market consists of organisations which prefer their employees be committed and satisfied, as turnover can be very costly to the organisation.
5. The areas in which organisational commitment and job satisfaction relate to HRM as a focus of scientific research, as a link between individual employee and organisational productivity, as a value emphasising the worth of employees, and as a symbol of concern for the quality of the relationships between employees and the organisation (Klinger, 1983).
6. Ouchi (1981) indicated that concern for production and productivity of the organisation is essential to maintain job security and a desired standard of living, just as committed and happy employees are needed to produce high quality goods or services.
7. Sayles and Strauss (1960) listed the importance and unimportance of job satisfaction:

Why Job Satisfaction Is Important	Why Job Satisfaction Is Unimportant
1. People want self-actualisation 2. Those who don't obtain job satisfaction never reach psychological maturity. 3. Those who fail to obtain job satisfaction become frustrated. 4. The job is control of the man's life 5. Those without work are unhappy; they want to work even when they don't have to. 6. lack of challenging work leads to mental health 7. Work and leisure patterns spill into each other. Those with an uncreative job engage in an uncreative reaction. 8. Lack of job satisfaction, alienation from work leads to lower morale, lower productivity, and unhealthy society.	1. Some people prefer unchallenging work. 2. Individual's personality becomes fixed before people start working. Work is not to blame. 3. Most people have a relatively low level of job satisfaction and accept only routine jobs. 4. many people focus their lives on family and community. 5. Even though there are social pressures to have a job, this does not mean the job must be challenging. 6. Poor mental health may be due to low income or low status of routine jobs. 7. A new bohemianism on the job will make up for increasing boredom at work. 8. We can provide challenging work for everybody only at the cost of eliminating our mass production technology and high standard of living, and society is unwilling to pay this price.

From this list, it may be concluded that not only that people differ in the importance they assign to work but also that the jobs themselves differ in the type of satisfaction they offer. It is therefore necessary for management to keep all its employees satisfied, and it is necessary to identify the causes of lack of organisational commitment and job dissatisfaction so that it can be avoided or reduced in magnitude.

While the objective of identifying causes of job satisfaction has been a common aim of many researchers, others question the value of job satisfaction research. Lawler (1975), for example, questioned the objective of having more satisfied employees, arguing that dissatisfaction could also bring constructive effects such as creativity. However, this negative view has not received much support, except recently by Crow and Hartman (1995). In fact findings by Warr (1987, 1992) suggest that reducing dissatisfaction is even more important than increasing job satisfaction. For the most part, job satisfaction had been related to job or organisational consequences such as productivity and absenteeism, but Warr (1987) reported the positive relationship between job satisfaction and employees' mental health. Organisational commitment on the other hand has been related to employee absenteeism, turnover, and tenure intention.

Human resource managers need to be aware of the outcomes that employees desire and tailor those outcomes to each individual. According to Judge *et al* (1995), the contingencies between relevant organisational behaviours and valued employee outcomes need to be made clear to employees so that the human resources department will achieve the behaviour they want from their employees and the employees will receive their desired outcomes.

A contribution of this study is to test research findings from developed countries in a developing country (Malaysia). Organisational commitment and job satisfaction have been extensively researched in developed countries (particular the UK and US) but still lack an empirical foundation in developing countries such as Malaysia. This

study is intended to contribute to the literature of organisational commitment and job satisfaction in relation to HRM practices before and after privatisation. Most of the studies on job satisfaction and organisational commitment are conducted in a Western context, which is characterised by a free economy, advanced education and professional levels, and a particular set of cultural values. The changing economy, technology and professional levels in the developing countries such as Malaysia will be an interesting place to test the Western theories and findings.

4.7 Conclusion

This chapter has reviewed the concepts of employee attitudes, particularly organisational commitment and job satisfaction. Organisational commitment has been shown to consist of three dimensions mainly affective, continuance and normative, while job satisfaction is shown to consist of two dimensions, i.e. intrinsic and extrinsic. The difference between, and importance of organisational commitment and job satisfaction was also discussed with same reference to HRM and privatisation. The next chapter discusses how HRM practices affect organisational commitment and job satisfaction.

Chapter Five : HOW HUMAN RESOURCE MANAGEMENT PRACTICES AFFECT ORGANISATIONAL COMMITMENT AND JOB SATISFACTION

5.1 Introduction

The aim of this chapter is to discuss the impact of human resource management practices on organisational commitment and job satisfaction. Human resource management practices dealing with pay, promotion, benefits, performance appraisal, job security, physical working conditions, and training and development are discussed in relation to organisational commitment and job satisfaction, and reference is made to the context of privatisation.

This present study attempts to examine the role of HRM practices in predicting commitment and job satisfaction, and thus fill some of the gap in the literature. All of the categories of variables are hypothesised to have a positive relationship with organisational commitment and job satisfaction. All relationships have theoretical support and some degree of empirical support. The relative contributions of these variables represents a more meaningful issue.

5.2 Human Resource Management

Much has been written about the relationship between human resource management and employee attitudes. This thesis extends the literature by investigating human resource management practices as antecedents of organisational commitment and job satisfaction before and after privatisation.

Human resource management (HRM) evolved from personnel management as a result of increased competition, changes in technology and recurring economic recession. HRM placed greater emphasis on employee flexibility, high expectations of performance and the development of employees so that organisations could survive and flourish. As environmental conditions continue to impact on the organisation, one can expect to see HRM developing.

According to Guest (1990), HRM takes as its starting point the view that the effective organisation is designed on the assumptions based on McGregor's Theory Y, where workers have talents which are rarely fully utilised at work and they show desire to experience growth through work. Given responsibility and challenge, workers will respond with high motivation, high commitment and high performance.

Walton (1985) stressed that,

“the new human resource management model is composed of policies that promote mutuality - mutual goals, mutual influence, mutual respect, mutual rewards, mutual responsibilities. The theory is that policies of mutuality will elicit commitment which in turn will yield both better economic performance and greater human development”.

High level of employee commitment are thought to result in lower labour turnover, better product quality and greater capacity to innovate which can enhance the organisation's ability to achieve competitive advantage.

Drawing from American and British definitions, normative models of HRM typically include the following characteristics:

- Close integration of human resource policies to reinforce (or change inappropriate) culture;
- The recognition that employees are a source of competitive advantage and therefore a valuable resource (rather than a cost);
- Mutually consistent policies that promote commitment and which, as a consequence, foster a willingness in employees to act flexibly in the interest of the “adaptive organisation's” pursuit of excellence (Legge, 1989).

On the other hand, Beer and his colleagues (1985) present an altogether different conceptualisation of HRM, drawing from the human relations school. They developed a map of the HRM territory which was described as a ‘*broad causal mapping of the determinants and consequences of HRM policies*’. They suggest that

HRM policies and practices cannot be formed in a vacuum but are influenced by a wide range of situational factors and stakeholders' interests. Situational factors include, for example, the organisation's business strategy, labour market conditions and government legislation, while stakeholders' interest includes both management and employees. They further elaborate that HRM effectiveness is measured by four key criteria : commitment, competence, congruence and cost effectiveness. It is hypothesised that these will have certain long-term implications at the individual, organisational and societal levels.

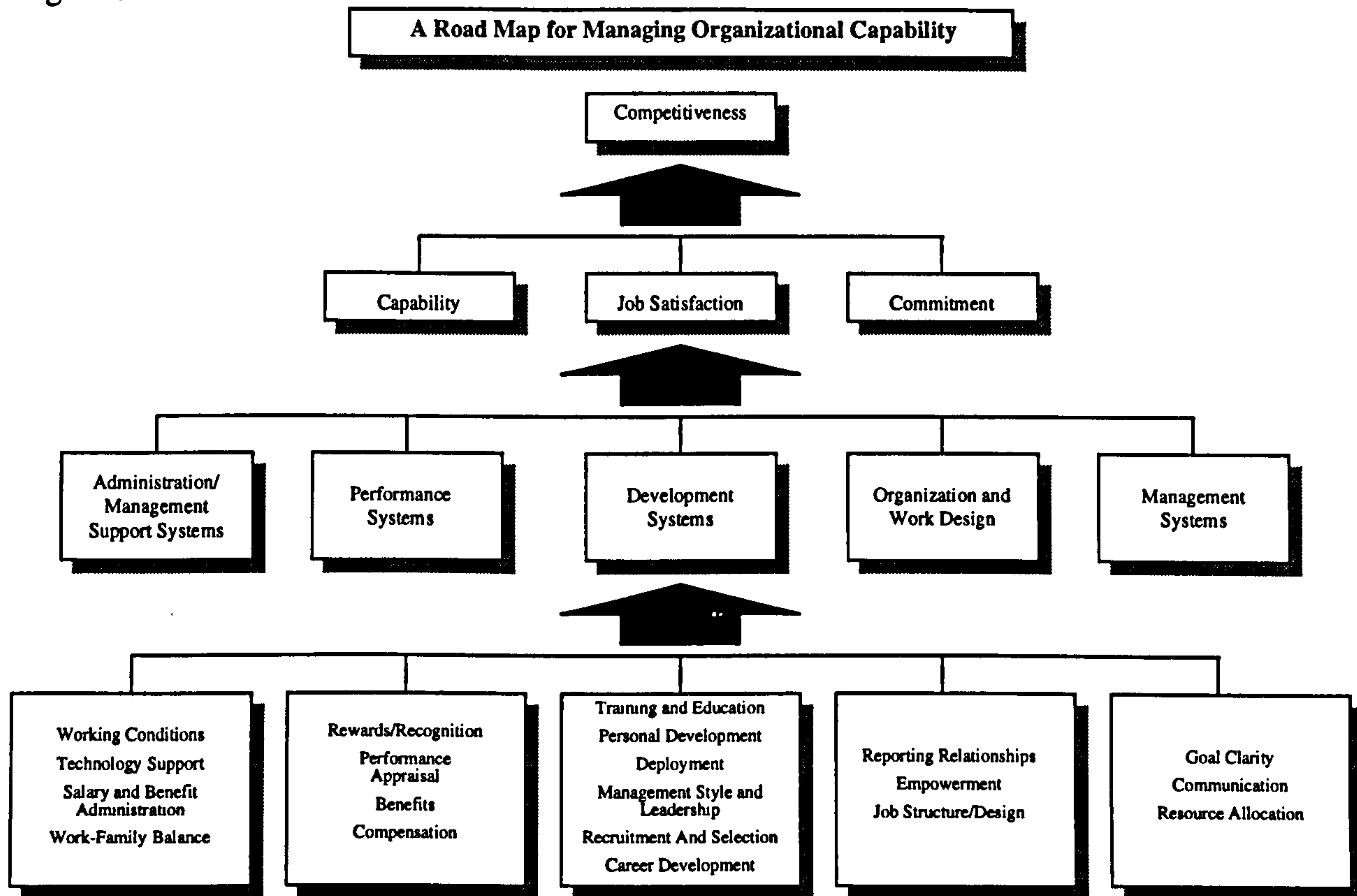
Guest (1987) presented a theory of HRM from the British perspective. This contribution follows the lead of Tichy *et al* (1984) and Beer *et al* (1985) by selecting four main policy goals: strategic integration, commitment, flexibility, quality, and describes how a company can achieve these goals through the use of various human resource policy levers.

According to Guest, the Beer model is vulnerable to criticism on a number of points. The concept of commitment, congruence and competence are highly prescriptive and problematic (1987). The strength of the influence on HRM policy choices of certain stakeholders may be overestimated and unrealistic. He argues that, in the United States, the legislative structures are not in place to ensure that unions (as stakeholders) exert a meaningful influence. In addition, the model may include internal inconsistencies and contradictions. For instance, there may be inherent tensions between certain HRM policies demanded by the strategy and the desired human resource outcomes, e.g. a cost- reduction strategy may influence HR policies which may threaten commitment.

Hendry and Pettigrew (1990) argue that the Beer model of HRM meets Guest's (1987) requirements that a testable theory of HRM should specify aims and outcomes. Guest (1987) and Legge (1989), on the other hand, criticise the Beer model for the association of its values of 'mutuality', 'high commitment work

system' and 'consensualism' with individualist personnel strategies designed to undermined collectivism in the work place.

Figure 5.2



Source : Zornitsky, J. J. (1995) Making Effective Human Resource Management a Hard Business Issue. *Compensation and Benefit Management*. 11:1, 16-24.

Zornitsky (1995) introduced a model based upon prior research for measuring and managing human resources as a strategic asset. The core of the approach is a model of organisational effectiveness that is simple, grounded in empirical research and compelling. It is based on the hypothesis that an effective organisation is one that has capable, satisfied, and committed employees. He further explained that when employees like their jobs, value the company for which they work, and feel able to do a good job, the entire organisation benefits from better performance. The model as shown in Figure 5.2 was translated into action by providing a road map for achieving high levels of organisational capability. This is done by allowing managers to link specific organisational and human resource practices to satisfaction, commitment and capability. He further indicated that job satisfaction and commitment emphasise

different aspects of the health and moral of an organisation including issues such as career advancement, trust, compensation and performance appraisal. These issues are important and need to be addressed in any organisational assessment.

Guest (1987), however, indicated that HRM appears to lean heavily on theories of commitment and motivation and other ideas derived from the field of organisational behaviour. According to McKeena and Beech (1995), the theoretical basis of HRM is derived from academic disciplines such as sociology and psychology. Legge (1989), on the other hand, says that:

“in HRM, there is no one accepted body of theory. HRM takes on different manifestation in different situations, and some of the aspects of it can contradict each other”.

A major theme running through HRM is acknowledgement that employees are valuable assets of the organisation and that there should be an interplay between a strategy for human resources and the main strategy for the business (Beer and Spector, 1985). Seeking commitment from employees is of greater value than forcing them to comply to the demands of the organisation. The value of commitment is that it binds employees to the organisation. It has to be recognised that commitment to an organisation is not something that can be easily done. Individuals have attitude and attachments which are connected with membership of the family, the trade unions or professional body, and these could clash with commitment to the organisational values. Therefore changes in attitude and behaviours have to be observed (McKeena and Beech, 1995).

One can view employee commitment as part of the ‘psychological contract’. This is an unwritten contract between management and employees whereby management offers challenging and meaningful tasks and employees responded with loyalty and commitment (Tichy *et al*, 1982). In order to elicit commitment, reference is often made to mutuality. This refers to HRM policies that provide mutual goals, mutual influence, mutual respect, mutual rewards and mutual responsibility (Walton, 1985). In a climate of mutuality the cause of commitment is advanced, with the consequence

of both improved productivity and the development of people (McKeena and Beech, 1995).

Another feature of HRM which is often emphasised is the existence of the common interest of management and employees in the profitability of the organisation. If this is positively tapped, it can lead to increase initiative and commitment among employees in the organisation. Further, it is expected that the HRM policies and practices that develop as a result of identifying the human resource needs of corporate strategy can prove useful to managers (Guest, 1989; Legge, 1989).

In his study, Zornitsky (1995) found that job satisfaction and commitment are closely aligned. This is likely because the two are influenced by many of the same practices and behaviours. He also implied that job satisfaction and commitment are influenced by traditional aspects of the work environment. Issues such as work quality and management style play an important role in building a satisfied and committed workforce. Organisations must return to the basics of HRM to make a difference in how employees view their jobs. Apart from that, building a capable workforce is very much a practical issue. Policies and practices dealing with training and support systems as well as commitment to customer satisfaction are critical to individual success. By focusing on some of these issues, it will be possible to have a positive influence on job satisfaction and commitment.

On the other hand, Ogilvie (1987) says that HRM practices of an organisation have direct influence on commitment. He hypothesised that human resource management practices would be more strongly related to commitment than to demographic, job characteristics, social environment or supervisory variables.

Employees' perceptions of HRM practices and policies reflect a sense of mutuality and the level of concern that the organisation appears to have for employees. For management, human resource professionals and consultants, HRM practices can be a

practical, applied approach to developing commitment in contrast to the more abstract, job-oriented concept such as task identity and significance (Ogilvie, 1987).

Commitment is sought in the sense that employees are expected to identify closely with the interests of the organisation and to go beyond mere compliance to supervision by internalising the goals of the organisation and behaving accordingly (Snape *et al*, 1993). They concluded that there is an apparently growing recognition of the importance of labour quality and the effective management of people as a source of competitive advantage. The visibility of employees to the customer and the nature of the organisations are significant.

The notion of mutuality of interests between employers and employees has resulted in the concept of HRM (Walton, 1985). Employees' commitment has been portrayed in popular management texts as the means by which problems such as poor quality, inefficient working practices and resistance to change may be resolved. According to Ashford and Humphrey (1995), emotions are an essential and unavoidable element of organisational life. Feelings of disappointment, happiness, sadness, fear, dissatisfaction and commitment are just some of the emotions that can be found in any organisational environment.

HRM seeks to promote a series of policies intended to foster employee commitment to organisational goals. The integration of human resource policies as a whole with corporate planning and competitive strategy allows for the creation of the optimal mix of human resource attributes for the realisation of business objectives (Roche and Turner, 1994). An HRM 'credo' also promotes a distinctive set of options in individual policy areas involved in the management of employees' rewards, feelings and opinion, decision making and work organisation.

Recent changes in government policy in Malaysia, in respect to privatisation have implications for managing human resources in the public sector. Organisational changes for example, prevalent in today's economic environment, for example, often

create major disruption and chaos rather than the intended organisational improvement. Changes in the organisation are influenced by external factors (economic, environmental and political) and internal factors such as policy, planning and programmes. Therefore, employees are affected either directly or indirectly by any changes that occur in the organisation. Changes that occur in the organisation will impact human resource management policies either directly or indirectly.

Salama (1995) suggests that change in ownership does not necessarily bring organisational change directly. The factors that trigger culture change in organisations are increased competition, deregulation of the market and the leaders' new values. She also suggests that career management plays an important role in reinforcing new managerial attitudes, as managers are now selected, promoted, trained and rewarded differently compared to before privatisation. These modifications in career management reflect the changes in the way managers are expected to behave when major organisational change occur.

5.3 Human Resource Management (HRM) Practices

HRM policies are sometimes taken to be the same as human resource strategies (Brewster and Bournois, 1991) and the same as HRM 'practices' (Jackson *et al*, 1989). There is also a narrower definition of human resource policies as "*the formal official guidelines applicable to specific areas in the management of people*" (Tyson, 1995). On the other hand, Schuler and Jackson (1987) describe '*Human resource practice menus*', that is, a menu of choice which management may make for the organisation to follow in order to achieve the organisation's strategic goals. Tyson (1995) describes human resource policy as the formal policies which are adopted for the management of employees which may be written and which are the organisation's official guides to action.

In this research, HRM practices are taken to reflect the policy of the organisation in general. Practices are defined as what actually happens, while policy refers to the plan of action guidelines adopted by the organisation. Practices in this study are

looked at from the point of view of employees' perception of the organisation's policy.

According to Rousseau and Wade-Benzoni (1994), HRM practices represent a major instrument for implementing an organisation's strategic plan. These practices create distinct types of relationships between employee and employer which can be characterised as psychological contracts, that is, the beliefs people hold regarding the terms of their employment relationship. These contracts affect employees' behaviour towards customer and fellow employees, and they also affect their commitment to the organisation.

An organisation's HRM practices moreover convey a more accurate picture of its real strategy than what top management team says it implements because the HRM practices more directly affect employees daily (Rousseau and Wade-Benzoni, 1994). According to Rousseau and Greller (1994), practices concerning training and development, performance, compensation and benefits contribute to the management of the employment relationship. Ideally, HRM practices are inter-related and work to support strategic business objectives (Rousseau and Wade-Benzoni, 1994).

Rosenthal (1995) suggests that very little is known about how HRM policy and practices develop and change. He says that, although the analytical literature on HRM has addressed the issue of constraints and innovation and change in the area of human resource policy, typically it has not done so sufficiently and effectively. According to Ezzamel *et al* (1996), HRM policies and practices are claimed to embrace and promote new approaches to management and organisation. Commitment and flexibility of staff, and their willingness to respond to the market conditions, are identified as the main source of competitive advantage.

Sisson (1990) characterises HRM practices in terms of four features: an integration of personnel policies with business planning; a shift in responsibility of personnel issues from specialists to senior line managers, a shift from the collectivism of

management-trade union relations to the individualisation of management-employee relations, and the emphasis on commitment and the exercise of initiative, with managers as facilitators of employee empowerment. On similar lines, Guest (1991) suggests that HRM has its central and interconnected goals: the raising of employee commitment to corporate agendas, the development of greater workforce flexibility in terms of individual employment patterns, effective training and development programmes and strategic integration, and the harnessing of these objectives to the implementation of a corporate strategy for which all managers are held responsible.

HRM policy choices should be designed to lead to organisational effectiveness and at the same time optimised individual and societal well-being. The HRM model by Beer (1985) mentions circular characteristics: as the long-term consequences influence the context of HRM policy choice, i.e. stakeholder interests and situational factors, which in turn affect overall well-being (of the individual, organisation and society).

“Effective HRM policies and practices are designed and administered through a process of mutual influence between management and employees and that result in high level of commitment, competence, cost effectiveness and congruence”.

(Beer et al, 1985)

Morris, Lydka and O'Creevy (1993) emphasised the importance of various human resource policies for attitudinal commitment and tenure intentions over time. The relative stability of stayers' attitudinal commitment over time compared with the leavers' also supports the argument that commitment is driven by the organisation's policies and actions rather than by individual differences. Their findings suggest that HRM policies do appear to influence attitudinal commitment and tenure intention and that certain types of rewards and organisational policies have the greatest impact on commitment levels. They also say, however, that the influence of HRM policies is relatively short-term.

Guest (1992) focuses on the importance of met expectations in jobs and work involvement, although he notes the need for involvement may vary between individuals. In policy terms, this means that providing job interest and challenge is important and that policies such as selection, induction and development must match the reality of employment conditions rather than over-selling the organisation.

Gaertner and Nollen (1989) point out that employees' career experiences and their perceptions of the organisation's HRM practices are at the heart of the employment relationship. They suggest that employees' career experiences and their perceptions of organisational practices are important factors in determining commitment to the organisation.

The relationship between employer and employee has developed over the years; therefore the implementation of privatisation policy indicates the need to revise the contract between them. Before privatisation, many employees view their organisation as a place in which they would have long-life work and are committed and loyal. Changing market conditions have brought to an end the promise of job security and defined career paths (Stiles *et al*, 1997).

According to Tichy and Devanna (1986), there is fairly a widespread acknowledgement that HRM policies like selection, appraisal, rewards and development can play a vital role in organisational change. Cronin (1992) survey of human resource directors shows that banks and building societies have responded to changes in the competitive environment and increased levels of competitive activity by developing corporate strategies, amending their organisational structures and changing many of the established HRM policies and practices in an attempt to create more customer and sales oriented cultures. Many have changed their policies and practices across the broad range of HRM policy areas in an attempt to achieve this objective. This indicates the importance of HRM policies and practices to the organisation.

As mentioned by Cronin (1992), Buller (1988) points out that, where the environment has changed radically and demanded a corresponding alteration in workforce characteristics, and where the strategic planning and HRM functions has traditionally been separate, integration is extremely difficult to achieve. In such cases the firm is forced to change its recruitment, training/retraining, evaluation and compensation systems in order to improve performance. He points out that these programmes are often slow to take hold at the operational level because of employee resistance and the disruption to the organisation's culture that they sometimes cause. This, together with the documented poor change-management skills and low status of many personnel departments might explain the relatively low levels of integration.

Organisations that have made changes to their HRM policies are most likely to have done so in response to changes in their environment and business strategy. With this in mind, the practices associated with HRM policies concerning pay, promotion, benefits, performance appraisal, job security, physical working conditions, training and development were chosen for this research.

According to Porras and Silvers (1991), rapidly changing environments demand that organisations generate equally fast responses in order to survive and prosper. Planned change that makes organisations more responsive to environmental shifts should be guided by generally accepted and unified theories of organisations and organisational change. By and large, employees are now being selected, promoted, trained and rewarded differently compared to before privatisation. Changes in career management reflect the changes in the way employees are expected to behave when major organisational changes occur.

5.4 Human Resource Management Practice Variables

There is little literature that relates privatisation directly to HRM practices, and still less that relates it particularly to organisational commitment and job satisfaction. The key studies are those by Akuamoah-Boteng (1989), Ogilvie, (1987), Morris *et al* (1993) and Nelson *et al* (1995). There is, of course, a wealth of literature on

organisational commitment, job satisfaction and on differences between public and private organisations.

Much of the research on organisational commitment has sought to identify those variables that predict and influence the affective bonds between individuals and organisations. According to Ogilvie (1987), commitment is a global attitude that results from the environment mastery, a sense of support, and a feeling that one's effort are acknowledge and reciprocated by the organisation. These global features that contribute to identification, a perception of favourable exchange and reciprocity, influence commitment.

One set of factors that are global in nature and may influence commitment are the human resource management policies and practices of the organisation (Ogilvie, 1987). Policies and practices that acknowledge and reward performance may influence both identification and exchange processes. Gaertner and Nollen (1989) pointed out that employees' career experiences and their perceptions of the organisation's HRM practices are at the heart of the employment relationship. They suggested that employees' career experiences and their perceptions of organisational practices may be important factors in determining (psychological) commitment to the organisation.

Prior research has found some support for the role of HRM practices in predicting organisational commitment. Zeffane (1994) suggested that organisational commitment is more likely to be found among employees who believe that they are being treated as resources to be developed rather than as commodities to be bought and sold. Employees' perceptions of human resource management practices reflect a sense of relationship and the level of concern that the organisation appears to have for employees.

Morris *et al* (1993) discuss two dimensions of commitment, attitudinal commitment and behavioural commitment, which focus on why employees choose to remain with

an organisation or to quit. They found that challenging and interesting work was a significant predictor of attitudinal commitment. They also found that the issue of equity, by which they mean whether the company was perceived to treat employees fairly, was linked to behavioural commitment in the form of decisions to quit. Although HRM policies did influence attitudinal commitment in their study, the effect was short-term and therefore companies need to be flexible in their use of such policies. While acknowledging that extrinsic factors such as career opportunities did influence commitment, they pointed out that intrinsic factors are also important. They stated, *“for those wishing to manage commitment, this requires a focus on the design of jobs to achieve challenge and development plus clarity in roles and responsibilities”*.

In spite of the numerous studies that have been conducted on job satisfaction, is not yet clear what causes job satisfaction. This is because most studies on job satisfaction have concentrated on finding the relationship between job satisfaction and other variables through correlational studies (Griffin and Bateman, 1986; Locke, 1969, 1976). It is therefore difficult to be conclusive about the determinants of job satisfaction, but one can talk about variables that have been found to be associated with job satisfaction. These variables can be broadly categorised into characteristics of the job situation and characteristics of the job incumbent (Wexley and Yulk, 1984). Locke (1976) has classified the causal factors of job satisfaction into events, conditions and agents. Events and conditions are similar to job characteristics, while ‘agents’ refer to the people, including employees themselves, who make the events happen.

Most of the job characteristics that have been studied as causal factors in job satisfaction include the work itself, goal setting, reward system, organisational characteristics, supervision (leadership), promotional opportunities, verbal recognition, working conditions, participation in decision making, company policies, management, co-workers and subordinates. Employee characteristics, individual

differences and employee demographic characteristics have also been studied as causal factors of job satisfaction.

Perhaps the best way to review studies of the effect of the work itself on job satisfaction is to review studies on the job characteristics model. Many studies have suggested that work is generally viewed as satisfying when it is interesting and challenging (Locke, 1976, 1984; Herzberg, 1966; Herzberg *et al*, 1959). Reviews of research on the job characteristics model indicate that job perceptions are always positively associated with job satisfaction (Griffin and Bateman, 1986; Locke and Henne, 1986; Fried and Ferris, 1987; O'Brien, 1982). Herzberg (1959) was the first to call attention to the importance of job characteristics to job satisfaction. Though his theory of job satisfaction and motivation has not always been supported (Griffin and Bateman, 1986), there is no denying the fact that the job characteristics defined by him and his colleagues through their research contribute to both job satisfaction and motivation. In addition to the five core dimensions outlined by Hackman and Oldham (1975) and Herzberg's (1959) advancement, recognition, responsibility, Locke's (1976) review of the literature reveals that opportunity for new learning, creativity, difficulty, non-arbitrary pressure for performance and complexity are all job characteristics which contribute to job satisfaction. In sum, challenge and interest make a job potentially satisfying. It may however, be that interest is a stronger factor than challenge in making a job satisfying in that, when one has an interesting job, one will try and find challenge. The only common problem is that usually one finds or chooses a job that suits one's interest before realising the challenge in the job.

Nelson *et al* (1995) studied the impact of privatisation and reorganisation on 397 employees of a regional water authority in the UK. They studied the effects of privatisation in terms of employees' morale and well being. They found that during periods of uncertainty, the level of job satisfaction seems to decline significantly. It was also found that white-collar staff and clerical workers had significantly lower levels of job satisfaction. According to them, in turbulent times organisations become more anxiety-provoking places for externals who depend more on that (stable)

environment for their rewards and security (Newton and Keenan, 1990). A climate of secrecy and a lack of communication and consultation can lead to poor morale and job dissatisfaction as employees contemplate the move from the public to the private sector. It is important to understand that privatisation is a potentially stressful event for all concerned and has to be managed properly.

Olson and Tetrick (1988) found that the main predictors of satisfaction with the job and with the organisation were the length of tenure of employment and level within the organisation. Different reactions to stressful events at work were also shown by Bacharach and Bamberger (1992) to be a function of the type of positions employees hold within the organisation.

A very different approach has been taken by Crow and Hartman (1995), who suggested that reducing employee dissatisfaction may be a more fruitful approach for management today than trying to increase job satisfaction. The time and energy required to improve satisfaction seems impracticable and out-of-place today. Employers need to eliminate sources of dissatisfaction and employees need to take responsibility for their own happiness.

Employers should not focus solely on improving job satisfaction in an effort to improve organisational effectiveness, because an employee's level of job satisfaction is the result of a multiplicity of factors, most of which cannot be influenced by the employer (Crow and Hartman, 1995). Human resource managers who believe in the validity of employee values and in the egalitarian nature of the relationship between employees and the organisation will continue to use the concept of job satisfaction to express their belief (Klinger, 1983). These concepts, when communicated, will continue to symbolise shared commitment.

The HRM practices that are covered in this study are pay, promotions, benefits, performance appraisal, job security, physical working conditions, training and development. Recruitment and selection are not considered in this study because the

concentration of this study is on existing employees who were working in an organisation before the implementation of privatisation policy and continues to work in it afterwards. Labour relations and unions are also not included in the study. The aim of this study is to determine whether HRM practices are determinants of job satisfaction before and after privatisation and whether there are differences.

5.4.1 Pay

Employee compensation plays a vital role in the employment relationship, as it is important to both employees and employers. Money (pay) can motivate because it is linked directly or indirectly with the satisfaction of many needs. It clearly satisfies the basic need for survival and security and it can also satisfy the need for self-esteem and status. For employers, compensation decisions influence their ability to compete for employees in the labour market (Gerhart *et al*, 1995).

Money can provide positive motivation in the right circumstance, not only because people need and want money but also because it serves as a highly tangible means of recognition. Lawler (1990) points out that people's feelings about the adequacy of their pay are based upon comparisons they make between their own and others'. External market comparisons are the most critical because they are the ones which strongly influence whether individuals want to stay with the organisation. It is possible to argue that some people project their dissatisfaction with other aspects of organisational life - their work and working conditions, opportunities for training, security, etc. - on to pay, but there is no hard evidence to support this contention. Reactions to reward policies and practices will depend largely on the values and needs of individuals and on their employment conditions. It is therefore risky to generalise about the causes of satisfaction or dissatisfaction (Armstrong, 1996).

It seems reasonable, however, to suggest that feelings about external and internal equity will strongly influence most people. Research by Porter and Lawler (1968) has shown that higher-paid employees are likely to be more satisfied with their rewards

but the satisfaction resulting from a large pay increase may be temporary. People tend to want more of what they already have.

Armstrong (1996) recognised that there are other factors which may affect satisfaction or dissatisfaction with pay, which include the degree to which:

- individuals feel their rate of pay or increase has been determined fairly;
- rewards are commensurate with the perceptions of individuals about their ability, contributions and value to the organisation (but this perception is likely to be founded on information or beliefs about what other people, inside and outside the organisation, are paid);
- individuals are satisfied with other aspects of their employment- for example, their status, promotion prospects, opportunity to use and develop skills, and relations with their managers.

There are many pay methods available to employees in a particular job across different organisations as well to employees in a particular job compared to other jobs in one organisation. According to Gerhart *et al* (1995) in reference to Locke *et al* (1980), the incentive value of money is associated with the increase in physical productivity. Therefore, changes in pay practices have the potential to significantly change attitudes, behaviours and organisational functioning.

In Mathieu and Zajac's (1990) meta-analysis, pay (salary as used in that context) was found to exhibit a fairly low positive correlation with organisational commitment. Salary is generally considered as a "side-bet" and thereby should be more related to calculative commitment, but it could also be related to attitudinal (affective) commitment in the sense that it may be related to self-esteem (Mathieu and Zajac, 1990). Alvi and Ahmed (1987) also found positive relationship between income and organisational commitment. Zain (1996) found that, for affective commitment, pay is an antecedent variable for public sector employees while, for those in the private sector, pay and benefits are antecedent variables. Pay and benefits were also found to be significant for normative commitment among private sector employees.

O'Reilly and Caldwell (1980) found pay to be related to attitudinal and behavioural commitment but not to job satisfaction. In a review of studies of pay satisfaction, Lawler (1971) found that fairness of pay is the major cause of pay dissatisfaction. Factors such as personal characteristics (education, skill, job performance, etc.), job factors (job level), non-monetary outcomes, social comparisons, amount of pay, perception of how pay is determined, all contribute to pay satisfaction (Akuamoah-Boteng, 1989). Individuals' needs and values also contribute to their satisfaction since this satisfaction will also depend upon how much the pay they receive satisfies their needs (Locke, 1976, 1984). Akuamoah-Boteng (1989) indicates that pay is the most important job dimension that affects satisfaction. The main reason for this is that one never seems to have enough because one is always adjusting consumption patterns to match incomes.

Job satisfaction has also been directly linked to motivation. Remuneration (including pay) is a powerful motivator although it is not the only motivator. Money does motivate because it is linked directly or indirectly with the satisfaction of many needs. It clearly satisfies the basic need for survival and security, if income is regular. It can also satisfy the need for self-esteem and status. Locke (1976) discussed the role of pay from the point of view of equity, discrepancy or relative deprivation theories, which imply that it is not only the absolute level of pay that matters to workers but also the level of pay relative either to what they expect or to what others receive.

Money may in itself have no intrinsic meaning, but it acquires significant motivating power because it tends to symbolise and facilitate the achievement of so many intangible goals. It acts as a symbol in different ways for different people, and for the same person at different times. Pay is often a dominant factor in the choice of employer and pay is also an important consideration when people are deciding whether or not to stay with an organisation.

Wallace and Szilagi (1982) suggested that money may serve the following reward functions:

- As a goal that people generally strive for, although to different degrees;
- As an instrument which provides valued outcomes;
- As a symbol which indicates the recipient's value to the organisation;
- As a general reinforcer because it is associated with valued rewards so often that it takes on a rewards value itself.

Money therefore may contribute to employees' feeling of satisfaction towards their job.

Clark (1996) in a study of 5000 British employees, investigated the relationship between three measures of job satisfaction and a wide range of individual and job characteristics. He found that males, workers in their thirties, those with higher levels of education, workers in larger establishments, workers without opportunities for promotion and those working long hours have relatively low levels of job satisfaction. He also indicated that income is strongly positively associated with pay satisfaction but much less strongly correlated with the overall job satisfaction.

According to Crow and Hartman (1995), many theories of motivation, complement the virtue of satisfying employees. Herzberg's two-factor theory (Herzberg, 1959) is a prime example. Maintenance factors (pay, supervision, working conditions) are baseline expectations of employees: when these factors are absent, employees grow dissatisfied and become less productive. Motivational factors (which include recognition, achievement, responsibility and opportunities for advancement) are higher-order expectations of employees: when these factors are present, employees are more satisfied and, as a consequence, may become more productive.

However, Mottaz (1987) reported that the result of multiple regression analysis shows that salary and promotion are predictors of work satisfaction but working conditions and benefits are not. Research by Eisenberger *et al* (1987) and Witt and Nye (1992) indicated that most individuals come to the workplace with a basic sense of "fair play": - they expect to give fair levels of productivity and effort in exchange for fair pay and acceptable working conditions from management.

It can be therefore concluded that pay is an important element in most employees' satisfaction and commitment.

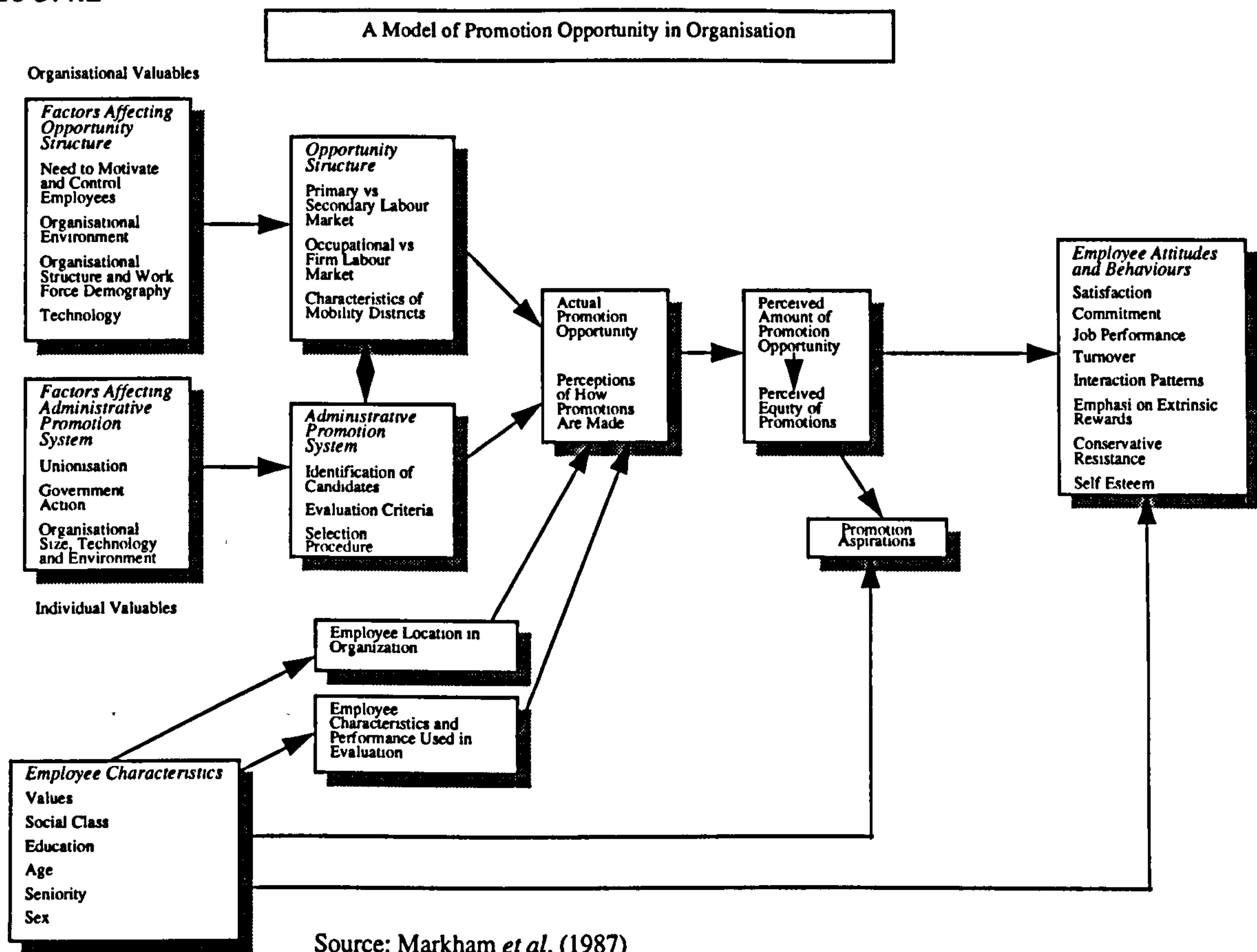
5.4.2 Promotion

Promotion is important to employees and organisations. It has been widely demonstrated that organisations use promotion to motivate employees to excel in their jobs, aspire to more challenging work, and remain committed (Edwards, 1979; Rosenbaum, 1984). Promotion also induces talented people who like their current jobs to move up, and it motivates the ambitious to perform well. HRM practices are associated with commitment, and this includes the perceived fairness of promotion practices, accuracy of merit assessment, and performance feedback followed by goal setting (Folger and Konovsky, 1989; Ogilvie, 1987; Tziner and Latham, 1989).

Markham *et al* (1987) assert that employee attitudes are shaped by many characteristics of individuals and their employing organisations, as shown in the figure 5.4.2. Prominent among these influences are employee characteristics and aspirations to get ahead, the structure of advancement opportunity in the organisation, and the administrative procedures used to allocate promotions.

According to Markham *et al* (1987), "*research has consistently linked commitment to advancement opportunity regardless of how it is conceptualised*". It was reported by Stone (1952) that department store salesmen with greater opportunity are more likely to identify with organisational goals and to be loyal to management (Markham *et al*, 1987). On the other hand, Kanter (1977) suggests that employees who lack opportunity reduce their commitment to organisational goals and do not feel involved in a common endeavour with their co-workers.

Figure 5.4.2



Organisations have made many changes in their structure and design in order to compete effectively in the increasingly global economy. Extensive downsizing and delayering has changed not only the appearance of organisations but also the opportunity structure for upward mobility. According to Ferris *et al* (1992), employees have been defining their career success in terms of upward mobility since work organisations have existed. The principal vehicle of upward mobility is the promotion system. It is often seems part of the organisation's reward system.

The size of an organisation and its structure and demography are some of the factors that determine the advancement opportunity available to its employees. Opportunity, on the other hand, is usually guided by a set of written rules on matters such as seniority and career advancement. The opportunity and the process for allocating promotions determine who receives promotions, usually accompanied by increased pay, status, power, prestige, and chances for self-actualisation. Viewed from an HRM

perspective, promotion enhances human capital and deploys it more actively, thereby improving job performance and increasing satisfaction and commitment (Markham *et al*, 1987).

Employees typically give a high rating of importance to promotion. Markham *et al* (1987) indicate that surveys in organisations frequently show even higher ratings for advancement opportunity. An early review by Herzberg *et al* (1957) concluded that advancement opportunity is among the most often mentioned factors in job satisfaction. Studies have shown that promotion is generally ranked as an important factor by almost all employees (Markham *et al*, 1980).

According to Gaertner and Nollen (1989), it is reasonable to argue that promotion may be interpreted by the employees as evidence of organisational support. Norms of reciprocity would then suggest the extent employees believe the organisation is committed to them and, as a result, their “*affective attachment to the organisation*” (Eisenberger *et al*, 1986). Moreover, according to Kanter (1977) and Wholey (1985), the prospect of future promotions is likely to increase employee willingness to work harder because promotions are generally viewed as rewards.

Markham *et al* (1987) state that promotion is widely valued by employees. They receive increases in pay, prestige, and authority through promotion (Thompson, 1976; Kanter, 1977), and promotions provide a chance for employees to move upward .

In a study by Halaby and Sobel (1979) which used data about past promotion, they found there is a relationship between opportunity and commitment. They explained their results in terms of equity theory, suggesting that feelings of over-reward and under-reward caused low commitment among the most and least promoted employees respectively.

Employees who have experienced promotion are more committed than those who have not, and those who have moved more quickly are more committed than those who have moved more slowly (Gaertner and Nollen,1989). These findings are corroborated by Schwarzwald *et al* (1992) in their study, which found that being promoted can result in higher levels of commitment.

Ogilvie (1987), on the other hand, conducted a study among 67 farm managers to predict the impact of HRM practices on organisational commitment. His results indicated that merit-system accuracy and the fairness of promotion are significant predictors of organisational commitment.

Curry *et al* (1986) found perceived fairness of rewards was associated with high levels of commitment while Makin (1987) also found the same variable to be the best predictor of attitudinal and behavioural commitment. Following the tradition of exchange theory, Eisenberger *et al* (1986) suggested that employees' attitudinal commitment was influenced by their view of perceived organisational support (POS). POS encompasses the organisation's commitment to its employees through valuing their contributions and caring about their well-being. In another study, Eisenberger *et al* (1990) found a positive relationship between POS and both attitudinal and calculative commitment.

Mottaz (1986) showed that promotional opportunities and pay have a significant positive effect on commitment. Fern *et al* (1989) and Wright (1990) also found evidence of perceived promotional opportunities having a significant impact on commitment. Kalleberg and Reve (1992) found perceived promotional opportunities were positively related to both attitudinal and behavioural commitment. With regard to pay, Meyer and Allen (1988), found that employees' starting salaries had a significant influence on the organisational commitment of professional employees.

Promotion has been studied as one of the contributors to job satisfaction. It has different meanings to different employees. To some, it may mean a reward, while to

others it may mean recognition. Promotion is associated often with other forms of rewards, e.g. higher salaries and benefits, higher power in the organisation hierarchy, and increased responsibilities and social status. One may desire promotion as any of the above rewards. However, like other job factors, there are individual differences in the desire for promotion. Since promotion includes added responsibilities, individuals who do not desire added responsibility may not desire promotion (Locke, 1976). Employees are satisfied with promotions that are fair, though fairness is not the only criterion by which they judge their satisfaction with promotion (Locke, 1984). Employees also assess their satisfaction with promotional opportunities in terms of the frequency of occurrences (Locke, 1976) and of the probability of occurrence (Vroom, 1964).

In a widely accepted theory, job satisfaction results from the fit between the rewards people hope to realise at work and the rewards that are actually available (Locke, 1976). Since the desire for promotion is widespread, promotion opportunity should therefore be a good predictor of satisfaction (Anderson *et al*, 1981).

Advancement opportunity should also contribute to general job satisfaction, since satisfaction with advancement is one component of overall job satisfaction (Markham *et al*, 1987). Studies have shown there is an association between promotion opportunity and satisfaction with advancement chances (Markham *et al*, 1985) and that there is a link between promotion opportunities and job satisfaction. Hulin (1968) reported that satisfaction with promotion among clerical employees increases after the introduction of a programme to provide greater promotion opportunity and merit pay. Carlopio and Gardner (1995) reported a positive relationship between satisfaction and organisational level, with ratings of job satisfaction increases as one climbs the organisational hierarchy.

Carlopio and Gardner (1995) indicated that one of the most basic findings regarding job satisfaction is the positive relationship between satisfaction and organisational

level, with ratings of job satisfaction increasing as we climb the organisational hierarchy (Sawyer, 1988).

It may be concluded that promotion has a significant impact on employee satisfaction, organisational commitment and motivation (Markham *et al*, 1987). Caldwell *et al* (1990) indicated that clearly articulated career path and organisational values are also positively correlated with employee commitment. Most employees rate promotion as an important factor that affects their commitment and job satisfaction on the job.

5.4.3 Benefits

A good benefits programme helps to create an effective partnership between employer and employee. It should encourage employees to focus on actions that improve their personal security and enhance the quality of their life. Employers typically assume that a comprehensive employee benefits package is an important part of their effort to attract, maintain and motivate an effective work force (Milkovich and Newman, 1990). Moreover, many employees are dependent on employer-provided benefits to help satisfy basic security needs (Lucero and Allen, 1994).

Employee expectations play an important role in their view of the exchange relationship. Past benefits practices lead to current employee expectations that their benefits will continue as long as their membership continues. This encourages employees to believe that their organisation is supportive and caring of their needs. Apart from that, employees are becoming more dependent on employer-provided benefits because they do not have the ability or desire to provide for their own economic security (Lucero and Allen, 1994).

According to Bruner and Jones (1993), if an organisation has a good benefits programme, employees can gain a great deal that is of immediate and practical value: better employee skills and more flexibility, improved attendance, reduced health-care

costs, fewer disruptions in productivity for dependant-care and family needs, greater workforce stability, and commitment and co-operative funding of long-term liabilities.

Organisations have different benefits packages for their employees, and they face the difficult task of formulating a benefits package that is affordable to the organisation and satisfies employees' needs. According to Kleiner and Sparks (1994), many organisations in the United States are examining their benefits plans and searching for better ways to provide high-quality, cost-effective plans. The introduction of a flexible benefits plan allows employees to choose between various benefits, which are tailored to meet their individual needs. Employees on the other hand come to regard benefits as a form of compensation instead of as a mere "fringe benefits" of their employment. (Kleiner and Sparks, 1994).

At the organisational level, evidence suggests that greater emphasis on short-term bonuses and long-term incentives is associated with higher profitability, at least among top and middle management (Gerhart and Milkovich, 1990). The fact that organisation-based bonuses and incentives work for high-level managers does not necessarily mean they will work for other types of employees. For lower-level employees, organisations can refocus their behaviour towards the broader organisational goals (Gerhart, Minkoff and Olsen, 1995). Kruse (1993) and Weitzman and Kruse (1990) indicate that the empirical evidence on profit-sharing plans shows that organisations that use profit sharing have higher productivity on average than organisations that do not.

Von Glinow (1985) describes how reward systems in organisations have very tangible influences on corporate culture and in turn on individuals. Organisations develop reward strategies that vary in their emphasis on concern for people and performance expectations. Difference in emphases may cause certain HRM practices to have positive or negative impacts on commitment. This in turn may influence employees' behaviour.

According to Lucero and Allen (1994), employee benefits are commonly used by employers to increase commitment. It is hoped that benefits may be used to attract and retain good employees. Employees with a strong affective commitment remain in the organisation because they want to, whereas those with strong continuance commitment remain because they need to do so (Meyer *et al*, 1989). The affective commitment theory is based on the individual employee's personal identification and involvement in the organisation (Mowday *et al*, 1979). Employees' perception of the treatment received from the organisation and the way they interpret the treatment influence the level of perceived organisational support (Eisenberger *et al*, 1986). As the employee feels valued and supported by the organisation, a relationship develops in which the employee returns such positive exchange with higher levels of loyalty and commitment to the organisation. It is possible therefore that additional benefits will positively influence affective commitment, while reductions in benefits are associated with lower levels of affective commitment.

Employee benefits can also be linked to continuance commitment. According to Becker (1960), continuance or behavioural commitment is brought about through side-bets. From the employer's point of view, benefits are a key method of binding employees to the organisation. Some benefits increase the consequences associated with staying or leaving the organisation. For example, medical benefits can become a barrier to leaving if the employee fears not being able to replace coverage because of pre-existing condition. The consequences associated benefits with the side-bets theory of commitment. When the benefits are offered, employees can become too heavily invested in the organisation to consider leaving. However, when benefits have to be reduced, the cost of leaving the organisation is decreased, and employees' continuance commitment probably decreases.

In summary, both employees and employers have an interest in the success of the organisation and realise that a satisfied, stable workforce is an essential part of the organisation's ability to compete effectively.

5.4.4 Performance Appraisal

Performance appraisal is an integral part of the HRM programmes of many organisations and is considered important to be carried out periodically. In many organisations, performance appraisal systems remain one of the great paradoxes of effective human resource management (Taylor *et al*, 1995). The performance appraisal system can provide valuable information on human resource activities, enhance the effectiveness of human resource decisions, and satisfy employees' need for performance feedback. According to Allan (1994), a systematic performance appraisal is considered one of the best methods of evaluating employees. Such appraisal should be objective, free of biases and custom-designed to fit the specific needs of the organisation.

Performance appraisal can be defined in broad terms as:

“any procedure which helps the collecting, checking, sharing, giving and using of information collected from and about people at work for the purpose of adding to their performance at work”.
(Randell *et al*, 1984)

Moravec (1996) says that companies should base their performance appraisal on shared corporate values. He implies that effective performance management as a whole can serve as the key lever of change that can promote individual and team achievement. Many organisations have changed their performance management systems to take into account the changing values and the changing definition of the employer-employee relationship. According to Moravec (1996), today's organisation needs to be responsive, innovative and flexible but still remain “vision-centered” and “value-driven”. Vision and values can then be translated into objectives and guidelines for performance. He also suggests that performance management should support the organisation's mission, vision and values.

Mohrman *et al* (1989) on the other hand note that most companies have formal appraisal system that evaluate employees' performance and that they use the

information for pay determination, promotion, hiring, training and termination. In other words, the reasons for doing performance appraisal are:

- as a basis for compensation and rewards;
- for career planning;
- as a basis for human resource planning;
- as a basis for performance improvement;
- to document personnel decisions, placement, promotions and firings;
- to let employees know where they stand and to give performance feedback;
- as a basis for individual development and training.

Appraisal of employee performance is one of the most important responsibilities of managers (Allan, 1994). At the same time, performance appraisal is the source of considerable dissatisfaction for both managers and employees because of the many shortcomings that plague appraisal systems.

Appraisals regularly record an assessment of an employee's performance, potential and development needs. Appraisals can help to improve employees' job performance by identifying strengths and weaknesses and determining how their strengths can be best utilised within the organisation and weaknesses overcome. They can help to reveal problems which may be restricting employees' progress and causing inefficient work practices. Appraisals can also provide information for manpower planning to assist succession planning and to determine the suitability of employees for promotion and for particular types of employment and training. Apart from that, it can improve communications by giving employees an opportunity to talk about their ideas and expectations and to be told how they are progressing. This process can also improve the quality of working life by increasing mutual understanding between managers and employees.

Although performance appraisal is often criticised, it can be an important source of information needed by managers to make decision on matters such as:

- granting pay increases based on job performance;

- improving employees' work performance;
- selecting, assigning and terminating employees;
- identifying employees with potential for advancement;
- planning for future human resource needs.

(Murphy and Cleveland, 1991)

An effective performance appraisal system, according to Allan (1994) can play a crucial role in an organisation's efforts to gain competitive advantage. For instance, effective performance appraisals can provide accurate assessments of employee productivity and quality of work and can motivate employees to higher levels of performance by giving them helpful feedback. Perhaps the best way to summarise the positive outcomes of appraisal is that a well-done appraisal has the potential of increasing both individual and organisational performance (Mohrman *et al*, 1989). An effective performance appraisal system therefore can contribute considerably to an effective HRM system.

In the Malaysian context, before the implementation of privatisation policy, employees received their yearly pay increment irrespective of whether they performed well or badly. In Telekom Malaysia, after five years of privatisation, reorganisation took place and they had to lay off redundant employees. Performance was used as the first criterion to identify employees who would be laid off in the case of Telekom Malaysia, where approximately 8000 employees were thus identified in the process (Azhar, 1996). Other privatised organisations in Malaysia have not laid off any employees so far.

According to Dipboye and de Pontbriand (1981), employees may be more satisfied with performance appraisal when they have had an opportunity to state their view of the issues and to discuss objectives and plans. Researchers, according to Tjosvold and Halo (1992), are in less agreement on the impact of positive and negative feedback of performance appraisal. Positive feedback is expected to enhance self-esteem and subsequent performance (Evans, 1986). Favourable feedback may be

more accurately recalled and accepted. Positive feedback can encourage an improvement future performance (DeNisi *et al*, 1983). Negative feedback may undermine acceptance concerning the performance appraisal system and commitment to the organisation (Pearce and Porter, 1986); however, it may also motivate some employees to demonstrate their competence (DeNisi *et al*, 1983). The effectiveness of the performance appraisal system therefore depends on how it has been used to rate employees.

5.4.5 Job Security

Work is central in the lives of employees as they usually feel a sense of ownership or entitlement about their job (Parks and Schmedemann, 1994): in most cultures, work provides an identity and a sense of order which contributes to psychological well-being.

Employees seek job security. Commitment may develop among employees in organisations that provide employment security simply because of the longevity of the employment relationship. Pfeffer and Cohen (1984) note that both the employee and the firm benefit from work arrangements that have “good continuity properties”. Employees with more tenure may have stronger identification with the values and goals of the firm and more willingness to use pro-social behaviour on behalf of the organisation (O’Reilly and Chatman, 1986).

Changing market conditions have brought to an end the promise of job security and defined career paths. A different picture is emerging as more organisations aim to equip their employees with employment security rather than with job security (Kennedy, 1994). Employees are being given more opportunities for training and development to develop their skills and competencies. Employees will be therefore better able to find other jobs with better training and qualifications. It should be noted that employees are valued differently by their organisations. Employees need to prepare themselves for the changing environment, especially for new and improved technology. Stiles *et al* (1997) say more organisations are replacing old promises of

job security with the promise of developing skills which would make them employable in the external labour market.

In Malaysian privatised organisations, there has been no immediate rush to reduce workforces following privatisation. Employees are guaranteed employment five years after the implementation of privatisation programmes. During this period, all employees are secure in terms of their jobs. Later, if the privatised organisations choose to restructure, job security is no longer promised. In the process of restructuring, employee retrenchment may occur. An example was set by Telekom Malaysia in 1996 where they had to retrench 8,000 employees (inclusive of 2,000 executive positions) as part of the organisation's efforts to streamline its business as well as optimise the usage of personnel resources (Azhar, 1996). The employees received the news with mixed feelings.

Kuppusamy (1995) did a study of employees in Tenaga Nasional and in the North-South Highway project in Malaysia. He found that 67.2% and 60.3% employees of the organisations respectively expected greater job insecurity upon joining those organisations but, after three years, the percentages dropped to 32.8% and 16.5% respectively. These findings indicate that employees' perception of job insecurity reduces as time goes by.

Akuamoah-Boteng (1989) found there are important changes in privatised organisations due to restructuring. He found that employees no longer view the organisation as providing a job for life. Privatisation has reduced job security through cutbacks and redundancies. He also found that some employees see privatisation as a threat to job security. A similar result has been found in many British privatised companies. In industries such as telecommunication and railways, many employees have been laid off after privatisation.

Gaertner and Nollen (1989) examined the relationships of career experiences and HRM practices factors with organisational commitment among 1,000 employees in

the manufacturing industry. He found that employees who believe there are internal career opportunities and who believe the organisation tries to provide employment security are more committed than those who do not.

The promise of job security is no longer valid in most privatised organisations. Organisations are now focusing on developing employees' skills and providing them more training in order to be competitive in the labour market.

5.4.6. Physical Working Conditions

Changing aspects of the workforce have made it imperative for managers to offer an attractive work environment. Employees have become more mobile, more educated, and less loyal than in the past (Bannister, 1995). Organisations therefore must provide an attractive working environment in addition to competitive pay and benefits. They must create a workplace that bonds employees to the organisation and commit them to achieving its objectives.

Companies are realising the importance of improving workplace conditions in light of the growing number of lawsuits concerning them. A key component in improving workplace conditions is the establishment of effective two-way communication between employees and management. Through such communications both parties can exchange views on proposed changes in workplace policies (Esposito and Jackson, 1994).

Many studies indicate the importance of physical working conditions to employees. According to Weiss (1994), comfort on the job is determined by workplace conditions and environment, Cottringer (1994) says that the physical work environment should be comfortable, convenient, safe and maximise productivity. On the other hand, Beiswinger (1994) stresses that the total work environment should relate to individuals' health and well-being. Moreover, organisations should provide a work environment which is attractive (Bannister, 1995), flexible (Gregory, 1994), productive (Cottringer, 1994), comfortable (Weiss, 1994), safe, secure and hygienic

in order for employees to be productive. The International Facilities Management Association (IFMA) believes that the physical work environment affects employees' behaviour (Cottringer, 1994).

Wiseman (1986) reported that, in terms of money outlay over the 40-year life cycle of an office building, 2-3% is generally spent on the initial costs of the building and equipment, 6-8% on maintenance and replacement, and 90-92% on personnel salaries and benefits. These data suggest that, if an investment in physical planning and design could be made that would favourably influence organisational effectiveness and therefore reduce personnel costs, total life-cycle costs could be substantially reduced.

Organisations must try to make their employees effective and satisfied. A well-designed facility can be beneficial to employees in a similar way to medical and dental insurance. If an organisation is known for having a flexible work environment, providing employees with all the tools they need, and being at the cutting edge when it comes to the "extras", it will have a better chance of hiring and retaining good employees (Gregory, 1994) and having committed and satisfied employees as well.

Cottringer (1994) says that creating a productive work environment requires attention to both physical and psychological factors. Creating a quality work environment involves managing both physical and psychological aspects. The quality of a physical work environment is easily noticeable. It affects the morale of employees and the perceptions of customers. By using common sense and encouraging employees to care about their surroundings, managers can improve efficiency.

Ferguson and Weisman (1986), using path analysis, attempted to show the factors that are related to satisfaction with the workspace. They found that one of the important causal paths in their model was the degree of openness of the workspace. On the other hand, Maran and Spreckelmeyer (1986) found that *'people's assessment*

of the larger environmental settings is influenced by their feelings about their immediate workplace'.

Canter (1983) summarised the role which the physical environment plays in productivity as:

- a. providing appropriate conditions for the work tasks themselves;
- b. facilitating communications between individuals within an organisation;
- c. giving symbolic identification to individuals and groups within an organisation as well as for the organisation itself;
- d. enabling growth, development and change to be carried out within the organisation.

Canter (1983) explains that the physical context of work is one of the major capital outlays an organisation must make although it contributes a relatively small amount to regular recurrent costs salaries and wages usually being by far the largest component of recurrent costs. Any contribution that the physical environment can make to increased effectiveness is thus remarkably good value for money. Its benefits accumulate over the lifetime of the capital expenditure and modify the consequences of the much larger sums of money spent on keeping the organisation going.

Krohe (1993) says that creating an office environment conducive to working means responding to workers' needs for privacy, stimulation, variety, solitude and interaction. Most workplaces have been designed for the work that people do instead of for the people who do the work. The physical setting has generally been treated as a hygienic issue, worth attention only when employees are dissatisfied. Attempts to influence it have been thought of as improving employees' comfort (Steele, 1976).

In most organisations, decisions about facilities tend to be heavily controlled by management. This control tends to block or reverse the growth cycle. Low-power members of the organisation spend most of their waking hours in a setting where they have little or no opportunity to take any action or engage in any learning. People are

being trained implicitly not to take responsibility for the quality of their surroundings. They do not own their own surroundings either economically or psychologically - the company owns it all (Steel, 1976). Apart from that, according to Steele (1976), the most dehumanising force of all is the tendency in organisations to develop policies which communicate a high concern for the maintenance of things and a low concern for the maintenance or enhancement of the people who use them.

Steele (1976) is also convinced that changing physical settings and physical decision processes can help create more human work organisations. On the whole, he estimated that the average probability of real change in facilities management is low. Control of the physical setting is a very visible symbol of entrenched executive power; controlling things and how they are used is still considered to be a central indicator of power in many cultures.

Weiss and Adler (1984) stress the importance of person-environment fit and the importance of mechanistic interaction between people and situations in explaining satisfaction. One of the well-known models that indicate the importance of person-environment congruence is the theory of work adjustment (Dawis and Lofquist, 1984). A major tenet of this theory is that job satisfaction is a function of the correspondence between the reinforcer pattern of the work environment and individual needs.

Carnevale and Rios (1995) studied employees' attitude towards the quality of their physical work conditions. This questionnaire-based study was done for a state-owned building. There was a strong positive relationship between job satisfaction and the quality of the physical setting. They also implied the nature of the physical work environment as an important factor in shaping employee attitudes on the job. This is because employees are becoming more aware of their work surroundings and are increasingly concerned about the impact physical settings have on their health, safety and work performance.

Lam's (1995) review of empirical studies of job satisfaction by Locke (1976), Lawler (1973) and Smith, Kendal and Hulin (1969) indicated that working conditions which help in attaining interesting work, reasonable workload, pay and promotions, and in minimising role conflict and ambiguity, will lead to job satisfaction.

Research findings suggest that job satisfaction is not static but is subject to influence and modification from forces within and beyond an individual, that is, his or her own personal characteristics and the immediate working environment (Baran,1986). On the other hand, Zeffane's (1994) research in Australian public sector telecommunication organisations found that the degree on certainty or uncertainty about future organisational events and outcomes was an important determinant of satisfaction. It seems that greater certainty about future events leads to greater satisfaction. He also suggested that a more satisfied employee is a more productive employee.

It is important therefore that working conditions, including aspects of the physical environment and people's attitude and perceptions related to those properties, do not contribute to dissatisfaction. Dissatisfaction with work conditions may otherwise lead to worker absenteeism, turnover and other behaviours that may reduce organisational effectiveness. However, very little had been written on the relationship of physical working conditions to organisational commitment and job satisfaction.

5.4.7 Training and Development

Training and development represent an investment in current and future employee performance. The extent of training and development may be interpreted by employees as an indication of the organisation's commitment to its human resources. In addition, organisations that do a lot of training and development are likely to have a cadre of highly skilled employees. These employees may develop a positive self-concept and a sense of competence resulting from the employment relationship

which will later result in greater identity with the organisation (Morris and Sherman, 1981).

Truelove (1992) says that training endeavours to impart knowledge, skills and attitudes necessary to perform job-related tasks. It aims to improve job performance in a direct way, while development is a process whereby individuals learn through experience to be more effective. Development aims to help people utilise the skills and knowledge that education and training did not provide. It embodies concepts such as psychological growth, greater maturity and increased confidence.

Training represents a positive hope, both for persons first entering the world of work and for individuals changing their work environments. When training is well designed, it gives individuals opportunities to enter the job market with needed skills, to perform in new functions and to be promoted into new situations. This emphasis on training opportunities is consistent with the concept of work and its values as an activity of daily life. For most employees, training is instrumental for earning entry into and enjoying the satisfaction associated with the world of work (Goldstein, 1989).

“Training” and “development” are terms that are sometimes used interchangeably. Traditionally, development was seen as an activity normally associated with managers. By contrast, training has a more immediate concern and is associated with improving the knowledge and skill of non-managerial employees in their present job (McKeena and Beech, 1995). It is important therefore to regard training and development as interactive, each complementing the other. It is therefore imperative for the organisation to produce a plan for human resource development (i.e. training and development) which will effect the employee resourcing plan (i.e. selection) and the organisation’s overall strategic plan. As Keep (1992) points out, training and development are not an option; they are an intrinsic part of the practice of human resource management and an investment in people.

According to Keep (1993), the adoption of an enhanced, comprehensive and strategic approach to training and development is the vital component of human resource management. Training and development have a key role to play in developing a high-quality and flexible workforce. Training can induce positive or negative impressions and attitudes. Employees with greater commitment, self-efficacy and motivation should make better contributions to the organisation.

Training is not generic, but varies according to the situation and the purpose. It is reasonable to generalise the results to training should share similar purpose, length, method, and environment (Tannenbaum *et al*, 1991). Employees, managers and organisations are increasingly turning to training as a means to address work issues (Goldstein, 1989). For example, training is used to improve current job skills, to prepare for career advancement and to retool for new or changing job requirements. It is also a common process of entry into the organisation (Goldstein, 1980). Moreover, advances in electronics and telecommunications are forcing organisations to change and advance with technological changes in order to be competitive in the market. Training is needed to progress in the new technology environment and also to cope with internal and external changes.

Managing commitment requires attention to matters such as selection, socialisation, training and development, job design and organisational reward systems (Fombrum *et al*, 1984; Iles *et al*, 1990). Training that enhances organisational commitment should improve the organisation's ability to retain employees, as studies of commitment have demonstrated negative relationships with withdrawal processes (Mathieu and Zajak, 1990).

Tannenbaum *et al* (1991) demonstrated that training fulfilment may play an important role in the development of commitment, self-efficacy and motivation, suggesting that organisations should try to enhance training fulfilment in their training efforts. Employees' organisational commitment is likely to influence them to view training as useful, both to themselves and to the organisation. When viewed in

this way, organisational commitment can be considered as an influence on training effectiveness.

Mowday *et al* (1982) proposed that initial work experiences will influence the development of commitment. From an exchange theory perspective, training may be viewed as an investment in the relationship between an organisation and a person and can contribute to employees' organisational commitment (Farrel and Rusbult, 1981). Employees may view an effective training experience as an indication that the company is willing to invest in them and cares about them; training may therefore enhance their commitment to the organisation. This would be particularly true if the training meets participants' expectations and desires. In their study, Tannenbaum *et al* (1991) found that training fulfilment was positively related to organisational commitment. And in a study of socialisation in unions, Fullagar *et al* (1992) found that satisfaction with training was an important predictor of loyalty to a union.

Training and development activities may be interpreted by employees as an indication of the organisation's commitment to its human resources. In addition, organisations that do a lot of training and development are likely to have a cadre of highly skilled employees. These employees may develop a positive self-concept and sense of competence resulting from the employment relationship, resulting in greater identity with the organisation (Morris and Sherman, 1981).

Training and development are an important element in the psychological contract. They not only act as an inducement for employees to maintain commitment to the organisation but also serve the employer as a major factor for securing competitive advantage (Stiles *et al*, 1997). They also serve to demonstrate the value the organisation places on employees (Rainbird, 1994). In order to achieve all this, organisations must first recognise employees as a valuable asset to be developed and trained.

5.5 Privatisation, Human Resource Management Practices, Organisational Commitment and Job Satisfaction

From the literature review of organisational commitment and job satisfaction in the previous chapter, it would appear to be useful to look at whether and the reasons why privatisation would lead to improved job satisfaction and organisational commitment. The primary reason why privatisation may lead to improved employee organisational commitment and job satisfaction is that privatisation allows employees to own shares in their employing organisations. This in turn leads to the idea that combining employee and organisational goals and values will lead to improved employee work attitudes.

A second reason is based on the idea that privatisation will lead to the release of public sector managers from governmental interference in the performance of their work, as discussed in Chapter 3.

Another reason for envisaging that privatisation will lead to improved employee work attitudes is that privatisation will make it possible for organisations to provide appropriate rewards for effort and performance of their employees. Performance-related pay may:

- give employees a more direct personal interest in their organisation's success;
- be able to match pay to individual performance in terms of their competencies and skills (Roberts, 1996);
- be seen as encouraging a certain 'performance oriented' awareness in the organisation (Kessler and Purcell, 1992).

Privatisation also may lead to changes in HRM policies and practices. The HRM practices affected by changes as a result of privatisation that are addressed in this research are pay, promotion, benefits, job security, performance appraisal, physical working conditions, and training and development. Changes in HRM practices are regarded as an outcome resulting from privatisation. Before privatisation, public organisations are restricted to the rules and regulations imposed by government.

After privatisation, these organisations have to abide by mutual agreement between management and, where they exist, unions. There are therefore likely to be many policies and practices which will change to suit the new environment and the competitive market situation.

Lawson (1987) suggests that the autonomy or freedom privatisation gives to managers is also associated with responsibility for decision making. This responsibility may enable managers to take pride in the performance of their units and to attribute to themselves successes and failures of their work units thereby enabling them to obtain proper feedback on their performance. This idea is backed by Martin and Parker (1997), who showed the distinction between the public and the private sectors (Chapter 3).

The final reason for the view that privatisation will lead to improved employee organisational commitment and job satisfaction is the evidence that private sector employees have more positive work attitudes than public sector employees (Akuamoah-Boteng, 1989; Odom *et al*, 1990; Savery, 1991; Wittmer, 1991; Zeffane, 1994,1995). It is therefore possible that, when public sector organisations are privatised, they will adopt private sector practices that will lead to better or more positive work attitudes in their employees.

Looking at the reasons given above and the foregoing reviews of privatisation, organisational change, HRM practices, organisational commitment and job satisfaction, one might conclude that there is theoretical support for the view that privatisation will lead to changes in HRM practices. This in turn will led to improved employee commitment and job satisfaction. Privatisation is believed to lead to greater autonomy in work, greater responsibility, more opportunity to use one's abilities, better feedback, more equitable rewards and benefits, and greater opportunities for employees to invest in their organisations.

Theoretically speaking, these conditions should lead to greater organisational commitment and job satisfaction. While the MSQ model indicates that the intrinsic and extrinsic characteristics can and do lead to job satisfaction, the affective, continuance and normative variables in the employing organisation can lead to improved commitment.

Though there seems to be some theoretical support for the view that privatisation will lead to improved organisational commitment and job satisfaction, the improvement will depend on whether or not employees “like” privatisation. In any organisational change process, employees’ attitude to the process itself and the organisational climate at the time of instituting the change are two very important conditions for the success of the change process.

The determinants of organisational commitment and job satisfaction include a variety of aspects such as medical benefits, good human relations skills of supervisors, interesting work, fair pay and good working conditions. The specific causes relevant to employees within a given organisation will vary depending on the organisation, the employee, and the interaction between the two. There is, unfortunately, no fixed recipe that can be used by organisations to obtain committed and satisfied employees. Individual differences among employees are too wide to allow such a situation. From the employee’s perspective, there is also, unfortunately, no perfect organisation to work for that will result in his or her being constantly committed and satisfied at work.

What is realistic is for human resource managers to be aware of those aspects within an organisation that might impact most on employees’ organisational commitment and job satisfaction, and to enhance those aspects because, in the long run, the results will be fruitful for both the organisation and the employees (Judge *et al*, 1995).

5.6 Conclusion

Most studies of HRM practices and organisational commitment and job satisfaction have been done cross-sectionally, but there are very few findings which identify the results over time. It is clear that pay, promotion, benefits, performance appraisal, job security, physical working conditions, and training and development impact on organisational commitment and job satisfaction either directly or indirectly. This research examines both organisational commitment and job satisfaction as an outcome variable, specifically as an outcome of HRM practices. Comparisons need to be made to determine if the outcomes of these variables are similar or different before privatisation and after privatisation. The next chapter discusses the methodology that has been used for this research.

Chapter Six : RESEARCH OBJECTIVES AND METHODOLOGY

6.1 Introduction

The aim of this chapter is to describe the objectives of the research and the plan of action in collecting the information to provide answers to the research questions. Questionnaire was chosen as a method for data collection. Samples of employees were drawn from two privatised, service-oriented monopolies in Malaysia. The survey was designed to correlate the changes in human resource management practices with the dimensions of organisational commitment and job satisfaction, and to look at the differences in the relationships before and after privatisation and to discover if the antecedent practices were similar before and after privatisation. The assumptions and limitations of the research are listed discussed.

6.2 Research Questions and Propositions

Stemming from the discussion in chapters 2, 3, 4, and 5, the present study is essentially exploratory and attempts to address a number of broad research questions. There is little literature that discusses changes of human resource management (HRM) as their consequences as a result of privatisation; therefore this research is essentially exploratory in nature. In particular, it seeks to add to previous research on various aspects and determinants of employee commitment and satisfaction by pursuing the following questions:

- Are the HRM practices of pay, promotion, benefits, job security, performance appraisal, physical working conditions, and training and development different before and after privatisation?
- Are the HRM practices that contribute to employees' organisational commitment and job satisfaction similar before and after privatisation?
- Are public and privatised sector HRM practices different from one another?
- How does the relative importance of the dimensions of organisational commitment and job satisfaction help us better to understand differences between the public and private sectors in terms of pay, promotion, benefits, performance

appraisal, job security, physical working conditions and training and development?

- Are the relationships between HRM practices and the dimensions of organisational commitment similar before and after privatisation?
- Are the relationships between HRM practices and the dimensions of job satisfaction similar before and after privatisation?

6.2.1 Research Objectives

The overall aim of the research was to assess the impact of privatisation on employers' HRM practices, and to explore the consequences for employees' attitudes in terms of organisational commitment and job satisfaction.

The first objective is to find out if the HRM practices regarding pay, promotion, benefits, performance appraisal, job security, physical working conditions, and training and development change before and after privatisation. This is to test claims that there are differences in these practices after the organisations have been privatised (Jomo *et al*, 1995). Kuppusamy (1995), however, indicated that most of privatised organisations in Malaysia were basically similar compared to before privatisation in terms of the working conditions and the employees. The main difference was that these organisations operated under different management styles. This stimulated the researcher to find out if there are differences in the HRM practices and, if there are, how they affect employee commitment and job satisfaction of those employees. This entails that comparisons be made between human resource management practices before privatisation and after privatisation.

The second objective was to find out if HRM practices have any relationship to the three dimensions of organisational commitment: affective, continuance and normative commitment. In particular it was required to determine the nature of antecedents of affective, continuance and normative commitment before and after privatisation. There is much research on commitment (Mathieu and Zajac, 1990; Randall, 1990; Balfour and Wechsler, 1990; Dunham *et al*, 1994; Zeffane, 1995) but

very few studies have looked at the relationship between human resource management practices and organisational commitment except those by Ogilvie (1987) and Morris *et al* (1993).

The third objective was to determine whether the HRM practice antecedents of affective, continuance and normative commitment are similar or different before and after privatisation. There are no direct studies to the researcher's knowledge that explore this, though there are studies on differences in employees' organisational commitment (Zeffane, 1995; Maidani, 1991; Akuamoah-Boteng, 1989) in public and private organisations (Odom *et al*, 1990; Savery, 1991; Flynn and Tannenbaum, 1993; Wittmer, 1991; and Newstrom *et al*, 1976).

The fourth objective was to determine whether HRM practices have any relationships with intrinsic and extrinsic job satisfaction before and after privatisation and, if so, which of the practices were different.

Finally, the fifth objective has to determine whether the antecedents of intrinsic and extrinsic satisfaction were similar or different before and after privatisation.

In the literature on HRM practices, few studies which have looked at such practices in relation to commitment (e.g. Ogilvie, 1987). A study was conducted by Nelson *et al* (1995) on the impact of privatisation on employee job satisfaction and well-being but it did not relate HRM practices to privatisation. Akuamoah-Boteng's (1989) study however, did relate some HRM practices to privatisation, commitment and job satisfaction, namely pay, promotion, working conditions and job security. Since this current study will be looking at the HRM practices, organisational commitment and job satisfaction before and after privatisation, the areas of recruitment and staffing are not included in this study: recruitment and staffing applies to new employees and the sample required is employees who were employed both before and after privatisation.

This study went further, by identifying the change in HRM practices and how these changes affected organisational commitment and job satisfaction.

A key question in this research is whether privatisation changes the level of employees' organisational commitment and job satisfaction? To date, there have been few studies on the effects of privatisation on HRM practices, namely those by Morris *et al* (1993); Akuamoah-Boteng (1989) in the UK and by Kuppusamy (1995) in Malaysia. More studies have looked at the effects of privatisation in terms of productivity, production and performance (e.g. Martin and Parker, 1995; Ernst, 1994; Yarrow, 1993).

It should be noted that separating out the effects of other factors such as the economic and performance on the organisation's resources from the effects of privatisation remain problematic because these factors have causal effect on each other.

6.2.2 Variables and Propositions

The independent variables (HRM practices) considered by the current study are pay, promotion, benefits, performance appraisal, job security, physical working conditions, and training and development. The dependent variables are the dimensions of organisational commitment (affective commitment, continuance commitment and normative commitment) and job satisfaction (the two dimensions of intrinsic and extrinsic satisfaction).

Proposition 1: The changes in human resource management (HRM) practices from before privatisation (time 1) and to after privatisation (time 2).

The following propositions were aimed at examining changes in human resource management practices at time 1 (before privatisation) and time 2 (after privatisation).

Proposition 1 a:

There are differences between pay at time 1 and time 2 in the two organisations.

Proposition 1 b:

There are differences between the number of promotions at time 1 and time 2 in the two organisations.

Proposition 1 c:

There are differences between the types of benefits at time 1 and time 2 in the two organisations.

Proposition 1 d:

There are differences between performance appraisal at time 1 and time 2 in the two organisations.

Proposition 1 e:

There are differences in job security at time 1 and time 2 in the two organisations.

Proposition 1 f:

There are differences in the physical working conditions at time 1 and time 2 in the two organisations.

Proposition 1 g:

There are differences in the amount of training and development at time 1 and time 2 in the two organisations.

Proposition 2: Human resource management (HRM) practices and organisational commitment before and after privatisation.

The following propositions explored the relationship between HRM practices and organisational commitment dimensions before and after privatisation.

Proposition 2a (i):

Practices concerning pay, promotion, benefits, performance appraisal, job security, physical working conditions, training and development at time 1 are antecedents of affective commitment at time 1.

Proposition 2a(ii):

Practices concerning pay, promotion, benefits, performance appraisal, job security, physical working conditions, training and development at time 2 are antecedents of affective commitment at time 2.

Proposition 2b(i):

Practices concerning pay, promotion, benefits, performance appraisal, job security, physical working conditions, training and development at time 1 are antecedents of continuance commitment at time 1.

Proposition 2b(ii):

Practices concerning pay, promotion, benefits, performance appraisal, job security, physical working conditions, training and development at time 2 are antecedents of continuance commitment at time 2.

Proposition 2c(i)

Practices concerning pay, promotion, benefits, performance appraisal, job security, physical working conditions, training and development at time 1 are antecedents of normative commitment at time 1.

Proposition 2c(ii)

Practices concerning pay, promotion, benefits, performance appraisal, job security, physical working conditions, training and development at time 2 are antecedents of normative commitment at time 2.

Proposition 3: Human resource management (HRM) practices with job satisfaction before and after privatisation.

The following propositions explored the relationships between HRM practices and the dimension of job satisfaction.

Proposition 3a(i)

Practices concerning pay, promotion, benefits, performance appraisal, job security, physical working conditions, training and development at time 1 are antecedents of intrinsic satisfaction at time 1.

Proposition 3a(ii)

Practices concerning pay, promotion, benefits, performance appraisal, job security, physical working conditions, training and development at time 2 are antecedents of intrinsic satisfaction at time 2.

Proposition 3b(i)

Practices concerning pay, promotion, benefits, performance appraisal, job security, physical working conditions, training and development at time 1 are antecedents of extrinsic satisfaction at time 1.

Proposition 3b(ii)

Practices concerning pay, promotion, benefits, performance appraisal, job security, physical working conditions, training and development at time 2 are antecedents of extrinsic satisfaction at time 2.

6.3 Research Model

The research model developed for this research was divided into four stages. The first stage was to look for differences in HRM practices before and after privatisation. This part of the research sought to examine differences between the practices before and after privatisation as indicated in proposition one in the sub-section above.

The second part of the model was concerned with the relationships between HRM practices and organisational commitment as elaborated in proposition two. The pattern of relationships between HRM practices before privatisation (time 1) with affective, continuance and normative commitment before privatisation was

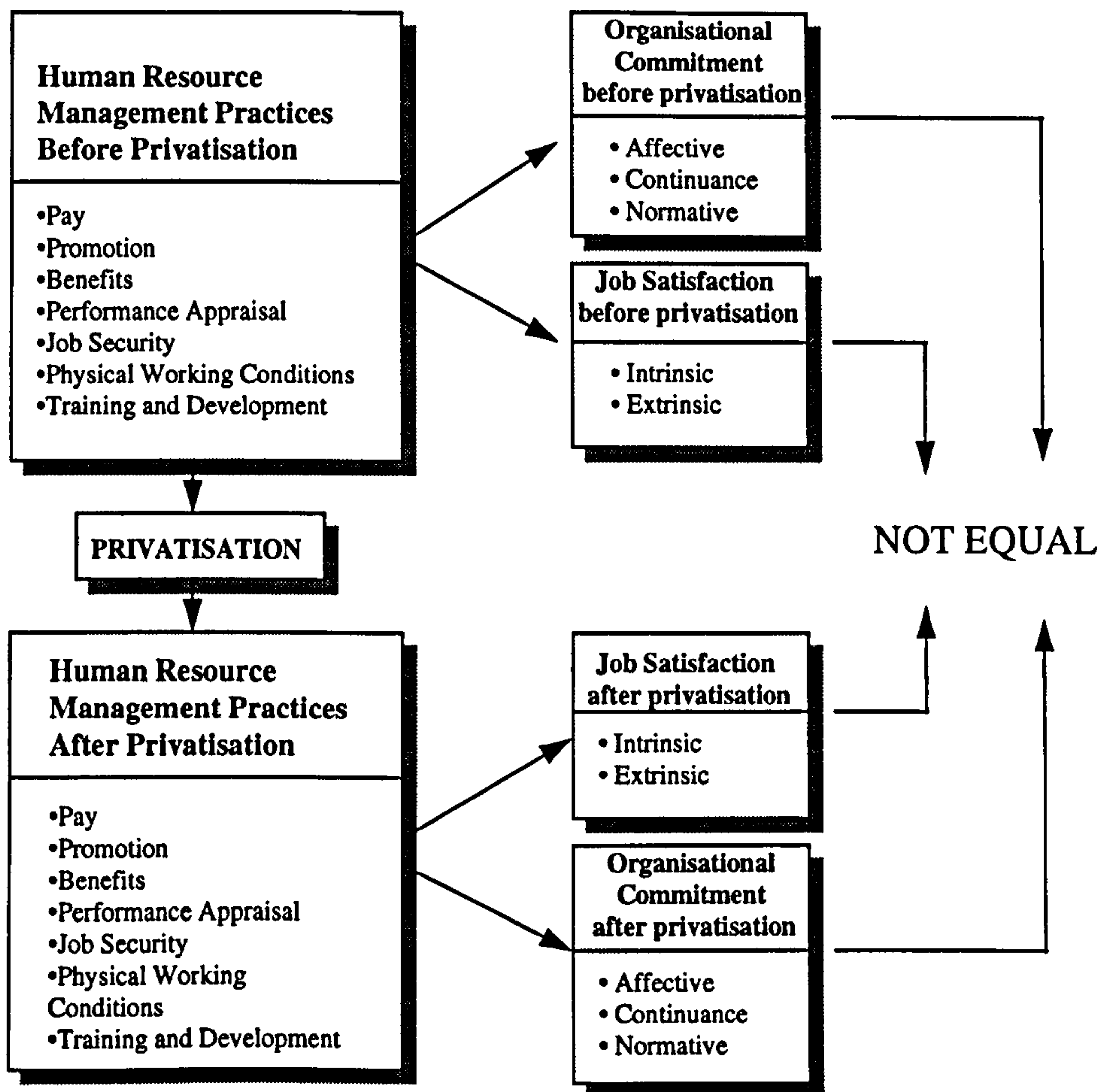
examined. Similarly, the pattern of relationship was also explored between HRM practices at time 2 (after privatisation) with affective, continuance and normative commitment at time 2.

The third part of the model concerned with the relationship between HRM practices and job satisfaction as elaborated in proposition three. The patterns of relationship between HRM practices at time 1 (before privatisation) and intrinsic and extrinsic satisfaction at time 1 and between HRM practices at time 2 (after privatisation) and intrinsic and extrinsic satisfaction at time 2 were also explored.

The final part of the model concerned the differences between the results at time 1 and time 2 for the dimensions of organisational commitment and job satisfaction in order to find out similar and different antecedents between the two times.

The research model is presented at Figure 6.3.

Figure 6.3 RESEARCH MODEL



6.4 Research Design

According to Oppenheim (1992), the term “research design” refers to the basic plan or strategy of the research, and the logic behind it, which will make it possible and valid to draw general conclusions. The research design according to Zikmund (1991) is

“a master plan specifying the methods and procedures for collecting and analysing the needed information”.

Research design can therefore be conceptualised as the framework used to conduct research. There are debates in the social sciences about the most appropriate philosophical position from which a method should be derived. There are mainly two

methods of data collection and analysis, namely qualitative and quantitative (Gummesson, 1991; Churchill, 1992), and an overview of each method is presented below.

6.4.1 Qualitative Versus Quantitative Methods

Churchill (1992) stated that, in terms of data collection, all studies fall into either of two categories, that is, qualitative or quantitative.

Qualitative research is often concerned with improving or changing the study as one carries it out, while, in quantitative research, one has to detail the questions in advance. Data collection in qualitative studies usually takes one or both of two forms, one-to-one in-depth interviews or focus group discussion with a facilitator. On the other hand, quantitative research tends to involve some form of predetermined questionnaire and a much larger group of respondents.

The aim of the qualitative method is to probe rather than count, with the intention usually to generate ideas and hypotheses. Chisnall (1991) considers qualitative research to be a disciplined approach to collecting and analysing information as it enables the researcher to replicate open-ended interviewing techniques and use both formal and informal methods of analysis.

The quantitative method, on the other hand, deals with measuring the respondents' behavioural and personal characteristics. It focuses on describing and measuring concepts or variables. By using quantitative methods, the conceptual approaches to problem solving are explicit and fixed, using agreed tools for measuring (Chisnall, 1991). Statistical tests are usually used to indicate if a particular relationship or particular differences are significant. Specifically, quantitative research methods seek to test if a particular hypothesis is true for the sample and hence for the population.

Both methods, however, have their limitations. For qualitative research, the conclusions derived must be regarded as informed hypotheses, not as proven facts.

This is because the samples usually are quite small and selected in a purposive procedure rather than a probability sampling procedure. Therefore, the findings that result from qualitative research are normally subject to evaluation using quantitative procedures. According to Peterson (1994), qualitative findings may be influenced by the skills, experience and understanding of the individual gathering the information.

After reviewing the two approaches, it was felt that the quantitative method was more appropriate for this study for the following reasons:

1. The quantitative method allows for the use of standard information and controllable sets of measures. This method allows for similar sets of questions to be asked of every respondent and thus to be regarded as a standardised stimuli.
2. The quantitative method allows the survey to be conducted on a sample from the population. In this research, the survey was conducted on non-executive employees working at the headquarters of the participating organisations. In being representative, the sample sizes allow for generalisation.
3. The chosen method permitted the testing of relationships between variables (i.e. the proportions) using statistical methods.
4. This method allows the researcher some degree of control over whom and what to measure without having to interfere with the natural setting of the subjects under investigation.
5. The chosen research design may satisfy cost, technical, and time considerations in view of the types of information required and the availability of resources (Sproull, 1988).

6.4.2 The Chosen Research Design

The choice of research design depends upon the type of information desired, the availability of resources, the degree of control the researcher has over the selection and assignment of subjects, and the ability to manipulate independent variables (Emory and Cooper, 1991). The design chosen for this research was the exploratory method. According to Babbie (1986), exploratory studies are most typically done for three purposes:

- a. to satisfy the researcher's curiosity and desire for better understanding
- b. to test the feasibility of undertaking a more comprehensive study
- c. to develop methods to be employed in a more comprehensive study.

A purely qualitative research approach is less appropriate because this study required the synthesis of a large number of variables. Quantitative data would facilitate comparisons and the testing of the research propositions (Bryman, 1989). To complement the findings from a mail survey, the interview was used to highlight important facts regarding changes in HRM practices. This study falls into the category of the cross-section type. Cross-sectional design usually involves a large number of respondents studied at a particular time. A longitudinal study, suggested by a number of researchers including Emory and Cooper (1991) and Chisnall (1992), was not considered feasible, as that design would have demanded greater resources in terms of finance, time and established data base than were available. Longitudinal design focuses on smaller number of cases over a long period of time.

A cross-sectional survey was designed to collect data for the two periods, that is before and after privatisation. Two sets of data were collected from the respondents (i.e. before and after privatisation) using the same questionnaire. It was hoped that this method could provide indicators of the changes in HRM practices, organisational commitment and job satisfaction before and after privatisation.

Conducting this research longitudinally would have been an ideal plan, but practical constraints forced the researcher to do the study only cross-sectionally. It would have been an advantage to know in advance which organisations would be privatised and to carry out the study both before the implementation and again after implementation. It was beyond the control of the researcher to know specifically when an organisation was to be privatised, as oftentimes (in Malaysia) privatisation takes longer than it is intended and after actual date targeted. Further, to get the organisation to disclose when they will be privatised is rather difficult as it is confidential before it is announced to the public (Jomo *et al*, 1995). The researcher

was also constrained by the time allowed by her sponsor (36 months) for the completion of her Ph.D.

6.5 Data Collection Method

Nachmias and Nachmias (1996) classified data collection methods into three categories: observational methods, surveys, and unobtrusive measures. Observational methods are suitable when phenomena can be observed, relevant events occur within a reasonable time, and past events are irrelevant. Unobtrusive measures refer to any method of data collection that removes the researcher from the interactions, events, or behaviour being investigated. In this research, many of the variables could not be directly observed and the use of unobtrusive methods would not have allowed the researcher to probe for additional information which may have enriched the findings of this study. The data collection method considered most appropriate to achieve the objective of this study was the survey method.

A survey can be carried out by personal interview, telephone interview and mail survey. Each of these methods has advantages and disadvantages (Nachmias and Nachmias, 1996; Babbie, 1989; Oppenheim, 1992; Zikmund, 1991). The choice of the data collection method should be dictated by the data required and by time and monetary constraints. Chisnall (1992) proposed that the use of more than one method should be considered where possible.

For the purpose of this research, mail survey and personal interview were used. The mail survey was used to collect data from the non-executive employees of the privatised organisations while personal interviews were carried out with their human resource managers.

Survey research, according to Babbie (1986), is the most frequently used mode of observation in social sciences. Surveys may be used for descriptive, explanatory and exploratory purposes. Survey research is the best method available to the social scientist interested in collecting original data for describing a population too large to

observe directly (Babbie, 1986). Survey research entails the administration of questionnaire to a sample of respondents selected from some population. This method of research is an excellent vehicle for measuring attitudes and orientations in a large population. The research objectives require data that are attitudinal, behavioural and factual. This requires the researcher to obtain quantitative data to fulfil those objectives (Zikmund, 1991). This supports the arguments by Aaker, *et al* (1995) that a survey can collect a great deal of data. Another advantage of the survey method is the anonymity of respondents responding to the questions. This means that individuals are more likely to participate in the study.

Data were collected using a questionnaire. The questionnaire method was chosen because a large sample would be targeted, that is employees of the organisations studied.

According to Oppenheim (1992), the advantages of the mail questionnaire are:

- low cost of processing
- low cost of data collection
- avoidance of interviewer bias
- ability to reach respondents who live at widely dispersed addresses (e.g. overseas)

The disadvantages are:

- generally low response rate
- consequential bias from the response rate
- lack of opportunity to correct misunderstanding and provide explanations
- unsuitability to respondents of limited literacy
- lack of control over the order in which questions are answered
- interpretation of questions by respondents

In addition to the questionnaire, interviews were conducted with human resource managers to get detailed information regarding the organisations, employees, and the HRM practices before and after privatisation.

6.6 Sampling Procedures

Sampling is necessary because it is often impossible, impracticable or extremely expensive to collect data from all the potential units of analysis encompassed in the research problem (Sekaran, 1992). In the context of this research, it was judged to be costly and time-consuming to collect data from all employees of privatised organisations throughout Malaysia.

According to Sekaran (1992), sampling

“is the process of selecting a sufficient number of items from the population so that by studying the sample, and understanding the properties or the characteristics of the sample subjects, we will be able to generalise the properties or the characteristics to the population elements”.

According to Sproull (1988), a representative sample is more important than its actual size. A larger sample does not necessarily mean that it is more representative of the population. In order to be representative, randomness in the selection of the size is important. This is because it is often considered to be free of bias and therefore more likely to produce a representative sample (Sproull, 1988).

There are several types of sampling which are described in most statistics books. The four major types are discussed below:

1. Simple Random Sampling and Systematic Sampling.

This method enables each member of the population to have an equal probability of being selected. When the size of the study is large, this method is not workable. An alternative is systematic sampling which involves systematically spreading the sample through the list of population members. This method considers both the sample size and the number of units in the population.

2. Stratified Random Sampling

This type of sampling is used by researchers to ensure the different groups of a population are adequately represented in the sample so as to increase the level of accuracy in estimating parameters (Nachmias and Nachmias, 1996). Stratified sampling improves sampling efficiency by increasing the accuracy at a faster rate (Aaker, *et al*, 1995). This type of sampling design requires that the total number of sampling units be known.

3. Cluster Sampling

In this method of sampling, the population is divided into sub-groups called cluster. A random sample of clusters is then selected and sampling units in the selected clusters will be chosen to be included in the sample.

4. Quota Sampling

For this method of sampling, quotas are established for the number and types of elements to be selected. Selecting a sample in this type is simple, whereby it is ensured that elements with selected characteristics are represented. In certain instances, it may be the only way that a sample of the population can be drawn (Cannon, 1994).

The Chosen Sampling Method

In this study the stratified random sampling method was used to determine the sample. Since the researcher knew the total number of non-executive employees working at the headquarters of the organisations, this method was regarded as the most suitable sampling method to determine the sample.

6.6.1 Population

Population refers to the entire group of people, events and other items the researcher wishes to investigate (Sekaran, 1992). It can also be defined as the complete set of units that are under investigation. In this research, the population was employees who

were once public-sector employees in two privatised organisations which previously were government monopolies in Malaysia.

At the initial stage of the study, privatised government monopoly organisations in Malaysia were identified and later contacted to request permission to conduct a survey within their organisations. Letters and faxes were sent to a few organisations and followed up with further letters and faxes. When the researcher was due to visit Malaysia for data collection in June 1996, only three organisations had responded. Upon arrival in Malaysia, the researcher contacted the organisations again and only one responded and granted permission for the researcher to carry out the research in their organisation. Only Telekom Malaysia, Tenaga Nasional, Pos Malaysia and KTM Bhd. responded. Pos and KTM were excluded as they were defined as corporatised organisations and has not been fully privatised as yet.

6.6.2 Sample

A sample is the smaller set of elements from the population chosen for the research (Sekaran, 1992). Owing to cost and time constraints, the data collection for this study was conducted only at the headquarters. The respondents were non-executive employees. The reason for sampling only the non-executives employees was that most of the employees involved in privatisation are the lower-grade employees, that is the non-executives. Records from the Public Services Department, as cited by Ismail (1991), indicate that the numbers of higher-grade (executive) employees are relatively fewer than those of the lower-grade (non-executive) employees. The two organisations chosen for this research (Telekom Malaysia and Tenaga Nasional) had the highest total of non executive employees before privatisation. Many executives in both organisations were recruited after privatisation, while most of the non-executives had been working in them before privatisation. These non-executive respondents are henceforth called the sample population. The method used to determine the sample was stratified random sampling.

It should be noted that only employees who had been working in the organisations before privatisation and remained in service at the time the research was conducted were included in the sample for the survey, (irrespective of whether they had been in different departments/branches before privatisation). Interviews were conducted with the human resource officers of both organisations.

a. Telekom Malaysia

Telekom Malaysia (TM) was originally known as the Telecommunication Department (Jabatan Telekom Malaysia or JTM). The privatisation of JTM took place in two stages. First, JTM was corporatised in January 1987, when Syarikat Telekom Malaysia (STM) was established to take over the provision of telecommunications services and the network from JTM. The second stage of privatisation occurred in 1990, when a portion of the government's equity in the company was divested to the public through a public share flotation. However, the Government, through the Ministry of Finance, is still the majority shareholder. The Government continues to hold the "golden share" (one solitary special rights redeemable preference share) which makes government sanction necessary on all major policy decisions of Telekom Malaysia (Naidu, 1995).

Upon privatisation JTM took over approximately 30,555 employees, of whom 28,561 were non-executive employees (Central Records Office, Public Service Department, cited by Ismail, 1991).

b. Tenaga Nasional

Tenaga Nasional Berhad (TNB) was incorporated on July 12, 1990, under the Company Act 1965 (Manat, 1992). The company was created with the purpose of taking over the operations of the National Electricity Board (NEB) of the States of Malaya, in line with the Malaysian government's privatisation policy. The NEB had been a government utility body responsible for the supply of mains electricity in the Malaysian Peninsular states since September 1949.

On 28 May, 1992, the government divested 30 percent of its shares in TNB to the public by way of a public share flotation (Naidu,1995). TNB took over a staff of 23,133, of whom 21,718 were non-executives. Currently, TNB is the single monopolistic company responsible for the electricity supply industry in Peninsular Malaysia. The activities include construction and operation of power stations, transmission of the electricity supply through the National Grid and the operation and maintenance of the final distribution systems to consumers (Manat, 1992).

6.6.3 Sample Size Determination

According to Chisnall (1992), the required size of the sample depends on the basic characteristics of the population, the type of information required from the survey and the cost involved.

Quantitative research does not necessarily require very large samples. While it is true that some quantitative studies are based on large samples of 20,000 respondents or more, most commercial research uses samples of 200 to 2000 respondents (Miere, 1990).

The sample of non-executive employees was based on the total number of non-executive employees working at the headquarters. This study adopted the method developed by Krejcie and Morgan (1970). They constructed a table and diagram which shows both the given population and the required sample size the researcher should consider for representative data which may be used for research purposes (Table 6.6.3 and Figure 6.6.3).

According to Krejcie and Morgan (1970), this method was developed from the following formula approved by the National Education Association in the USA:

$$s = X^2 NP (1-P) / d^2 (N-1) + X^2 (1-P)$$

where:

s = required sample size

X^2 = the table value of chi-square for 1 degree of freedom at the desired confidence level (3.841)

N = population size

P = the population proportion (assumed to be 0.50 since this would provide the maximum sample size)

d = the degree of accuracy expressed as a proportion (0.50)

Table 6.6.3: Table for Determining Sample Size from a Given Population

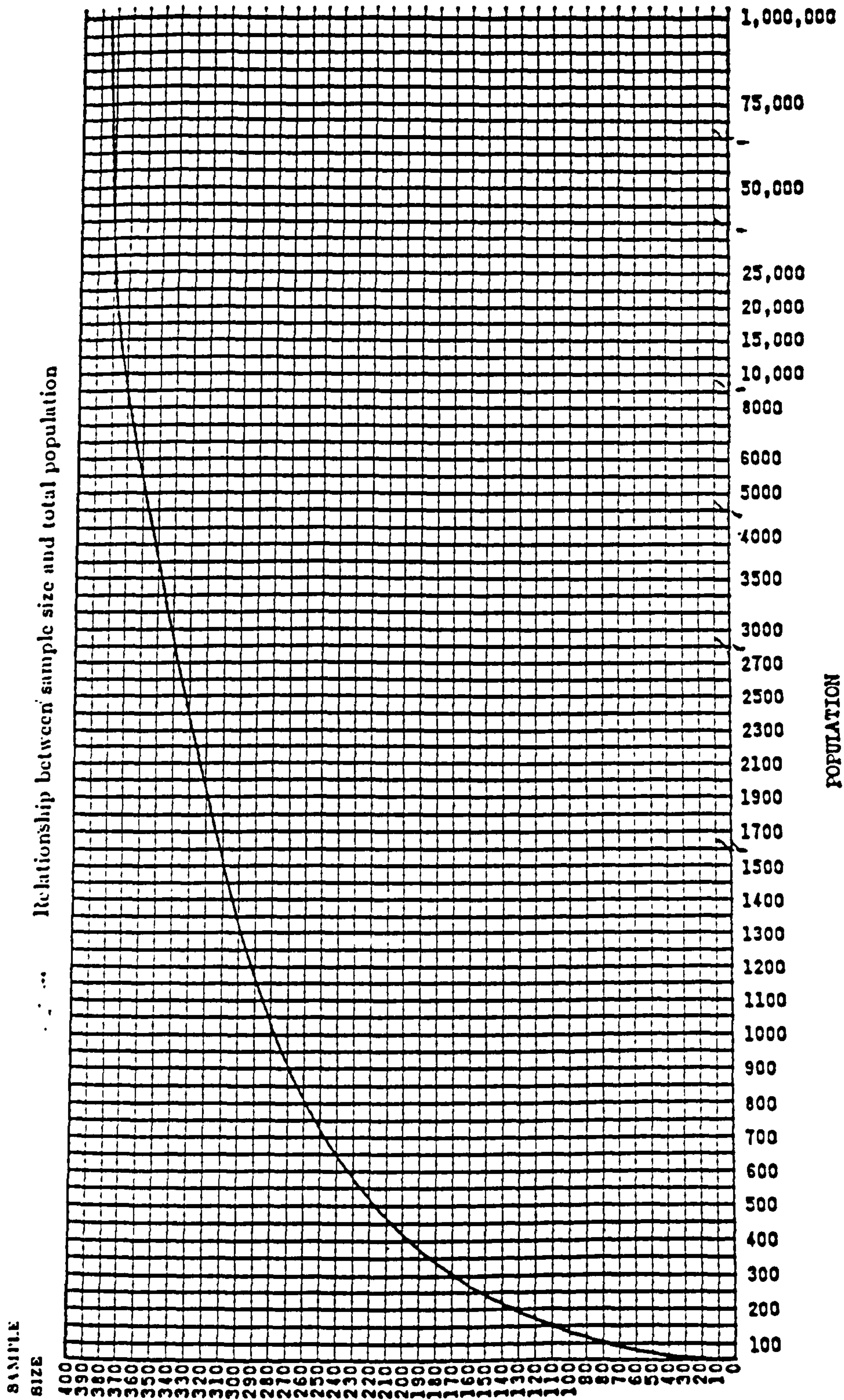
N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

N = Population, S = Sample Size

Source: Krejcie and Morgan (1970)

Figure 6.6.3 Relationship between Sample Size and Total Population

Source: Krejcie and Morgan (1970)



This method of determining sample size is accepted in social science research and has been used by researchers such as Sekaran (1992) and Brahamain (1997). Krejcie and Morgan (1970) indicate that,

“as the population increases, the sample size increases at a diminishing rate and remains relatively constant at slightly more than 380 cases”.

This method was also confirmed by Churchill (1992), who indicates that the size of the population has no direct effect on the size of the sample and that what directly affects the size of the sample is the variability of the characteristics in the population. Therefore, the number in the sample selected for this research is based upon the table provided by these previous researchers.

At the headquarters of Telekom Malaysia, there were 2,636 non-executive employees (source: interview with Human Resource Officer on June 27, 1996), so 335 questionnaires were given to the Human Resource Officer for distribution. At the headquarters of Tenaga Nasional, there were approximately 2,500 non-executive employees (Source: interview with Human Resource Officer on June 24, 1996), so 331 questionnaires were given to the Human Resource Officer for distribution. A total of 666 questionnaires were distributed. On consenting to participate in the survey, the Human Resource Officers were relied upon to distribute the questionnaire to the non-executive employees in the respective departments of their organisation as agreed with researcher.

6.7 Questionnaire Development

Questionnaires are used in connection with many modes of observation in social research (Babbie, 1986), but they are essential to, and most directly associated with, survey research. The questionnaire is *“a remarkably versatile method of gathering information about a wide variety of topics”* (Chisnall, 1992). In order to ensure a true response to a question, three conditions have to be satisfied:

- respondents must be able to understand the questions
- they must be able to provide the information requested

- they must be willing to provide the information

With these conditions in mind, the researcher developed the instrument used in the research.

6.7.1 Data Collection Instrument

The data collection instrument used for this study was a questionnaire designed to obtain the necessary data for answering the research questions. The process of questionnaire development is described in the following sub-sections.

6.7.1.1 Human Resource Management Practices Measure

Conceptualisation

A review of literature on Human Resource Management (HRM) practices was reported in Chapter 5. Since there is no specific measure of HRM practices suitable for adoption in this study available in the literature, a questionnaire intended to measure the concepts had to be developed. HRM practices of pay, promotion, benefits, performance appraisal, job security, physical working conditions and training and development were the concepts. Practices of recruitment and staffing were not included because the objective was to survey employees who had been working before the implementation of the privatisation program and still continued to work in the organisation.

Selection of Items

Having defined the factors representing the HRM practices construct, the next step in the development of the HRM practices measure involved the selection of items to represent the respective factors. In searching for the appropriate items, the researcher referred to various sources in the literature. Items were collected from various scales which represent the defined dimensions of HRM practices. The items and the sources are shown in Table 6.7.1.

Table 6.7.1: Operational Definitions and Items for Human Resource Management Practices

Dimension	Operational Definitions	Items/Sources
Pay	Monetary rewards (including bonus) which employees receive for their services to the organisation	The pay offered by this organisation is good compared to other organisation (Hofstede,1980). The pay I receive is commensurate to the work I do (Hackman & Oldham, 1980) The main reason I stay in this organisation is because of the pay (Lydka,1994) The pay I receive is adequate compared to the amount that I need to spend (Boteng,1989)
Promotion	Opportunities for promotion and career advancement in the organisation.	There are lots of opportunities for promotion in this organisation (Lydka,1994) The promotion system in this organisation ensures the best people to rise to the top (Hofstede, 1980). There are many opportunities for transfers to different jobs in this organisation (Hofstede, 1980) I consider my career aspirations are most likely to be realised by staying in this organisation (Lydka,1994)
Benefits	Adequacy and fairness of non-monetary benefits (excluding pay) that employees receive by working in the organisation.	The benefits package offered by this organisation is good in terms of meeting my needs (Scarpello & Hubber,1988) The value of the benefits I obtain is better than in other similar organisations (Hofstede, 1980). Leaving this organisation would incur loss of pension and other benefits (Hofstede, 1980). The range of benefits that I receive exceeded my expectations (Scarpello & Hubber, 1988).
Performance appraisal*	Assessment of employees performance in the organisation.	Performance appraisal helps to develop a better understanding between superiors and subordinates. Performance appraisal makes a useful contribution to the organisation by encouraging employees to perform more productively in their job. Employees are rewarded according to their work performance. Performance appraisal is based largely on the immediate boss's ratings of employee performance. The appraisal has made me discover the knowledge and skills I need to develop.
Job security	The provision of secure, stable and permanent employment.	I fell secure in my employment (Hackman & Oldham,1980) I feel my employment in the organisation is permanent (Hofstede, 1980).
Physical working conditions	Provision of conducive physical working conditions and environment (comfort, health and safety).	The physical surroundings in this organisation are pleasant (Chelte,1983; Quinn and Staines,1979) The working environment in my organisation is safe and comfortable (Stanley, 1986) The working hours in this organisation are good (Chelte, 1983) I am happy with the working conditions in this organisation (space, equipment, lighting, air-conditioning, etc.) (Smith,Kendall & Hulin,1969)
Training and development	Opportunities to learn and develop new skills and knowledge to perform current and future job.	My job provides opportunities for personal development for the future (Hackman and Lawler, 1971) The training I receive in this organisation helps to enhance my work performance (Hackman and Oldham, 1975)). My job allows me to develop a variety of skills and experience (Hackman & Oldham, 1975) There are lots of training opportunities offered by this organisation to help me perform better (Hofstede, 1980). This organisation is very supportive in developing the careers of its employees (Hofstede, 1980).

Sources: varies

The scale for these items are 1- strongly disagree, 2- disagree, 3- not sure, 4- agree, 5- strongly agree.

Some of the sources were used as guides in constructing the items, therefore some of the items may not be similar to the original items.

*Performance Appraisal items were based on literature by Moravec (1996), Allan (1994), Murphy and Cleveland (1991).

6.7.1.2 Organisational Commitment Measure

Conceptualisation:

The organisational commitment measure adopted for this study is the one developed by Allen and Meyer (1990). This section briefly reviews the concept of organisational commitment in order to provide some perspective on the measure. Allen and Meyer (1990) say that, although several conceptualisations of attitudinal commitment have appeared in the literature, each reflects one of the three general themes, namely affective, perceived costs and obligation. Based on these general themes, they conceptualised organisational commitment in terms of three distinct dimensions:

Affective commitment is characterised by the presence of emotional attachment to the organisation such that the affectively committed individual identifies with, is involved in, and enjoys membership in the organisation (Allen and Meyer, 1990). Affectively committed employees remain with the organisation because they want to (Meyer *et al*, 1990).

The continuance dimension of commitment combines a behavioural conceptualisation with an instrumental cause (Popper and Lipshitz, 1990). Employees whose primary link to the organisation is based on continuance commitment remain because they need to (Meyer and Allen, 1991). The guiding criterion in the development of continuance commitment is self-interest or, in the words of Heetderks (1993), “*what’s best for me, rather than what is in the best interest of the organisation*”.

The normative dimension of organisational commitment focuses on feelings of loyalty to a particular organisation resulting from the internalisation of normative pressures exerted on an individual (Popper and Lipshitz, 1992; Hackett *et al*, 1992). Internalisation occurs when the induced values of the individual and the organisation are in congruence (O'Reilly and Chatman, 1986). Consequent to the similarity of values, individuals exhibit committed behaviours because it is the right thing to do

(Allen and Meyer, 1990). Employees who are normatively committed feel they ought to remain with the organisation (Meyer and Allen, 1991).

On the basis of their conceptualisation, Allen and Meyer (1990) developed an instrument to measure organisational commitment along the three dimensions. The three component measure was found to be psychometrically sound (Meyer, Allen and Smith, 1993). It has also been shown that the three dimensions of commitment correlate differently with variables purported to be antecedents of commitment (Shore and Tetrick, 1991; Meyer *et al*, 1993).

Table 6.7.1.2 summarises the dimensions of organisational commitment and their respective items.

Table 6.7.1.2: Dimensions of Commitment and Their Respective Items

Dimension	Definition	Items
Affective	Affective attachment-enjoys membership in, identifies with and involves in the organisation. Remains because he/she wants to.	I would be happy to spend the rest of my career with this organisation. I enjoy discussing my organisation with people outside it. I feel as if this organisation's problems are my own. I do not think I could become as attached to another organisation as I am to this one. I feel 'like part of the family' at my organisation. I feel emotionally attached to this organisation This organisation has personal meaning for me. I feel a strong sense of belonging to my organisation.
Continuance	Calculative- based on the reward-cost relationships, 'what's best for me'. Remains because he/she wants to.	It would be hard for me to leave my organisation right now, even if I wanted to. My life would be disrupted if I decided to leave my organisation now. I am afraid of what might happen if I quit my job without having another lined up. It would be costly to leave my organisation now. Right now, staying with my organisation is a matter of necessity as much as desire I feel that I have few options to consider leaving this organisation. One of the serious consequences of leaving this organisation would be the scarcity of available alternatives. One of the major reasons I continue to work for this organisation is that leaving would require personal sacrifice- another organisation may not match the overall benefits I have here.
Normative	Internalisation of normative pressures- congruence of values. Remains because he/she ought to.	I think that people these days move from organisation to organisation too often I feel that a person must always be loyal to his/her organisation Jumping from organisation to organisation seems unethical to me. I believe that loyalty is important, therefore I feel a strong sense of moral obligation to remain. If I got another offer for a better job elsewhere, I would not feel it was right for me to leave my organisation. I was taught to believe in the value of remaining loyal to one organisation. Things were better in the days when people stayed with one organisation for most of their careers. I do not think that wanting to be a 'company man/woman' is sensible anymore

Source: Allen, N.J and Meyer, J.P (1990). The Measurement and Antecedent of Affective, Continuance and Normative Commitment to the Organisation. *Journal of Occupational Psychology*, 63, 1-18

6.7.1.3 Job Satisfaction Measure

The job satisfaction measures adopted for this study is the Minnesota Satisfaction Questionnaire (MSQ) developed by Weiss *et al* (1967). The MSQ measures the intrinsic and extrinsic aspects of job satisfaction. In order to provide some perspective on the measures, this section briefly reviews the concept of job satisfaction. The most popular definition of job satisfaction that it is an individual's attitude towards his/her job. Job satisfaction has been defined in various ways and

there are two widely used procedures to measure it. Based on this, the researcher adopted the MSQ, which measures the intrinsic and extrinsic satisfaction.

Intrinsic satisfaction relates to job content or motivating factors (Maidani, 1991). These factors are characteristics of the job itself and relate to moral values, creativity, ability, achievement, responsibility, autonomy and authority. These factors are important determinants of satisfied feelings about the job.

Extrinsic factors are also known as hygiene factors. These are characteristics of the conditions that surround the job and include working conditions, security, pay and benefits, social status, and organisational policies and practices. These factors are also important determinants of one feeling about satisfaction on the job.

Table 6.7.1.3 summarises the dimensions of job satisfaction and their respective items.

Table 6.7.1.3: Dimensions of Job Satisfaction and Their Respective Items

Dimension	Definition	Items
Intrinsic Job Satisfaction	Factors that are characteristic of the job itself e.g.: moral values, creativity, ability, achievement, responsibility, autonomy and authority	The chance to do different things from time to time The chance to work independently and use my own judgement with little supervision. The opportunity for participation in determining the methods, procedures, and goals in your job. The ability to do things that do not go against your conscious. The chance to do things for other people The chance to tell people what to do. The work in this organisation keeps me busy all the time. The feeling of worthwhile accomplishment I get from the work in the organisation. The opportunity to perform up to my abilities. The extent to which my job gives me a definite place in the community. The opportunity to work alone on my job. The freedom to use my own judgement at work.
Extrinsic Job Satisfaction	Characteristic of the conditions that surround the job, e.g.: working conditions, security, pay and benefits, social status, policy and practices.	The feeling that my salary is fair for the kind of job I perform. The way that the job provides for steady employment. My feelings about working conditions in the organisation (air-conditioning, lighting, ventilation, etc.). The way my supervisor helps make my job more pleasant. The way my supervisor feels each employee is important. The recognition I get for a job well done. The chance for advancement in this organisation. The way my peers get along with one another. The feeling that I am working in an organisation with a good public image. The way work policies in this organisation are put into practice.

Source: Weiss,D.J; Dawis,R.V; England,G.W; and Lofquist,L.H (1967). Manual for the Minnesota Satisfaction Questionnaire. University of Minnesota: Minnesota Studies in Vocational Rehabilitation.

6.7.2 Design of the Questionnaire

Comparison of the two stages, time 1 (before privatisation) and time 2 (after privatisation), was incorporated in section 1, 2 and 3 (see Appendix 5b for the questionnaire used in the survey). The design of the questionnaire was in a format which allowed the respondents to respond to the same question but for a different period of time. This was considered the most appropriate method for the researcher to use as it was impossible to survey the respondents at two points in time. As argued by Olson and Tetrick (1988), to understand change, earlier organisational states must be compared with later stages. This highlights the need for multiple measurement of change in order to understand and explain changes that are occurring in attitudes, perceptions and affective responses of organisational members.

The answers to questions pertaining to the situation before privatisation rely solely on respondents' memory. As the organisations had been privatised in the 1990 and 1992 respectively, the duration of six and four years might have affected their answers. It was difficult for the researcher to determine which organisations would be privatised in the near future and later to do the survey in the particular organisation both before and after it had been privatised. The questionnaire was constructed in a manner to minimise problem associated with this. As mentioned earlier the ideal method would have been to do a longitudinal study of an organisation that had been planned to be privatised and study it later after being privatised. Choosing one of these organisations could have been a problem if the organisation had delayed its privatisation, as has occurred repeatedly (Jomo, *et al*,1995).

The questionnaire comprised five sections:

Section 1. Measurement of HRM practices, adopted from various sources and reworded/modified to suit the research.

Section 2. Measurement of organisational commitment, adapted from the organisational commitment 24 questionnaire, which has been shown to have good reliability and validity results (refer table 6.7.3a)

Section 3. Measurement of job satisfaction, adapted from Minnesota Satisfaction Questionnaire (widely used in job satisfaction research).

Section 4: Demographic questions and related HRM practice questions regarding pay, promotion, benefits, training, performance appraisal and hours of work before privatisation and now. In addition to these, questions regarding age, marital status and gender were also asked.

Questions in sections one, two and three used the Likert scale. Sections one and two contained five possible responses on a scale of 1 (strongly disagree) to 5 (strongly agree). Section three contained questions on job satisfaction, consisting of five possible responses on a scale of 1 (very dissatisfied) to 5 (very satisfied). The questions for sections one, two and three were designed by adding the words *before privatisation* and *now* so that respondents were prompted to remember the same

context at a different time. The *before* referred to the situation before privatisation, while *now* referred to the situation after privatisation. It was intended that the respondents would be better able to relate the *before* questions when they answer the *now* questions.

6.7.3 Validity and Reliability of the Questionnaire.

According to Bryman (1989), measurement is a key step in the quantitative research process where it links the empirical research with the theoretical concepts. The main research instrument used in this study was the questionnaire. To ensure the validity and reliability of the questions, the researcher compared its consistency with previously reported studies. The results are shown in Tables 6.7.3a and 6.7.3b. Questionnaires used in sections 1, 2 and 3 were adapted from past studies because they had been shown to possess a high validity and reliability.

To achieve face validity, the instrument was read and critiqued by several colleagues from the University of Strathclyde. This process supports claims that if an instrument is appropriate, reads well, and simply “looks good”, it is said to have face validity (Churchill, 1987; Kidder and Judd, 1986).

Table 6.7.3a:
Comparison of Reliability Coefficients of Organisational Commitment Sub-scales

Author	Affective	Continuance	Normative
Allen & Meyer (1990)	0.86	0.82	0.73
Brown (1990)	0.89	0.65*	-
Heetderks (1993)	0.85	0.86*	-
Whitener & Walz (1993)	0.86	0.81	
Meyer, Allen & Smith (1993)	0.82	0.74	0.83
Hackett <i>et al</i> (1994)	0.86	0.79	0.73
Dunham <i>et al</i> (1994)	0.74 - 0.87	0.73 - 0.81	0.67- 0.78
Md. Zain (1996)	0.89	0.79	0.75
Present Study:			
Time 1	0.87	0.79	0.82
Time 2	0.88	0.82	0.77

* continuance commitment is known as calculative commitment, while normative commitment are not included in Brown and Heetderk's studies
Time 1 refers to before privatisation; Time 2 refers to after privatisation

Table 6.7.3b:
Comparison of Reliability Coefficients of Job Satisfaction Sub-scales

Author	Intrinsic	Extrinsic
Arvey <i>et al</i> (1989)	0.86	0.80
Moorman (1993)	0.80	0.83
Sims and Kroeck (1994)	0.83	0.81
Present Study:		
Time 1	0.92	0.86
Time 2	0.90	0.87

Time 1 refers to before privatisation; Time 2 refers to after privatisation

On the other hand, reliability is the degree to which measures are free from error and therefore yield consistent results (Peter, 1979). A good measurement method must be reliable and yield stable results. Reliability, according to Churchill (1988) refers to *“the ability to obtain similar results by measuring an object, trait, or constructs with an independent but comparable measure”*. This means that a reliable measuring instrument will give consistent results even when different people administer it at different times (Norusis, 1992). It concerns consistency and stability of scores on a measurement scale. In this study all the items were tested for reliability, measured by the coefficient of reliability. A coefficient of reliability of 1.0 is rarely achieved. Even though there are no proper rules available on what constitute a reliable measure, a minimum value of between 0.5 and 0.6 is acceptable for exploratory research (Davis and Consenza, 1988).

In this study, reliability analysis was employed and performed on the multi-items scales to assess the reliability of the measures used. The reliability analysis determines items that are highly correlated. These are the items that are to be retained for further analysis. Three methods are generally used to measure reliability. These are test-retest method, alternative forms methods and internal consistency method (Davis and Consenza, 1988). The first two methods could not be used in this study because they required the measurement scale to be administered to the same set of respondents at two different times or two alternative forms to be administered. The test of reliability in this study used the SPSS test of internal consistency, the Cronbach-alpha technique. This technique assesses the degree to which the items used are internally consistent with the other items comprising a construct. It is widely used in social science research. For this method, Peter (1979) suggests the use

of Cronbach's coefficient alpha, which is the most commonly accepted approach for assessing the reliability of a multi-item scale. Similarly, Churchill (1987) emphasises that Cronbach's coefficient alpha should be the first measure a researcher should undertake when assessing the merits of a measuring instrument. Since the Cronbach alpha indicates how much correlation there is between one item and all the other items measuring the same entity or construct, it was used in the current study to determine if all the items in the measuring instrument were sufficiently correlated to one another and therefore reliable for use in the subsequent analysis.

Cronbach alpha is represented by a correlation coefficient value ranging from 0 to 1. The higher the correlation value of the alpha, the more reliable is the variable in measuring the construct. The item-to-total correlation score is used to determine which items are to be deleted and which are to be retained for use. This score measures the relationship of one item with the rest of the items in the scale. In this study, a cut-off point of 0.35 was used, as recommended by Edgett (1991). In other words, items that have an item-to-total correlation score of 0.35 and above are retained and those that obtained a score of lower than 0.35 are deleted from the analysis. In this study, reliability analysis was performed on the multi-item scales to assess the reliability of the constructs used. The reliability analysis determined items that were highly correlated. These are the items that were retained for further analysis.

The results of the reliability test for the practices before and after privatisation are indicated in table 6.7.3c. The items that had a corrected item-total correlation of 0.35 or less were removed from the analysis (indicated by questions and results in bold). Then a further test was carried out to obtain a new alpha value for the dimensions with these questions removed, and finally an overall alpha was again computed after all the variables that had low item-total correlation were removed. For HRM practices, questions before privatisation, six items were removed, while for after privatisation all the questions were retained, as they indicated corrected item-total correlation of 0.35 or above.

Results of the reliability test for the dimensions of organisational commitment are shown in Table 6.7.3d. Questions for continuance commitment (numbers 2, 5 and 6) and for normative commitment (question 1) were removed as they indicated corrected item-total correlation of below 0.35. The same questions applied to before and after privatisation. The reliability test was done again to compute new alpha scores for the dimensions. These results are shown in the Table 6.7.3d.

Results of the reliability test for job satisfaction show that all the items indicated corrected item-total correlations of higher than 0.35 and high alpha scores of 0.86 or higher before and after privatisation. The results are shown in Table 6.7.3e.

Table 6.7.3c:
Reliability Analysis Results for Human Resource Management Practices Items

Practices (Time 1)	Corrected item-total correlation	Alpha Value	Practices (Time 2)	Corrected item- total correlation	Alpha Value
Pay Payb1	.4798		Pay Payn1	.5585	
Pycomb8	.5922		Pycomn8	.5848	
Stayb15	.4754		Stayn15	.4605	
Padeqb21	.4373	.7093	Padeqn21	.3841	.7093
Promotion			Promotion		
Promotb2	.5059		Promotn2	.6078	
Prosysb9	.5535		Prosysn9	.6593	
Trferb16	.3365		Trfern16	.5424	
Creerb22	.5087	.6952*	Creern22	.5367	.7761
Benefits			Benefits		
Beneftb3	.2920		Beneftn3	.4333	
Vbnftb10	.5436		Vbnftn10	.5896	
Leaveb17	.2411		Leaven17	.3569	
Rbnftb23	.3777	.6445*	Rbnftn23	.5529	.6952
Performance Appraisal			Performance Appraisal		
Appraib4	.3925		Apprain4	.4874	
Papprb11	.4616		Papprn11	.6682	
Rwardb18	.3151		Rwardn18	.4059	
Brateb24	.2734		Braten24	.5406	
Apprb27	.3675	.5868*	Apprn27	.6846	.7718
Job Security			Job Security		
Secureb5	.5356		Securen5	.6249	
Emplb12	.5356	.6942	Empln12	.6249	.7692
Physical Working Conditions			Physical Working Conditions		
Physurb6	.3519		Physurn6	.6072	
Wenvib13	.5152		Wenvin13	.6479	
Whourb19	.3100		Whourn19	.4615	
Wconb25	.4357	.6092*	Wconn25	.5233	.7580
Training & Development			Training & Development		
Perdevb7	.4501		Perdevn7	.4417	
Trainb14	.6324		Trainn14	.6678	
Skillb20	.5622		Skilln20	.4270	
Troppb26	.6136		Troppn26	.4545	
Orgnb28	.4856	.7744	Orgnn28	.3910	.7134
Overall alpha		.8992*	Overall alpha		.9268

The bold results were dropped from further analysis.

* Alphas after the bold questions were dropped from further reliability tests.

Time 1- before privatisation; time 2- after privatisation

Table 6.7.3d:
Reliability Analysis Results for Organisational Commitment Items

Variable (Time 1)	Corrected item-total correlation	Alpha Value	Variable (Time 2)	Corrected item-total correlation	Alpha Value
ACB1	.6361	.8758	ACN1	.7010	.8886
ACB2	.4526		ACN2	.5955	
ACB3	.5315		ACN3	.5938	
ACB4	.6031		ACN4	.5047	
ACB5	.7005		ACN5	.7273	
ACB6	.7387		ACN6	.7696	
ACB7	.7377		ACN7	.7042	
ACB8	.7226		ACN8	.7669	
CCB1	.6476	.7973*	CCN1	.5270	.8082*
CCB2	.2749		CCN2	.2198	
CCB3	.5732		CCN3	.5237	
CCB4	.6528		CCN4	.6101	
CCB5	.2960		CCN5	.2049	
CCB6	.1312		CCN6	-.1296	
CCB7	.4101		CCN7	.5064	
CCB8	.4633		CCN8	.5245	
NCB1	.0931	.8229*	NCN1	-.1438	.7793*
NCB2	.6098		NCN2	.5225	
NCB3	.4780		NCN3	.4849	
NCB4	.6794		NCN4	.5317	
NCB5	.5770		NCN5	.5046	
NCB6	.6736		NCN6	.5043	
NCB7	.4629		NCN7	.4564	
NCB8	.4405		NCN8	.4028	
Overall alpha		.9186*	Overall alpha		.9084*

* Alpha results after the bold questions were dropped from further reliability tests.

Time 1- before privatisation; Time 2- after privatisation.

AC refers to questions in the affective commitment dimension.

CC refers to questions in the continuance commitment dimension.

NC refers to questions in the normative commitment dimension.

Table 6.7.3e:
Reliability Analysis Results for Job Satisfaction Items

Variable (Time 1)	Corrected item-total correlation	Alpha Value	Variable (Time 2)	Corrected item-total correlation	Alpha Value
JSB1	.6494		JSN1	.6289	
JSB2	.7848		JSN2	.6653	
JSB3	.6747		JSN3	.6867	
JSB4	.6534		JSN4	.5536	
JSB5	.5862		JSN5	.5786	
JSB6	.6517		JSN6	.6761	
JSB7	.6547		JSN7	.5153	
JSB8	.6196		JSN8	.5243	
JSB9	.7495		JSN9	.6914	
JSB10	.6820		JSN10	.5908	
JSB11	.6709		JSN11	.7001	
JSB12	.6183	.9187	JSN12	.7116	.9029
JSB13	.5198		JSN13	.5643	
JSB14	.5820		JSN14	.5931	
JSB15	.5279		JSN15	.4685	
JSB16	.6228		JSN16	.6737	
JSB17	.6938		JSN17	.7397	
JSB18	.5918		JSN18	.6560	
JSB19	.4870		JSN19	.4920	
JSB20	.6527		JSN20	.5022	
JSB21	.6886		JSN21	.5670	
JSB22	.4785	.8667	JSN22	.6492	.8714
Overall Alpha		.9362	Overall alpha		.9300

Time 1- before privatisation; Time 2- after privatisation.

JS refers to job satisfaction.

JS1-JS12 are questions for Intrinsic Satisfaction.

JS13- JS22 are questions for Extrinsic Satisfaction.

6.7.4 Translation of the Questionnaire

The questionnaire was translated into the Malay language (Appendix 5c), a language commonly used in the country in which the research was conducted. The questionnaire was translated directly from English to the Malay language. The translated version was then checked by a language teacher to verify the clarity of the sentences and also to correct any grammatical mistakes. The Malay version was then given to another colleague to back-translate into English version and comparisons were made. The results showed that the final translated version was consistent with the original.

6.7.5 Pretesting the Questionnaire

The Malay version of the questionnaire was pre-tested among 30 employees in one of the branches of one of the organisations studied. This was to correct any mistakes that might be made in preparing the questionnaire and to provide an opportunity for any suggestion. Comments were solicited on every aspect of the questionnaire, clarity of the questions and what changes should be made in order to make the questions more understandable. These employees also gave their comments on their understanding of the instructions on the scaling and on the time taken to answer the questionnaire.

Few changes were made on the phrasing of the statements and questions used in measuring the changes in HRM practices, organizational commitment and job satisfaction in the privatised organisation.

6.7.6 Data Collection

The data collection process was implemented during the months of June to August 1996 in Malaysia. The questionnaire were sent to the organisations through their Human Resource Managers on June 24, 1996 for Tenaga Nasional and on June 27, 1996 for Telekom Malaysia.

6.7.7 Questionnaire Administration

The Human Resource Managers were contacted in order to be interviewed and to distribute the questionnaire. Questionnaire packages were given to the respective Human Resource Officers and they later distributed it. Attached to each questionnaire was a letter that explained the objectives of the study and assured respondents of their anonymity and the confidentiality of their responses. Respondents were also informed of the voluntary nature of their participation in the study. Respondents completed the survey at work but without the supervisor present, and they mailed the completed questionnaire directly to the researcher. A letter stating that the respondent would receive a copy of the survey results was attached, and a total of 94 employees from both the organisations replied to this (Appendix 5b).

In order to obtain the highest possible response rate, several steps were taken:

- A self-addressed and stamped reply envelope was enclosed with each survey questionnaire.
- A covering letter signed by the researcher accompanied each questionnaire. The letter explained the nature and purpose of the research, as well as assuring strict confidentiality of the response to the survey questions (Appendix 5a).

6.7.8 Response Rate

In total, 666 questionnaires were distributed to the organisations, and 349 questionnaires were received back, representing a 52.4% response rate. Of this total, 319 questionnaires (47.9%) were usable for further analysis. Of these 319 questionnaires, 160 were respondents employed by Telekom Malaysia (Telecommunication Services) and 159 were respondents from Tenaga Nasional (The Electricity Company).

Despite a lengthy questionnaire, the response rate was considered good. It appears that the length of the questionnaire (11 pages) did not discourage them from answering it. Perhaps this was due to the simple nature of the questionnaire as most of the questions were questions with rating scales.

6.8 Analysis of Data

The questionnaires were later analysed using SPSS for Windows 6.1. A total of 319 cases were included in the data analysis. Various descriptive tests were computed to test for the differences, correlation and regression. Details of the data analysis are reported in the next chapter (Chapter 7).

6.9 Assumptions and Limitations of the Study

6.9.1 Assumptions

Listed below are the assumptions the researcher made in conducting the study:

- The samples of this study were assumed to adequately represent the non-executive employees of the two privatised monopoly organisations.

- It was also assumed that the items concerning HRM practices were adequate in looking for the changes in human resource management practices in regard to their relationship to organizational commitment and job satisfaction.
- The instruments used in this study were assumed to be effective measurement tools for collecting the needed data.
- The feedback from respondents was assumed to be expressing their true perception of the situation before and after privatisation regarding human resource management practices, organisational commitment and job satisfaction.

6.9.2 Limitations

Listed below are the limitations that the researcher faced in the study:

- The meaning and definition of HRM practices may differ in an organisation. Therefore the items included in this study might not have covered all the concepts of human resource management practices which apply in a given organisation. The dimensions of HRM practices used were those which the researcher was most interested in.
- The study was done cross-sectionally rather than longitudinally.
- This research studied only the non-executive employees working at the headquarters. Their perceptions might not represent actual management practices in their organisations or the perceptions of other categories of employees in headquarters or at other branches.
- Only two privatised service oriented organisations, a very small sample were selected for the study.
- The questionnaire entirely depended on the memory of the respondents about the differences in practices before and after privatisation. Since the organisations were privatised in the early 1990s, most of the employees should still be able to remember the practices and make the comparison.
- Management and employees may have looked at HRM practices from different perspectives. Therefore the changes in these practices may have been viewed differently and the results from both parties might have been different.

6.10 Conclusion

This study utilised a cross-sectional survey design to assess changes in HRM practices affecting non-executive employees in two Malaysian privatised monopoly organisations and how the changes affected their commitment and job satisfaction. The research focuses on specific questions, objectives and propositions. The research designs were explained including the method used, the development of the instrument with the test of reliability explained, and the assumptions and limitations of the research were explained. The next chapter discusses the data analysis.

Chapter Seven : CHARACTERISTICS OF RESPONDENTS AND HUMAN RESOURCE MANAGEMENT PRACTICES

7.1 Introduction

This chapter presents the descriptive results of the study. The first section presents the sample characteristics of the respondents. The second section presents a comparison of pay, benefits, training, performance appraisal, daily working hours, and promotions before and after privatisation. The third section looks at HRM practices, organisational commitment and job satisfaction before and after privatisation. The fourth section reports the ranking of importance of the HRM practices by employees of Telekom Malaysia and Tenaga Nasional.

7.2 Sample Characteristics of the Study

This section presents the distribution of respondents by organisation type and demographic characteristics. Of the 319 respondents, 160 (50.2%) were from Telekom Malaysia and the remaining 159 (49.8%) were from Tenaga Nasional. 86.2% of the respondents were male and 13.8% were females, and the majority of the respondents were married (92.8%). More than 70% of the respondents were above 35 years of age and nearly 80% of the respondents have the academic qualification of SPM (which is equivalent to the 'O' Level in the UK). About 84% of them had been working for more than 11 years in the surveyed organisations. Refer to Table 7.2 shows the detailed information regarding the distribution of respondents sample characteristics at Telekom Malaysia and Tenaga Nasional.

Table 7.2:
Sample Characteristics in Telekom Malaysia and Tenaga Nasional

Variable	Telekom Malaysia		Tenaga Nasional	
	No.	%	No.	%
<i>Organisation:</i> Telekom Malaysia Tenaga Nasional	160	100	159	100
<i>Gender:</i> Male Female	143 17	89.4 10.6	132 27	83 17
<i>Marital Status:</i> Single Married	8 151	5 95	15 144	9.5 90.5
<i>Age group:</i> Under 25 years 25-29 years 30-34 years 35-39 years 40-45 years over 45 years	6 8 30 57 46 13	3.75 5 18.7 35.6 28.8 8.1	10 11 30 55 39 14	6.3 6.9 18.8 34.6 24.5 8.8
<i>Academic Qualification:</i> SPM STPM Diploma or equivalent Others	125 18 7 10	78.1 11.3 4.3 6.3	127 9 6 17	79.9 5.7 3.8 10.6
<i>Working Duration in the organisation:</i> 6-10 years 11-15 years more than 16 years	22 59 79	13.8 36.8 49.4	29 55 75	18.2 34.6 47.1

Note: SPM is equivalent to the O Level in the UK
 STPM is equivalent to the A Level in the UK

7.3 Differences in Human Resource Management Practices before and after Privatisation

Questions were intentionally designed in section 4 of the questionnaire to get some comparative results regarding pay, benefits, promotion, working hours, and the number of times respondents attended training in a year, before and after privatisation. The following are the results of the questions.

7.3.1 Pay

Table 7.3.1:
The Distribution of Monthly Pay before and after privatisation
for Telekom Malaysia and Tenaga Nasional

Pay Levels	Telekom Malaysia		Tenaga Nasional	
	Time 1	Time 2	Time 1	Time 2
Less than RM500	49	2	56	0
RM501-750	72	2	69	6
RM751-1000	16	46	21	41
RM1001-1250	8	61	9	58
RM1251-1500	14	19	3	31
RM1501-1750	1	14	1	17
RM1751-2000	0	8	0	4
Greater than RM2000	0	8	0	2

N(Telekom Malaysia)=160; N(Tenaga Nasional)=159

Time 1 - before privatisation; Time 2 - after privatisation

Table 7.3.1 shows that employees in both Telekom Malaysia and Tenaga Nasional were receiving more pay at time 2 compared to time 1. There was an increase in monthly pay for employees in both the organisations. This result is supported by chi-square test done on both organisations. There were differences in pay at time 1 and time 2 for Telekom Malaysia (TM) and Tenaga Nasional (TN) (see Appendix 6): $X^2 = 99.22$, $df = 2$, $p \leq 0.001$ for TM; $X^2 = 206.4$, $df = 2$, $p \leq 0.001$ for TN.

7.3.2 Benefits

Table 7.3.2 shows the benefits respondents received at time 1 (before privatisation) and time 2 (after privatisation). According to the HRM managers of both organisations, the benefits employees received are either similar or better after privatisation, as they have to provide employees with terms and conditions of employment which are at least equivalent to the conditions before privatisation. This analysis identified the differences in benefit employees received at time 1 and time 2 in both Telekom Malaysia and Tenaga Nasional.

A chi-square confirmed that there are improvements in vehicle loan practice in Telekom Malaysia and Tenaga Nasional at time 1 and time 2 (see Appendix 6): $X^2 = 7.2$, $df = 1$, $p \leq 0.001$ for TM; $X^2 = 6.08$, $df = 1$, $p \leq 0.001$ for TN. Since all respondents were non-executive employees, the loan is used either to purchase a

purchase motorcycle or car. Vehicle loan continued to be one of the items in the benefit package even after privatisation in both organisations.

Table 7.3.2:
Benefits at Time 1 and Time 2 in Telekom Malaysia and Tenaga Nasional

Variables	Telekom Malaysia		Tenaga Nasional	
	Yes	No	Yes	No
Vehicle Loan				
Time 1	71	89	69	90
Time 2	95	65	91	68
Housing Loan				
Time 1	151	9	147	12
Time 2	156	4	155	4
Bonus				
Time 1	24	136	20	139
Time 2	159	1	157	2
Medical				
Time 1	99	59	135	23
Time 2	160	0	159	0
Sick Leave				
Time 1	158	2	158	1
Time 2	156	4	158	1
Share Option				
Time 1	6	154	1	158
Time 2	160	0	159	0
Study Leave				
Time 1	102	58	107	52
Time 2	109	51	110	49
Holidays				
Time 1	160	0	159	0
Time 2	160	0	159	0
EPF				
Time 1	160	0	159	0
Time 2	160	0	159	0
Pension				
Time 1	157	3	159	0
Time 2	7	153	9	150
Scholarships				
Time 1	79	81	91	68
Time 2	97	63	94	65

N(Telekom Malaysia)=160; N(Tenaga Nasional)=159

Time 1 - before privatisation; Time 2 - after privatisation

On housing loans, the result reveals that there were no differences in housing loan practice at time 1 and time 2 in Telekom Malaysia and Tenaga Nasional. This shows that both organisations were responsive to employees housing needs: housing loan was part of the terms and conditions of employment which continued from the public

sector. Housing loans continue to be a privilege to employees after privatisation in both organisations.

The majority of the respondents in both organisations did not receive any bonus at time 1. One of the added benefits to employees of privatisation clearly was yearly bonuses. Results confirmed the differences (improvements) in bonus practice at time 1 and time 2 in Telekom Malaysia and Tenaga Nasional.

All respondents from both the organisations receive medical benefits at time 2, compared to only 99(61.9%) from Telekom Malaysia and 135 (84.9%) from Tenaga Nasional receiving it at time 1. The result indicated differences in medical benefits at time 1 and time 2 in Telekom Malaysia and Tenaga Nasional. Medical benefits cover consultancy and free medication. Most private organisations assign private panel clinics for their employees to get treatment. Telekom Malaysia and Tenaga Nasional realised that medical treatment is needed by all employees, irrespective of their job and position, and the set-up of panel clinics for their employees is seen as an added benefit for all the employees.

Only a very small percentage of the respondents indicated that they did not receive any sick leave in Telekom Malaysia and in Tenaga Nasional at time 1 and time 2. Respondents could have understood the question as asking if they had taken any sick leave during both periods. However, the results reveals there were no differences in the sick leave practice at time 1 and time 2 in Telekom Malaysia and Tenaga Nasional. All employees are entitled to receive sick leave and this entitlement is still included as a benefit after privatisation.

All respondents received share options at time 2 compared to time 1, when only seven (2.2%) of the respondents, representing six from Telekom Malaysia and one from Tenaga Nasional indicated that they received share options after privatisation. All employees in the privatised utilities were given share option when the organisation were privatised. They were later free to keep or sell their shares. Share

option are one of the added benefits employees receive after privatisation. The results confirmed there were differences in the share option at time 1 and time 2 in both organisations.

Analysis of benefits regarding study leave reveal that at Telekom Malaysia, there is an increase in the number of employees granted study leave at time 2 compared to time 1. Respondents who have answered “no” might not have applied for study leave. The result of study leave at time 1 and time 2 demonstrated there were no significant differences in study leave before and after privatisation in Telekom Malaysia and Tenaga Nasional. This indicates that study leave remains as one of the benefits available for employees after privatisation.

All respondents were given holidays (time off from work) at time 1 and time 2. Results confirmed there were significant differences in holidays at time 1 and time 2 in Telekom Malaysia and Tenaga Nasional. The differences could be in the numbers of holidays that they received in a year. The holiday entitlement will depend on their working duration in the organisation and the position they held in the organisations. This benefit continues after privatisation.

In Malaysia, all employees and employers have to contribute 11% and 13% respectively of their monthly salary to the Employees Provident Fund (EPF). This fund is accumulated throughout their working life, and employees have the option either to take the fund at the end of their working life or to receive a monthly pay-out upon retirement. All respondents surveyed indicated that they contributed to EPF both at time 1 and time 2. The results show there were no differences in Telekom Malaysia and Tenaga Nasional at time 1 and time 2. Both the organisations continue to provide their employees with the provident fund as part of the benefit package. Since their monthly income increased at time 2, their contribution towards the EPF also increased.

There is a vast difference in pension before and after privatisation. At time 1, in a government organisation, all employees who retire receive a monthly pension (which is half of the amount of their last salary) upon retirement. At time 2 (in a private organisation) this benefit no longer exists (except for staff who opted for it). Ninety five percent of the respondents, 153 from Telekom Malaysia and 150 from Tenaga Nasional, indicated that they were no longer eligible for a pension. This was the only benefit which was no longer available for most employees, except for those who opted for it. The result clearly indicated there were differences in pension at time 1 and time 2 in both organisations.

There was a 6% increase in the number of respondents receiving scholarships at time 1 and time 2. However, the chi-square test indicates that scholarships were significantly different at time 1 and time 2 in Telekom Malaysia ($X^2 = 4.09$, $df = 1$, $p \leq 0.001$), but not significantly different in Tenaga Nasional ($X^2 = 0.10$, $df = 1$, $p \leq 0.001$ (see Appendix 6 for results). More employees were given the opportunity to further their studies, and this shows that both organisations were giving greater emphasis to personal development.

7.3.3 Training

Table 7.3.3:

Training at Time 1 and Time 2 in Telekom Malaysia and Tenaga Nasional

Times attended training in a year	Telekom Malaysia		Tenaga Nasional	
	Time 1	Time 2	Time 1	Time 2
0	33	17	45	20
1-3 times	104	111	87	98
4-5 times	15	20	16	26
more than 5 times	8	12	11	15

N(Telekom Malaysia)=160; N(Tenaga Nasional)=159

Time 1 - before privatisation; Time 2 - after privatisation

The table 7.3.3 indicates the number of times employees attended training in a year at Telekom Malaysia and Tenaga Nasional. The majority of the respondents in both organisations had been receiving training between one to three times in a year at both time 1 and time 2. The chi-square tests indicated that there were no difference in Telekom Malaysia ($X^2 = 6.848$, $df = 3$, $p \leq 0.001$) but there were differences in

Tenaga Nasional ($X^2 = 13.22$, $df = 3$, $p \leq 0.001$). The result of the test is shown in Appendix 6. This suggests that Tenaga Nasional placed greater emphasis on training and development after privatisation.

7.3.4 Performance Appraisal

Table 7.3.4:

Performance Appraisal at Time 1 and Time 2 in Telekom Malaysia and Tenaga Nasional

Performance Appraised	Telekom Malaysia		Tenaga Nasional	
	Time 1	Time 2	Time 1	Time 2
Yes	97	160	51	159
No	63	0	108	0

N(Telekom Malaysia)=160; N(Tenaga Nasional)=159

Time 1 - before privatisation; Time 2 - after privatisation

Table 7.3.4 shows performance appraisal for Telekom Malaysia and Tenaga Nasional. There were significant differences (increases) in performance appraisal at time 1 and time 2 in Telekom Malaysia and Tenaga Nasional (see Appendix 6). All respondents were appraised after privatisation in both organisations compared to a minority before. This suggests that performance appraisal was being used to measure of employees' contribution at time 2. The good measure of employees' performance is an important criterion used to determine their productivity and performance.

7.3.5 Daily Working Hours

Table 7.3.5:

Daily Working Hours at Time 1 and Time 2 in Telekom Malaysia and Tenaga Nasional

Daily working hours	Telekom Malaysia		Tenaga Nasional	
	Time 1	Time 2	Time 1	Time 2
less than 8 hours	18	5	30	3
8 hours	132	124	120	121
9 hours	2	7	3	16
10 hours	2	7	0	11
more than 10 hours	6	17	6	8

N(Telekom Malaysia)=160; N(Tenaga Nasional)=159

Time 1 - before privatisation; Time 2 - after privatisation

Table 7.3.5 shows the daily working hours for respondents from Telekom Malaysia and Tenaga Nasional before and after privatisation. The majority of employees in

both organisation performed at least 8 hours of daily work. The chi-square tests show there were significant differences in working hours at time 1 and time 2 for in both Telekom Malaysia and Tenaga Nasional (see Appendix 6).

7.3.6 Promotions

Table 7.3.6:
Number of Promotions at Time 1 and Time 2 in Telekom Malaysia and Tenaga Nasional

Times being promoted	Telekom Malaysia		Tenaga Nasional	
	Time 1	Time 2	Time 1	Time 2
0	86	93	78	93
1-3 times	67	65	73	65
4-5 times	5	1	7	1
more than 5 times	2	1	1	0

N(Telekom Malaysia)=160; N(Tenaga Nasional)=159
time 1 - before privatisation; time 2 - after privatisation

Table 7.3.6 shows the number of times employees were promoted in Telekom Malaysia and Tenaga Nasional at time 1 and time 2. This demonstrate that promotion had not been a change practice after the organisations were being privatised. This findings reveal there is no difference in promotion at time 1 and time 2 for both Telekom Malaysia and Tenaga Nasional.

In summary, there were some changes in HRM practices before and after privatisation for both Telekom Malaysia and Tenaga Nasional. In general, there was an increase in monthly pay for all the respondents in both organisations. Bonus and share options are added benefit, while pension was no longer available to employees after privatisation. In both organisations, there was an increase number of respondents attending training in the year after privatisation. All respondents were appraised after privatisation compared to before privatisation. However, the daily working hours and promotion practices did not change after privatisation.

7.4 Differences in Responses to the Questionnaire at Time 1 and Time 2

This sub-section looks and discussed the differences in respondents feedback to the questionnaire before and after privatisation. This will be elaborated in terms of t-test,

mean, standard deviation, group ranking and overall ranking for the questions on human resource management practices, organisational commitment dimensions and job satisfaction dimensions.

7.4.1 HRM Practices

Table 7.4.1a shows the “labels” for “items” in the dimensions of human resource management (HRM) practices. It should be noted that items 16, 3, 17, 18, 24 and 19 at time 1 were dropped from the analysis as they were shown to have low item-total correlation (as discussed in Chapter 6, sub section 6.7.4). Items 16 “there are many opportunities for transfer to different jobs in this organisation”, was from the promotion dimensions. Since item 16 was shown to have less than 0.35 item total correlation, the item has a poor relationship with the other items in the dimension.

Item 3 - “the benefit package offered by this organisation is good in terms of meeting my needs” and item 17 - “leaving this organisation would incur loss of pension and other benefits” were dropped from the benefit dimension as it was shown to have low item-total correlation.

Two further items were dropped from further analysis in the performance appraisal dimensions: item 18 “employees are rewarded according to their work performance” and item 24 “performance appraisal is based largely on the immediate boss’s ratings of employee performance”. Both items indicated low item total correlation results in the reliability test (at time 1).

One item was dropped from physical working conditions dimensions: item 19, “the working hours in this organisation are good”, because it indicated low item total correlation results at time 1.

Table 7.4.1a:
Abbreviations for Items in Human Resource Management Practices Dimensions

Number	Items
Pay Q1. Q8. Q15. Q21.	The pay offered by this organisation is good compared to other organisation. The pay I receive is commensurate to the work I do. The main reason I stay in this organisation is because of the pay. The pay I receive is adequate compared to the amount that I need to spend.
Promotion Q2. Q9. Q16. Q22.	There are lots of opportunities for promotion in this organisation The promotion system in this organisation ensures the best people to rise to the top. There are many opportunities for transfers to different jobs in this organisation. I consider my career aspirations are most likely to be realised by staying in this organisation.
Benefit Q3. Q10. Q17. Q23.	The benefits package offered by this organisation is good in terms of meeting my needs. The value of the benefits I obtain is better than in other similar organisations. Leaving this organisation would incur loss of pension and other benefits. The range of benefits that I receive exceed my expectations.
Perf. App Q4. Q11. Q18. Q24. Q27.	Performance appraisal helps to develop a better understanding between superiors and subordinates. Performance appraisal makes a useful contribution to the organisation by encouraging employees to perform more productively in their job. Employees are rewarded according to their work performance. Performance appraisal is based largely on the immediate boss's ratings of employee performance. The appraisal has made me discover the knowledge and skills I need to develop.
Job Sec Q5. Q12.	I felt secure in my employment. I feel my employment in the organisation is permanent.
PWC Q6. Q13. Q19. Q25.	The physical surroundings in this organisation are pleasant. The working environment in my organisation is safe and comfortable. The working hours in this organisation are good. I am happy with the working conditions in this organisation (space, equipment, lighting, air-conditioning, etc.).
Train & Dev Q7. Q14. Q20. Q26. Q28.	My job provides opportunities for personal development for the future. The training I receive in this organisation helps to enhance my work performance. My job allows me to develop a variety of skills and experience. There are lots of training opportunities offered by this organisation to help me perform better. This organisation is very supportive in developing the careers of its employees.

Perf. App - Performance Appraisal; Job Sec. - Job Security;

PWC - Physical Working Condition; Train & Dev - Training and Development

Table 7.4.1b:
Means, Standard Deviations, T-tests and Ranks of Human Resource Management Practice Items for Telekom Malaysia at Time 1 and Time 2

Item Number	Mean time 1	Std.D time 1	Group Rank time 1	Overall Rank time 1	Item Number	Mean time 2	Std.D time 2	Group Rank time 2	Overall Rank time 2	t-value
Pay Q1	3.25	0.91	3	17	Pay Q1	3.29	1.04	2	17	.41
Q8	3.36	1.18	2	13	Q8	3.24	1.09	3	19	1.35
Q15	3.39	1.02	1	10	Q15	3.36	1.08	1	15	.37
Q21	2.97	0.97	4	22	Q21	3.08	1.06	4	21	1.70
Promt. Q2	3.23	0.96	2	18	Promt. Q2	3.05	1.04	2	23	1.81
Q9	3.22	1.11	3	19	Q9	2.97	1.19	3	25	2.32*
Q22	3.38	0.81	1	11	Q16	2.85	1.07	4	28	
					Q22	3.33	0.86	1	16	.53
Benefits Q10	3.21	0.83	1	20	Benefits Q3	3.27	0.94	2	18	
Q23	3.05	0.86	2	21	Q10	3.08	0.98	3	22	1.53
					Q17	3.38	1.07	1	14	
					Q23	2.89	0.92	4	27	1.8
Perf. Ap Q4	3.41	0.99	1	9	Perf. Ap Q4	3.40	1.12	4	13	.13
Q11	3.27	0.88	3	16	Q11	3.64	0.93	2	8	4.47**
					Q18	2.92	1.12	5	26	
					Q24	3.46	0.97	3	12	
Q27	3.32	0.82	2	15	Q27	3.86	0.82	1	5	-1.93**
Job Sec. Q5	4.18	0.86	1	1	Job Sec Q5	2.98	0.84	2	24	12.12***
Q12	3.95	0.90	2	2	Q12	3.19	0.76	1	20	8.54***
PWC Q6	3.54	0.81	2	6	PWC Q6	3.56	0.84	3	9	-.32
Q13	3.61	0.75	1	5	Q13	3.77	0.74	1	6	-2.11**
Q25	3.37	0.87	3	12	Q19	3.77	0.82	2	7	
					Q25	3.53	1.01	4	10	-1.72
T & Dev Q7	3.49	0.74	5	7	T & Dev Q7	3.53	0.87	5	11	-.45
Q14	3.62	0.82	2	4	Q14	3.96	0.85	2	2	-4.92**
Q20	3.77	0.68	1	3	Q20	4.09	0.63	1	1	-6.35***
Q26	3.60	0.73	3	8	Q26	3.95	0.78	3	3	-5.79***
Q28	3.53	0.65	4	14	Q28	3.93	0.81	4	4	-7.17***

All items measured on a scale of 1-5

Time 1 refers to the situation before privatisation

Time 2 refers to the situation after privatisation

Group Rank- refers to the ranking within the dimension

Overall Rank- refers to the ranking among all the items.

*p<0.05; **p<0.01; ***p<0.001

Promt - Promotion; Perf. App - Performance Appraisal; Job Sec - Job Security

PWC - Physical Working Condition; T & Dev - Training and Development

Table 7.4.1b shows the means, standard deviations, group ranks and overall ranks for all the human resource management practices at time 1 and time 2 for Telekom Malaysia. The aim of this is to show the differences in responses at time 1 and time 2.

For items in the **pay dimension**, Q8 and Q15 have slightly higher mean at time 1 but Q1 and Q21 have higher means at time 2. In both situations, the group ranks are similar but the overall ranks differ slightly. This indicated not much change for those items at time 1 and time 2, and this result is confirmed by the t-test results.

For item in the **promotion dimension**, the three items (item 16 deleted from further analysis) have higher means at time 1 compared to time 2. There was similarity in the group ranks and overall ranks at both times, although the ranking is low. Only responses to item 9 is significantly different at time 1 and time 2.

For items in the **benefit dimension**, Q3 and Q17 were deleted from time 1 as they were shown to have low item-total correlation. Items 10 and 23 showed higher means at time 1 but lower standard deviation at time 2. In terms of overall rank generally, all the items were at lower overall ranks both at time 1 and time 2. The t-test results showed responses to Q10 and Q23 as similar at time 1 and time 2.

For items in the **performance appraisal dimension**, items 11 and 27 indicated higher means at time 2, but item 4 indicated only a slightly higher mean at time 2. The group ranks differ in both situations. In terms of overall rank, all the items had different overall ranks both at time 1 and time 2. However, the t-test showed Q11 and Q27 as significantly different at time 1 and time 2.

For items in **job security dimension**, both Q5 and Q12 indicated higher means and standard deviations at time 1. The overall ranks for both items was 1 and 2, at time 1 as compared to 24 and 20 respectively at time 2. This shows that respondents rated

this dimension as much more important at time 1 compared to time 2. This result is confirmed by the t-tests.

For items in the **physical working conditions dimension**, Q6 shows a slight difference in means at time 1 and time 2, but Q13 and Q25 show higher means at time 2. In terms of overall rank, all the items at time 2 were in the top 10 ranking, but at time 1 the overall ranks were 6, 5 and 12 for items Q6, Q13 and Q25 respectively. Although the overall ranks differ, they remain in the middle of the rank. The t-test results show all responses to items, except Q7, to be significantly different at time 1 and time 2.

For items in the **training and development dimension**, all the five items show higher means at time 2 compared to time 1. The overall ranks for Q14, Q20, Q26 and Q28 at time 2 were higher compared to time 1. All items have similar group ranks at both times but differ in overall ranks.

Table 7.4.1c shows the means, standard deviations, group ranks and overall ranks for respondents from Tenaga Nasional at time 1 and time 2 for items in the HRM practice dimensions. Items 16, 3, 17, 18, 24, and 19 were deleted from further analysis as they indicated low item-total correlation in relation to their dimension, as mentioned earlier.

For the items in **pay dimension**, all the four items indicated higher means at time 2 compared to time 1. The group ranks differ in both the situation, except for Q21, which has a similar group ranks at both times. The overall rank indicated the items as in the middle to the lower ranking at time 1 and time 2. This is confirmed by the t-tests.

Table 7.4.1c:
Means, Standard Deviations, T-tests and Ranks of Human Resource Management Practice Items for Tenaga Nasional at Time 1 and Time 2

Item Number	Mean time 1	Std.D time1	Group Rank time 1	Overall 1 Rank time 1	Item Number	Mean time 2	Std.D time 2	Group Rank time 2	Overall Rank time 2	t-value
Pay					Pay					
Q1	3.14	1.07	3	21	Q1	3.76	0.99	1	9	-5.14***
Q8	3.33	0.99	2	14	Q8	3.67	0.97	3	15	-3.92***
Q15	3.43	0.92	1	12	Q15	3.75	0.92	2	10	-4.28***
Q21	3.10	0.92	4	22	Q21	3.53	0.88	4	20	-5.96***
Promt.					Promt.					
Q2	3.17	1.07	3	20	Q2	3.38	1.11	3	25	-2.25*
Q9	3.32	1.03	2	15	Q9	3.48	1.23	2	22	-1.60
Q22	3.43	0.67	1	11	Q16	3.21	1.09	4	27	
					Q22	3.66	0.81	1	16	-3.33***
Benefits					Benefits					
Q10	3.28	0.94	1	16	Q3	3.46	0.94	3	23	
Q23	3.22	0.82	2	19	Q10	3.64	0.97	1	17	-4.09***
					Q17	3.62	0.95	2	19	
					Q23	3.43	0.94	4	24	-3.41***
Perf.App					Perf.App					
Q4	3.24	1.15	2	17	Q4	3.64	1.14	4	18	-3.91***
Q11	3.23	1.01	3	18	Q11	3.84	1.03	2	7	-6.50***
					Q18	3.53	1.09	5	21	
					Q24	3.72	0.94	3	11	
Q27	3.44	0.70	1	10	Q27	4.03	0.86	1	4	-9.35***
Job Sec					Job Sec					
Q5	4.13	0.78	1	1	Q5	3.18	0.88	2	28	9.41***
Q12	3.81	0.95	2	2	Q12	3.34	0.93	1	26	5.55***
PWC					PWC					
Q6	3.40	0.87	3	13	Q6	3.68	0.86	3	13	-4.53***
Q13	3.56	0.71	1	6	Q13	3.77	0.85	2	8	-4.15***
					Q19	3.96	0.80	1	6	
Q25	3.45	0.78	2	9	Q25	3.67	0.88	4	14	-3.14**
T & Dev					T & Dev					
Q7	3.49	0.74	5	8	Q7	3.72	0.88	5	12	-3.39***
Q14	3.73	0.82	2	4	Q14	4.14	0.82	3	3	-6.60***
Q20	3.77	0.68	1	3	Q20	4.25	0.56	1	1	-8.71***
Q26	3.60	0.73	3	5	Q26	3.99	0.79	4	5	-5.04***
Q28	3.53	0.65	4	7	Q28	4.17	0.71	2	2	-9.56***

All items measured on a scale of 1-5

Time 1 refers to the situation before privatisation

Time 2 refers to the situation after privatisation

Group Rank- refers to the ranking within the dimension

Overall rank- refers to the ranking among all the items.

*p<0.05; **p<0.01; ***p<0.001

Promt - Promotion; Perf. App - Performance Appraisal; Job Sec - Job Security

PWC - Physical Working Condition; T & Dev - Training and Development

For items in the promotion dimension, generally the means are higher at time 2 compared to time 1. The group ranks were similar at both times except for item 16, which was deleted from further analysis. In both situations, the overall ranks for time

1 were higher compared to time 2. The t-test shows Q2 and Q22 as significantly different at time 1 and time 2.

For items in the **benefit dimension**, Q10 and Q23 have higher means at time 2 than at time 1. Both items 10 at time 1 and time 2 are highest ranked, but the overall ranks for all the questions are lower for all the questions. The t-test indicate both items to be significantly different at time 1 and time 2.

For items in the **performance appraisal dimension**, questions 4, 11 and 27 have higher means at time 2 compared to time 1. Q4, Q11 and Q27 are ranked at 18, 7 and 4 respectively at time 2, but at 17, 18 and 10 at time 1. This indicates that those items have higher overall ranks at time 2 compared to time 1. The t-tests show these three questions as significantly different at time 1 and time 2.

For items in the **job security dimension**, both Q5 and Q12 indicate significantly higher means of 4.13 and 3.81 respectively at time 1 compared to time 2. The group ranks are reversed at each time. In terms of the overall ranking, time 1 show a rankings of 1 and 2, compared to 28 and 26 respectively at time 2. This shows that job security was ranked higher at time 1 than time 2, as confirmed by the t-tests.

For items in the **physical working conditions dimension**, the items have higher means at time 2 compare to time 1. The group ranks differ for both situations. The overall ranks for Q6, Q13 and Q25 are 13, 6 and 9 respectively at time 1, and 13, 8 and 14 respectively at time 2. The t-test results confirms the three items were significantly different at time 1 and time 2.

For items in the **training and development dimension**, all the five items show higher means at time 2 compare to time 1. The group ranks for both situations differ slightly for items 14 and 28. The overall ranks for Q7, Q14, Q20, Q26 and Q28 are 8, 4, 3, 5 and 7 respectively at time 1, and 12, 3, 1, 5 and 2 at time 2 respectively. This

indicates that the items in the training and development dimension have significantly higher rankings at both times, and the t-test results confirms this.

7.4.2 Organisational Commitment

The following section shows the findings concerned with response differences in Telekom Malaysia and Tenaga Nasional at time 1 and time 2 regarding organisational commitment dimensions questions. As mentioned earlier in sub section 6.7.5, some of the items in the continuance and normative commitment dimension were dropped form further analysis as they exhibited low item-total correlation in their relationship to other items in the dimensions both before and after privatisation.

Items CC2, CC5 and CC6 in the continuance commitment dimensions were dropped. All the three items exhibited low item-total correlation results before and after privatisation.

Item NC1 in the normative commitment dimensions also scored low in the reliability test both before and after privatisation was dropped. Items on the dimensions are shown in table 7.4.2a below.

Table 7.4.2a:
Labels for Organisational Commitment Items

Items	Questions
Affective AC1 AC2 AC3 AC4 AC5 AC6 AC7 AC8	I would be happy to spend the rest of my career with this organisation. I enjoy discussing my organisation with people outside it. I feel as if this organisation's problems are my own. I do not think I could become as attached to another organisation as I am to this one. I feel 'like part of the family' at my organisation. I feel emotionally attached to this organisation This organisation has personal meaning for me. I feel a strong sense of belonging to my organisation.
Continuance CC1 CC2 CC3 CC4 CC5 CC6 CC7 CC8	It would be hard for me to leave my organisation right now, even if I wanted to. My life would be disrupted if I decided to leave my organisation now. I am afraid of what might happen if I quit my job without having another lined up. It would be costly to leave my organisation now. Right now, staying with my organisation is a matter of necessity as much as desire I feel that I have few options to consider leaving this organisation. One of the serious consequences of leaving this organisation would be the scarcity of available alternatives. One of the major reasons I continue to work for this organisation is that leaving would require personal sacrifice- another organisation may not match the overall benefits I have here.
Normative NC1 NC2 NC3 NC4 NC5 NC6 NC7 NC8	I think that people these days move from organisation to organisation too often I feel that a person must always be loyal to his/her organisation Jumping from organisation to organisation seems unethical to me. I believe that loyalty is important, therefore I feel strong sense of moral obligation to remain. If I got another offer for a better job elsewhere, I would not feel it was right for me to leave my organisation. I was taught to believe in the value of remaining loyal to one organisation. Things were better in the days when people stayed with one organisation for most of their careers. I do not think that wanting to be a 'company man/woman' is sensible anymore

Table 7.4.2b shows the means, standard deviations, group means and overall means for respondents from Telekom Malaysia at time 1 and time 2 for items in the organisational commitment dimensions.

Table 7.4.2b:

Means, Standard Deviations, T-tests and Ranks of Organisational Commitment Items for Telekom Malaysia at Time 1 and Time 2

Item Number	Mean time 1	Std.D time 1	Group Rank time 1	Overall Rank time 1	Mean time 2	Std.D time 2	Group Rank time 2	Overall Rank time 2	t-value
Affective:									
AC1	3.59	0.77	4	6	3.38	0.90	6	12	2.82***
AC2	3.40	0.88	7	14	3.36	1.02	8	14	.52
AC3	3.43	0.92	6	13	3.61	0.96	5	8	-2.60**
AC4	3.29	0.84	8	16	3.38	0.97	7	13	-.98
AC5	3.76	0.79	2	3	3.86	0.80	1	2	-1.57
AC6	3.65	0.79	3	5	3.75	0.89	2	3	-1.44
AC7	3.77	0.73	1	2	3.74	0.80	3	4	.47
AC8	3.54	0.84	5	8	3.66	0.81	4	7	-1.54
Continuance									
CC1	3.52	0.88	1	9	3.49	1.01	3	12	.32
CC3	3.44	1.01	3	12	3.58	1.04	1	10	-1.85
CC4	3.48	0.92	2	10	3.46	1.06	4	13	.21
CC7	2.93	1.04	5	19	2.98	1.17	5	20	-.60
CC8	3.25	0.95	4	17	3.33	1.03	4	16	-1.04
Normative									
NC2	3.92	0.84	1	1	4.05	0.94	1	1	-2.01*
NC3	3.31	1.05	5	15	3.28	1.20	5	17	.46
NC4	3.71	0.77	2	4	3.73	0.94	2	5	-.23
NC5	2.84	1.15	7	20	2.99	1.29	8	19	-1.47
NC6	3.57	0.94	3	7	3.68	0.91	3	6	-1.53
NC7	3.46	0.92	4	11	3.35	1.00	4	15	1.30
NC8	3.21	0.78	6	18	3.12	0.79	6	18	1.46

All items measured on a scale of 1-5

Time 1 refers to the situation before privatisation

Time 2 refers to the situation after privatisation

Group Rank- refers to the ranking within the dimension

Overall Rank- refers to the ranking among all the items

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

Items in the affective commitment dimension, AC1, AC2 and AC7, have higher means at time 1 compared to time 2. AC8 on the other hand showed a slightly higher mean at time 2 compared to time 1. All the items have different group means at time 1 and time 2. In terms of overall ranking, most items tend to fall in the higher to middle ranking range at time 1 and time 2. T-tests reveal only AC1 and AC3 as significantly different at time 1 and time 2.

For items in the continuous commitment dimension, CC1 and CC4 have higher means at time 1 while CC3, CC7 and CC8 have higher means at time 2. The group ranks differ for both situations, except for CC7 and CC8, which have similar ranks, at time 1 and time 2. All the items have middle to lower overall ranks at both times.

For items in the normative commitment dimension, NC3, NC7 and NC8 have higher means at time 1 while NC2, NC4, NC5 and NC6 have higher means at time 2. All the items have similar group ranks at time 1 and time 2. The overall ranking indicates NC2 as being the most important for all the items in this organisational commitment dimension at time 1 and time 2. The t-test confirm NC2 being significantly different at time 1 and time 2.

Table 7.4.2c shows the means, standard deviations, group ranks and overall ranks for respondents from Tenaga Nasional for items in the organisational commitment dimensions.

All the items in the affective commitment dimension have higher means at time 2 compared to time 1. All the items except AC1 and AC3 have similar group ranks at time 1 and time 2. Items AC5, AC6, AC7, AC8 and AC1 are in the top 10 overall ranking both at time 1 and time 2, while the others were of middle ranking. Responses to the eight items are shown to be significantly different at time 1 and time 2.

Table 7.4.2c:

Mean, Standard Deviation, T-tests and Ranks of Organisational Commitment Items for Tenaga Nasional at Time 1 and Time 2

Items Number	Mean time 1	Std.D time 1	Group Rank time 1	Overall Rank time 1	Mean time 2	Std.D time 2	Group Rank time 2	Overall Rank time 2	t-value
Affective:									
AC1	3.55	0.65	5	10	3.81	0.82	6	10	-3.98***
AC2	3.49	0.77	7	12	3.70	0.86	7	14	-3.11***
AC3	3.53	0.88	6	11	3.85	0.86	5	8	-4.66***
AC4	3.47	0.75	8	14	3.64	0.81	8	16	-3.30***
AC5	3.79	0.80	1	2	4.11	0.67	1	2	-4.70***
AC6	3.64	0.83	3	6	3.92	0.78	3	5	-4.01***
AC7	3.79	0.80	2	3	4.08	0.70	2	3	-3.87***
AC8	3.60	0.83	4	8	3.87	0.66	4	7	-3.84***
Continuance									
CC1	3.58	0.92	2	9	3.76	0.89	2	11	-2.54**
CC3	3.42	1.00	3	16	3.69	0.93	4	15	-4.09***
CC4	3.62	0.87	1	7	3.83	0.87	1	9	-3.06***
CC7	3.24	0.88	5	19	3.28	1.04	5	19	-.60
CC8	3.37	0.87	4	17	3.71	0.79	3	12	-4.31***
Normative									
NC2	3.94	0.88	1	1	4.15	0.85	1	1	-3.19***
NC3	3.45	1.00	5	15	3.61	1.10	5	17	-2.39***
NC4	3.78	0.85	2	4	4.07	0.76	2	4	-4.44***
NC5	3.19	0.99	7	20	3.28	1.05	7	20	-1.01
NC6	3.67	0.88	3	5	3.88	0.77	3	6	-3.01***
NC7	3.48	0.91	4	13	3.70	0.91	4	13	-2.50**
NC8	3.30	0.75	6	18	3.36	0.81	6	18	-1.04

All items measured on a scale of 1-5

Time 1 refers to the situation before privatisation

Time 2 refers to the situation after privatisation

Group Rank- refers to the ranking within the dimension

Overall Rank- refers to the ranking among all the items.

*p<0.05; **p<0.01; ***p<0.001

For items in the continuance commitment dimension, CC2, CC5 and CC6 at time 1 and time 2 were deleted from further analysis. All the items showed higher means at time 2 compared to time 1. In terms of group rank, there was a slight difference at time 1 and time 2, except for CC4 and CC7. However, in the overall rank, CC1 and CC4 were in the middle to lower rank order. The t-tests show that CC1, CC3, CC4 and CC8 are significantly different at time 1 and time 2.

For items in the normative commitment dimension, NC1 at both times was deleted from further analysis. All the items show higher means at time 2 compared to time

1. All the items have similar group ranks at time 1 and time 2. The overall ranks differ at both times, except for NC2, which was ranked top overall rank at both time 1 and time 2. The t-tests show that NC2, NC3, NC4, NC6 and NC7 are significantly differently at time 1 and time 2.

7.4.3 Job Satisfaction

All the items in the intrinsic and extrinsic satisfaction dimensions have high item-total correlation results before and after privatisation, so all the questions are retained for further analysis. The labels for the items are shown in Table 7.4.3a. The results of t-tests and the means, standard deviations, group ranks and overall ranks for intrinsic and extrinsic satisfaction questions from respondent from Telekom Malaysia and Tenaga Nasional before and after privatisation are shown in Table 7.4.3b and 7.4.3c respectively.

Table 7.4.3a:
Labels for Job Satisfaction Items

Items	Questions
Intrinsic	
JS1	The chance to do different things from time to time
JS2	The chance to work independently and use my own judgement with little supervision.
JS3	The opportunity for participation in determining the methods, procedures, and goals in your job.
JS4	The ability to do things that do not go against your conscious.
JS5	The chance to do things for other people
JS6	The chance to tell people what to do.
JS7	The work in this organisation keeps me busy all the time.
JS8	The feeling of worthwhile accomplishment I get from the work in the organisation.
JS9	The opportunity to perform up to my abilities.
JS10	The extend to which my job gives me a definite place in the community.
JS11	The opportunity to work alone on my job
JS12	The freedom to use my own judgement at work.
Extrinsic	
JS13	The feeling that my salary is fair for the kind of job you perform.
JS14	The way the job provides for steady employment.
JS15	My feelings about working conditions in the organisation (air-conditioning, lighting, ventilation, etc.).
JS16	The way my supervisor helps make my job more pleasant.
JS17	The way my supervisor feels each employee is important.
JS18	The recognition I get for a job well done.
JS19	The chance for advancement in this organisation.
JS20	The way my peers get along with one another.
JS21	The feeling that I am working in an organisation with a good public image.
JS22	The way work policies in this organisation are put into practice.

Table 7.4.3b shows the means, standard deviations, group ranks and overall ranks at time 1 and time 2 for respondents from Telekom Malaysia. Responses from Telekom Malaysia have higher mean for all the twelve items in the dimension of intrinsic satisfaction at time 2 compared to time 1. Eight of the twelve items at time 2 have an overall rank in the top 10 compared to only five at time 1. The group ranks differ significantly for the two times. The t-tests show that all the items except JS12 are significantly different at time 1 and time 2.

Table 7.4.3b:
Means, Standard Deviations, T-tests and Ranks of Job Satisfaction Items for Telekom Malaysia at Time 1 and Time 2

Item Number	Mean time 1	Std.D time 1	Group Rank time 1	Overall Rank time 1	Mean time 2	Std.D time 2	Group Rank time 2	Overall Rank time 2	t-value
Intrinsic									
JS1	3.41	0.91	10	15	3.71	0.86	8	10	-3.26***
JS2	3.46	0.85	8	13	3.82	0.87	4	5	-3.81***
JS3	3.33	0.90	12	20	3.77	0.89	5	6	-4.41***
JS4	3.54	0.84	3	7	3.82	0.78	3	4	-3.22**
JS5	3.51	0.78	5	10	3.67	0.78	9	12	-2.10*
JS6	3.54	0.83	2	6	3.75	0.86	7	9	-2.13*
JS7	3.37	0.92	11	16	3.77	0.92	6	7	-5.01***
JS8	3.58	0.86	1	5	3.82	0.86	2	3	-3.06**
JS9	3.52	0.88	4	8	3.83	0.87	1	1	-3.82***
JS10	3.48	0.91	6	11	3.65	0.89	11	15	-2.10*
JS11	3.44	0.76	9	14	3.67	0.88	10	13	-2.91**
JS12	3.48	0.84	7	12	3.63	1.02	12	16	-1.37
Extrinsic									
JS13	3.28	0.95	9	21	3.10	1.11	9	21	1.71
JS14	3.64	0.89	4	4	3.39	0.97	6	18	2.69**
JS15	3.35	0.95	6	17	3.54	0.95	5	17	-2.38*
JS16	3.51	0.86	5	9	3.68	1.04	3	11	-2.05*
JS17	3.68	0.74	3	3	3.65	1.08	4	14	.37
JS18	3.34	0.84	8	19	3.13	1.08	8	20	2.59**
JS19	3.09	0.93	10	22	2.84	1.07	10	22	2.18*
JS20	3.87	0.83	1	1	3.83	1.01	1	2	.64
JS21	3.81	0.77	2	2	3.76	0.93	2	8	.58
JS22	3.35	0.91	7	18	3.13	1.13	7	19	2.43*

All items measured on a scale 1-5

Time 1 refers to the situation before privatisation

Time 2 refers to the situation after privatisation

Group Rank- refers to the ranking within the dimension

Overall rank- refers to the ranking among all the items

*p<0.05; **p<0.01; ***p<0.001

For the dimension of extrinsic satisfaction, only JS14, JS15 and JS16 have higher means at time 2 while all the other eight items have higher means at time 1. Items JS14, JS16, JS17, JS20 and JS21 have the overall ranks of 4,9,3, 1 and 2 respectively at time 1 but items JS20 and JS21 have overall ranks of 2 and 8 respectively at time 2. All the items except JS13, JS17, JS20 and JS21 are significantly different at time 1 and time 2.

Table 7.4.3c displays the means, standard deviations, group ranks and overall ranks for respondents from Tenaga Nasional at time 1 and time 2.

Table 7.4.3c:

Means, Standard Deviations, T-tests and Ranks of Job Satisfaction Items for Tenaga Nasional at Time 1 and Time 2

Item Number	Mean time 1	Std.D time 1	Group Rank time 1	Overall Rank time 1	Mean time 2	Std.D time 2	Group Rank time 2	Overall Rank time 2	t-value
Intrinsic									
JS1	3.42	0.94	9	17	3.87	0.78	4	7	-4.96***
JS2	3.49	0.81	3	8	3.80	0.74	10	13	-3.68***
JS3	3.35	0.76	12	20	3.80	0.68	9	12	-5.87***
JS4	3.47	0.75	5	10	3.84	0.63	7	10	-5.22***
JS5	3.44	0.78	6	11	3.73	0.70	12	17	-3.98***
JS6	3.35	0.77	11	19	3.81	0.63	8	11	-5.73***
JS7	3.42	0.87	8	16	3.86	0.79	5	8	-5.91***
JS8	3.49	0.90	4	9	3.94	0.83	2	4	-5.80***
JS9	3.50	0.83	2	7	3.99	0.70	1	3	-6.58***
JS10	3.43	0.82	7	14	3.90	0.71	3	5	-6.72***
JS11	3.36	0.77	10	18	3.77	0.70	11	16	-5.77***
JS12	3.52	0.78	1	6	3.85	0.70	6	9	-4.44***
Extrinsic									
JS13	3.26	0.94	9	21	3.59	1.05	8	20	-3.65***
JS14	3.55	0.82	4	4	3.61	0.85	6	18	-.63
JS15	3.43	0.86	6	12	3.79	0.84	4	14	-4.68***
JS16	3.52	0.88	5	5	3.78	0.98	5	15	-3.22**
JS17	3.64	0.92	3	3	3.89	0.99	3	6	-2.82**
JS18	3.43	0.80	7	13	3.58	0.87	9	21	-2.03*
JS19	3.08	0.89	10	22	3.19	1.01	10	22	-1.32
JS20	3.86	0.84	1	1	4.01	0.79	1	1	-2.15*
JS21	3.82	0.83	2	2	3.99	0.77	2	2	-2.37*
JS22	3.42	0.87	8	15	3.59	0.86	7	19	-2.34*

All items measured on a scale of 1-5

Time 1 refers to the situation before privatisation;

Time 2 refers to the situation after privatisation

Group Rank- refers to the ranking within the dimension

Overall rank- refers to the ranking among all the items

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

For the dimension of intrinsic satisfaction, all of the items at time 1 have lower means compared to time 2. The group ranks at both times indicate changes in all the items. The overall ranks show that seven of the twelve items at time 2 have ranking in the top ten compared to only five at time 1. The t-tests show that all the twelve items are significantly different at time 1 and time 2.

For the dimension of extrinsic satisfaction, the means for all the items for time 2 also show higher means compared to time 1. Items JS20 and JS21 have overall ranks of 1 and 2 respectively at time 1 and time 2. This shows that these items are regarded as

very important by respondents in Tenaga Nasional at both times. The t-tests show that all the items except JS14 and JS19 are significantly different at time 1 and time 2.

7.5 Descriptive Statistics for all the Variables

The results reported in sub-section 7.4 are summarised in Table 7.5a for Telekom Malaysia and Table 7.5b for Tenaga Nasional.

From Table 7.5a, it is clear that affective and normative commitment have higher mean scores at time 2 compared to time 1, but continuance commitment has a higher mean score at time 2. Intrinsic satisfaction has a higher mean score at time 2 but extrinsic satisfaction has a higher score at time 1.

The practices of pay, benefits, performance appraisal, physical working conditions and training and development (independent variables) have higher mean scores at time 2, but job security reveal higher mean score at time 1. Promotion indicate a decrease in mean at time 2. In general, all the dimensions indicated good alpha score.

Table 7.5a:
Variable and Scale Descriptive Statistics in Telekom Malaysia

Variable Name	No Items	Means	Std.Dev	Alpha
Dependent Variables:				
Time 1				
Affective	8	3.55	.58	.87
Continuance	5	3.30	.51	.79
Normative	7	3.41	.55	.82
Intrinsic Sat.	12	3.47	.60	.92
Extrinsic Sat	10	3.49	.53	.87
Time 2				
Affective	8	3.59	.66	.89
Continuance	5	3.37	.50	.81
Normative	7	3.49	.55	.77
Intrinsic Sat	12	3.74	.63	.90
Extrinsic Sat	10	3.40	.68	.87
Independent Variables:				
Time 1				
Pay	4	3.24	.75	.71
Promotion	3	3.24	.65	.69
Benefits	2	3.13	.71	.64
Perf.App	3	3.27	.57	.59
Job Security	2	4.06	.76	.69
PWC	3	3.60	.52	.61
Train & Dev.	5	3.51	.62	.77
Time 2				
Pay	4	3.25	.76	.71
Promotion	4	3.05	.79	.77
Benefits	4	3.15	.71	.69
Perf.App	5	3.46	.65	.77
Job Security	2	3.08	.76	.76
PWC	4	3.66	.63	.75
Train & Dev.	5	3.89	.50	.71

Intrinsic Sat - Intrinsic Satisfaction; Extrinsic Sat - Extrinsic Satisfaction
 Perf. App - Performance Appraisal; PWC - Physical Working Conditions
 Train & Dev - Training and Development

Table 7.5b:
Variable and Scale Descriptive Statistics in Tenaga Nasional

Variable Name	No Items	Means	Std.Dev	Alpha
Dependent Variables:				
Time 1				
Affective	8	3.61	.61	.87
Continuance	5	3.39	.57	.79
Normative	7	3.50	.61	.82
Intrinsic Sat.	12	3.44	.62	.92
Extrinsic Sat	10	3.50	.64	.87
Time 2				
Affective	8	3.87	.58	.89
Continuance	5	3.58	.54	.81
Normative	7	3.69	.54	.77
Intrinsic Sat.	12	3.84	.48	.90
Extrinsic Sat	10	3.70	.63	.87
Independent Variables:				
Time 1				
Pay	4	3.25	.71	.71
Promotion	3	3.29	.69	.69
Benefits	2	3.25	.76	.64
Perf.App	3	3.32	.58	.59
Job Security	2	3.92	.76	.69
PWC	3	3.59	.54	.61
Train & Dev.	5	3.63	.52	.77
Time 2				
Pay	4	3.68	.68	.71
Promotion	4	3.43	.83	.77
Benefits	4	3.54	.65	.69
Perf.App	5	3.75	.79	.77
Job Security	2	3.26	.83	.76
PWC	4	3.77	.67	.75
Train & Dev.	5	4.05	.55	.71

Intrinsic Sat - Intrinsic Satisfaction; Extrinsic Sat - Extrinsic Satisfaction
 Perf. App - Performance Appraisal; PWC - Physical Working Conditions
 Train & Dev - Training and Development

Table 7.5b shows the summarised results for Tenaga Nasional at time 1 and time 2.

All of the dependent variables have higher means at time 2 compared to time 1.

All the HRM practices (independent variables) except job security have higher means at time 2, while job security has a higher mean at time 1. All the variables except job security have higher means after privatisation compared to before privatisation in Tenaga Nasional. Generally, all the dimensions are shown to have acceptable alphas.

7.6 Rank of Importance

The following shows the importance of HRM practices. For HRM practice items, respondents were asked to indicate their level of importance, indicating 1 for “not important” to 5 for “extremely important”. Tables 7.6a and 7.6b show the results for Telekom Malaysia and Tenaga Nasional respectively.

For both organisations, the overall rankings of the HRM practices are identical. Respondents from both Telekom Malaysia and Tenaga Nasional rank job security and pay as extremely important.

Table 7.6a:
Rank of Importance, Means and Standard Deviations for Human Resource Management Practices in Telekom Malaysia

Human Resource Management Practices	Mean	Std. dev.	Rating					Rank
			1*	2*	3*	4*	5*	
Pay	4.52	0.72	0	3	12	44	101	2
Promotion	3.99	0.91	2	5	40	59	54	6
Benefits	4.34	0.79	0	1	29	44	86	3
Performance Appraisal	3.79	0.91	4	4	52	62	38	7
Job Security	4.59	0.74	1	1	15	29	114	1
Physical Working Conditions	4.02	0.78	1	1	37	75	46	5
Training and Development	4.10	0.78	0	2	35	68	55	4

(n=160)

The number in 1* - 5* indicates the number of respondents responding with the given rating (1-5) to the respective questions.

The scale used were:

1* - not important

2* - slightly important

3* - important

4* - very important

5* - extremely important

Performance appraisal was ranked least important, followed in turn by promotion, physical working conditions, training and development and benefits.

Table 7.6b:
Rank of Importance, Means and Standard Deviations for Human Resource Management Practices in Tenaga Nasional

Human Resource Management Practices	Mean	Std. dev.	Rating					Rank
			1*	2*	3*	4*	5*	
Pay	4.55	0.72	0	2	15	35	107	2
Promotion	4.04	0.87	0	3	47	49	60	6
Benefits	4.26	0.80	0	3	26	56	74	3
Performance Appraisal	3.89	1.00	3	9	44	50	53	7
Job Security	4.62	0.66	0	2	10	34	113	1
Physical Working Conditions	4.09	0.88	2	3	34	60	60	5
Training and Development	4.18	0.91	3	2	29	54	71	4

(n=159)

The number in 1* - 5* indicates the number of respondents responding with the given rating (1-5) to the respective questions.

The scale used were:

1* - not important

2* - slightly important

3* - important

4* - very important

5* - extremely important

7.7 Conclusion

The overall demographic picture is that majority of the respondents were male, married, above the age of 35, had qualification equivalent to O Levels, and had served more than 11 years in the organisation. Most of the respondents indicate they received better monthly pay after privatisation, increased their attendance for training, and were appraised after privatisation. Descriptive statistics show that, for both Telekom Malaysia and Tenaga Nasional, all the variables except job security have higher means after privatisation compared to before privatisation. Respondents in both organisations rank job security as the most important practices followed by pay, benefit, training and development, physical working conditions, promotion and performance appraisal.

These results and the comparison of the human resource management practices, organisational commitment and job satisfaction items before and after privatisation, bring us to the next chapter, which test the propositions, analyses the relationship between variables and to look at the difference in the relationships before and after privatisation.

Chapter Eight : TEST OF THE RESEARCH PROPOSITIONS**8.1 Introduction**

A series of analyses were carried out using SPSS for Windows 6.1 to determine the relationship between human resource management (HRM) practices regarding pay, promotion, benefits, performance appraisal, job security, physical working conditions, and training and development, and changes in them, with organisational commitment and job satisfaction before and after privatisation.

The first section discusses statistical differences in HRM practices between time 1 (before privatisation) and time 2 (after privatisation) for, and between, Telekom Malaysia and Tenaga Nasional as well as organisational commitment and job satisfaction dimensions. The results of correlation and regression analysis used to find the HRM practices antecedents (in terms of affective, continuance and normative commitment) before and after privatisation are reported.

Next, the HRM practices antecedents of intrinsic and extrinsic satisfaction before and after privatisation (following correlation and multiple regression analysis) are reported.

Finally, an analysis of changes in HRM practices before and after privatisation is reported.

8.2 Test of Propositions : HRM Practice

The paired (or dependent) t-test is used to test the null hypothesis that two population means are equal, for any two dependent samples, for example to investigate if the pay for time 1 and pay for time 2 are similar or not. If the probability of occurrences of a result (difference) by chance is sufficiently small (0.05), we reject the null hypothesis (Norusis, 1994).

Generally, statistical tests require various assumptions. For the t-test, we need to assume that the distribution of the means is approximately normal, which can happen in one of two ways. The variable itself is normally distributed, so the means will automatically be normally distributed. The sample size must be large enough so that we can rely on the Central Limit Theorem to consider that the means are distributed normally. In the present study, the sample size is large (319 cases), so this assumption is satisfied.

The t-test paired comparison involves testing the mean difference of independent and dependent variables which consist of variables at time 1 and time 2. Paired t-tests were used to compare the mean scores of the sample on the same dimensions at different times and to indicate if there were any differences in mean scores between the two dimensions. In the current research, dependent t-tests were used to examine differences in the dimensions scores over time, i.e. at time 1 and time 2, to see if these were significant.

Proposition testing is aimed at examining differences in HRM practices (the independent variables) at time 1 (before privatisation) and time 2 (after privatisation).

Proposition 1 a:

There are differences between pay at time 1 and time 2 in the two organisations.

Results from the t-test (Table 8.2a) indicate that there were differences in pay at time 1 and time 2 at Tenaga Nasional but not at Telekom Malaysia. In Tenaga Nasional, the mean for actual pay is higher at time 2. The proposition is therefore accepted for Tenaga Nasional but not for Telekom Malaysia.

Table 8.2a:

T-test Results for Pay in Telekom Malaysia and Tenaga Nasional

Organisations	Mean time 1	Std.Dev time 1	Mean time 2	Std.Dev time 2	t-value
Telekom Malaysia	3.24	0.75	3.24	0.75	-0.02
Tenaga Nasional	3.25	0.71	3.68	0.68	-6.62*

* $p < 0.05$; n (Telekom Malaysia) = 160; n (Tenaga Nasional) = 159

Time 1 - before privatisation; Time 2 - after privatisation

Proposition 1 b:

There are differences between the number of promotions at time 1 and time 2 in the two organisations.

The results shown in Table 8.2b, reveal that promotions are significantly different in Telekom Malaysia but not at Tenaga Nasional. In Telekom Malaysia, the result indicates a higher mean at time 1 (3.24) compared to time 2 (3.05). This shows that the promotion is perceived to be better at time 1 in Telekom Malaysia while at Tenaga Nasional promotion is perceived not to be significantly different. Therefore, the proposition is true for Telekom Malaysia but not for Tenaga Nasional.

This result is parallel to the findings in sub-section 7.3.6 regarding promotion, where more than 51% of respondent in the sample did not receive any promotion at the two times. This clearly shows that promotion has not been seen as a change policy at time 2 in both organisations.

Table 8.2b:**T-test Results for Promotion in Telekom Malaysia and Tenaga Nasional**

Organisations	Mean time 1	Std.Dev time 1	Mean time 2	Std.Dev time 2	t-value
Telekom Malaysia	3.27	0.73	3.05	0.79	2.94*
Tenaga Nasional	3.30	0.77	3.43	0.83	-1.75

* $p < 0.05$; n (Telekom Malaysia) = 160; n (Tenaga Nasional) = 159

Time 1 - before privatisation; Time 2 - after privatisation

Proposition 1 c:

There are differences between the type of benefits at time 1 and time 2 in the two organisations.

The results shown in Table 8.2c indicate there are differences between benefits at time 1 and time 2 in Tenaga Nasional but not in Telekom Malaysia. Therefore the proposition is accepted for Tenaga Nasional where benefits were perceived to be better at time 2.

Benefits are viewed as a total package but the benefits items discussed in sub-section 7.3.2 demonstrate benefit as an individual item. Bonus and share options were two additional benefits respondents received after privatisation (time 2). Pension schemes

were no longer available to employees who were currently private organisations employees. Most other benefits such as vehicle loan, housing loan, medical treatment, sick leave, study leave, scholarships and the employee's provident fund (EPF) are still available to employees. In general, some of these benefits continue from pre-privatisation and others have been revised in various ways.

Table 8.2c:

T-test Results for Benefits in Telekom Malaysia and Tenaga Nasional

Organisations	Mean time 1	Std.Dev time 1	Mean time 2	Std.Dev time 2	t-value
Telekom Malaysia	3.13	0.71	3.15	0.71	-.29
Tenaga Nasional	3.25	0.76	3.54	0.65	-4.68**

**p<0.01; n (Telekom Malaysia) = 160; n (Tenaga Nasional) = 159

Time 1 - before privatisation; Time 2 - after privatisation

Proposition 1 d:

There are differences in job security at time 1 and time 2 in the two organisations.

The results (Table 8.2d) show that there were differences in job security for the two organisations at time 1 and time 2. Therefore, the proposition is true for both Telekom Malaysia and Tenaga Nasional.

Table 8.2d:

T-test Results for Job Security in Telekom Malaysia and Tenaga Nasional

Organisations	Mean time 1	Std.Dev time 1	Mean time 2	Std.Dev time 2	t-value
Telekom Malaysia	4.06	0.76	3.08	0.70	11.75*
Tenaga Nasional	3.97	0.76	3.26	0.83	8.38*

*p<0.05; n (Telekom Malaysia) = 160; n (Tenaga Nasional) = 159

Time 1 - before privatisation; Time 2 - after privatisation

Proposition 1 e:

There are differences between performance appraisal at time 1 and time 2 in the two organisations.

The results indicated in Table 8.2.1e reveal that there were differences in performance appraisal at time 1 and time 2 for both organisations. Hence, the proposition is accepted for both Telekom Malaysia and Tenaga Nasional. Both organisations indicated higher means at time 2 than at time 1. This result was similar

to the result items regarding how many times respondents were appraised in a year, as indicated in sub-section 7.3.4. All respondents were appraised at time 2 compared to 60.6% in Telekom Malaysia and 32% in Tenaga Nasional at time 1 (see Table 7.3.4). This shows that performance appraisal was more widely used as an instrument to measure employees' contributions to the organisation after privatisation than before privatisation.

Table 8.2e:
T-test Results for Performance Appraisal in Telekom Malaysia and Tenaga Nasional

Organisations	Mean time 1	Std.Dev time 1	Mean time 2	Std.Dev time 2	t-value
Telekom Malaysia	3.33	0.57	3.45	0.65	-1.98*
Tenaga Nasional	3.31	0.58	3.75	0.79	-7.42*

*p<0.05; n (Telekom Malaysia) = 160; n (Tenaga Nasional) = 159

Time 1 - before privatisation; Time 2 - after privatisation

Proposition 1 f:

There are differences in the physical working conditions at time 1 and time 2 in the two organisations.

The results shown in Table 8.2f indicate there were differences in physical working conditions for Telekom Malaysia and Tenaga Nasional. The proposition therefore is true for both Telekom Malaysia and Tenaga Nasional. The results reflect employees' perceptions that there were better working facilities in both Telekom Malaysia and Tenaga Nasional after privatisation compared to before privatisation.

Table 8.2f:
T-test Results for Physical Working Conditions in Telekom Malaysia and Tenaga Nasional

Organisations	Mean time 1	Std.Dev time 1	Mean time 2	Std.Dev time 2	t-value
Telekom Malaysia	3.50	0.59	3.66	0.63	-2.64*
Tenaga Nasional	3.47	0.61	3.77	0.67	-6.22*

*p<0.05; n (Telekom Malaysia) = 160; n (Tenaga Nasional) = 159

Time 1 - before privatisation; Time 2 - after privatisation

Proposition 1 g:

There are differences in the amount of training and development at time 1 and time 2 in the two organisations.

The results in Table 8.2g show that there were differences in training and development at time 1 and time 2 in both organisations. Therefore, the proposition is accepted for both organisations. The higher mean scores at time 2 reflected that there were more opportunities in both organisations for training and promotion at time 2 compared to time 1. This result corresponds to the findings in Table 7.3.3 regarding the increased number of times employees attended training in a year.

Table 8.2g:**T-test Results for Training and Development in Telekom Malaysia and Tenaga Nasional**

Organisations	Mean time 1	Std.Dev time 1	Mean time 2	Std.Dev time 2	t-value
Telekom Malaysia	3.50	0.62	3.89	0.50	-7.06*
Tenaga Nasional	3.62	0.52	4.05	0.55	-8.39*

* $p < 0.05$; n (Telekom Malaysia) = 160; n (Tenaga Nasional) = 159

Time 1 - before privatisation; Time 2 - after privatisation

In summary, from the above findings it could be concluded that in Telekom Malaysia, there were significant differences in all the HRM practices except pay and benefits at time 1 and time 2, while at Tenaga Nasional all the HRM practices except promotion are significantly different at time 1 and time 2.

8.3 Changes in Organisational Commitment After Privatisation

T-tests were computed for the organisational commitment dependent variables to find out if there were differences in scores at time 1 and time 2. Analysis of the results is presented below.

For Telekom Malaysia, the results (Table 8.3a) indicate that there were no significant differences in any of the three dimensions at time 1 and time 2.

Table 8.3a:
Paired T-test for Organisational Commitment at Time 1
and Time 2 for Telekom Malaysia

	time 1 mean	time 2 mean	t
Affective Commitment	3.55	3.59	-.65
Continuance Commitment	3.32	3.20	1.73
Normative Commitment	3.43	3.45	-.55

n (Telekom Malaysia) = 160

Time 1 - before privatisation; Time 2 - after privatisation

The results for Tenaga Nasional (Table 8.3b) indicate that the levels of affective and normative commitment are higher at time 2 compared to time 1 while continuance commitment showed no significant change.

Table 8.3b:
Paired T-test for Organisational Commitment at Time 1
and Time 2 for Tenaga Nasional

	time 1 mean	time 2 mean	t
Affective Commitment	3.60	3.87	-4.80*
Continuance Commitment	3.44	3.52	-.91
Normative Commitment	3.54	3.72	-3.21*

*p<0.05; n (Tenaga Nasional) = 159

Time 1 - before privatisation; Time 2 - after privatisation

8.4 Changes in Job Satisfaction After Privatisation

T-tests were also computed for job satisfaction dimensions to find out if there were differences in scores at time 1 and time 2. Analysis of the results is presented below.

In Telekom Malaysia, (Table 8.4a) intrinsic satisfaction at time 2 (3.74) and time 1 (3.47) differ very significantly. Extrinsic satisfaction, showed no significant difference.

Table 8.4a:
Paired T-test for Job Satisfaction at Time 1 and Time 2
for Telekom Malaysia

	time 1	time 2	t
Intrinsic Satisfaction	3.47	3.74	-4.09*
Extrinsic Satisfaction	3.49	3.40	1.41

* $p < 0.05$; n (Telekom Malaysia) = 160

Time 1 - before privatisation; Time 2 - after privatisation

In Tenaga Nasional (Table 8.4b) the results indicate that there are differences in the levels of intrinsic and extrinsic satisfaction at time 1 and time 2. There were differences in the levels of intrinsic and extrinsic satisfaction of respondents from Tenaga Nasional, although intrinsic satisfaction levels increase more than extrinsic satisfaction after privatisation.

Table 8.4b:
Paired T-test for Job Satisfaction at Time 1 and Time 2
for Tenaga Nasional

	time 1	time 2	t
Intrinsic Satisfaction	3.43	3.84	-6.75***
Extrinsic Satisfaction	3.50	3.70	-3.09***

*** $p < 0.001$; n (Tenaga Nasional) = 159

Time 1 - before privatisation; Time 2 - after privatisation

8.5 Comparison of HRM Practices between Telekom Malaysia and Tenaga Nasional

A comparison of HRM practices was made for Telekom Malaysia and Tenaga Nasional to find out if the practices were the same at the same times. A non-parametric test was used to determine if there were significant differences in the them.

The Mann-Whitney test was used. This compares two independent samples by ranking all the results and summing the ranks in each sample (Norusis, 1994). According to Bryman and Cramer (1997), the Mann-Whitney test is more powerful than the median test because it compares the number of times a score from one of the samples is ranked higher than a score from the other sample.

W is the rank sum for the group that appeared first in the sample, i.e. Telekom Malaysia. U represents the number of times a value in the Telekom Malaysia sample precedes a value in Tenaga Nasional group. Z is the standard normal deviate.

Table 8.5a:
Mann Whitney-U Test for HRM practices in Telekom Malaysia and Tenaga Nasional Before Privatisation

HRM practices	Telekom Malaysia		Tenaga Nasional		U	W	Z
	Mean Rank	Sum of Ranks	Mean Rank	Sum of Ranks			
Pay	159.75	25560	160.25	25481	12679.5	25559.5	-.0495
Promotion	154.56	24730	165.47	26310	11850.0	24730.0	-1.0651
Benefits	152.30	24369	167.75	26672	11488.5	24368.5	-1.5483
Performance Appraisal	158.03	25285	161.98	25756	12404.5	25284.5	-.3852
Job Security	166.30	26608	153.66	24432	11712.0	24432.0	-1.2551
Physical Working Conditions	147.96	23674	172.11	27366	10794.0	23674.0	-2.4500**
Training and Development	153.27	24524	166.77	26517	11643.5	24523.5	-1.3160

**p<0.01; n (Telekom Malaysia) = 160; n (Tenaga Nasional) = 159

As shown in Table 8.5a, the result indicates that there were no difference in pay, promotion, benefits, performance appraisal, job security, and training and development before privatisation in the two organisations. This shows that pay, promotion, benefits, performance appraisal, job security, physical working conditions, and training and development were perceived to be similar in both organisations before privatisation. Physical working conditions indicate significant differences in both organisations before privatisation.

Table 8.5b:

Mann Whitney-U Test for HRM practices in Telekom Malaysia and Tenaga Nasional After Privatisation

HRM practices	Telekom Malaysia		Tenaga Nasional		U	W	Z
	Mean Rank	Sum of Ranks	Mean Rank	Sum of Ranks			
Pay	133.45	21351	160.25	25481	8471.5	21351.5	-5.1936***
Promotion	137.93	22070	182.20	28971	9189.5	22069.5	-4.3063***
Benefits	135.90	21744	184.25	29296	8864.0	21744.0	-4.7143***
Performance Appraisal	139.86	22377	180.27	28663	9497.0	22377.0	-3.9319***
Job Security	147.96	23674	172.11	27366	10794.0	23674.0	-2.4500**
Physical Working Conditions	153.65	24585	166.39	26456	11704.5	24584.5	-1.2620
Training and Development	147.02	23523	173.06	27517	10643.0	23523.0	-2.5429*

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; n (Telekom Malaysia) = 160; n (Tenaga Nasional) = 159

As indicated in Table 8.5b, pay, promotion, benefits, performance appraisal, job security, and training and development after privatisation in both organisations differs significantly. There were significant differences in pay, promotion, benefits, performance appraisal, job security, and training and development after privatisation in Telekom Malaysia and Tenaga Nasional. Physical working conditions were perceived to be similar in both organisations after privatisation.

To summarise, the results show all the HRM practices except physical working conditions being similar in both organisations before privatisation, but after privatisation, physical working conditions was not perceived to be different. This result might be expected because before privatisation both organisations were managed according to government policies and procedures while after privatisation they would be managed according to policies and procedures chosen by management.

8.6 Comparison of Organisational Commitment between Telekom Malaysia and Tenaga Nasional

Tables 8.6a and 8.6b show the result of non-parametric test on affective, continuance and normative commitment for Telekom Malaysia and Tenaga Nasional before and after privatisation.

Table 8.6a:
Mann Whitney-U Test for Organisational Commitment in Telekom Malaysia and Tenaga Nasional Before Privatisation

Organisational Commitment Dimensions	Telekom Malaysia		Tenaga Nasional		U	W	Z
	Mean Rank	Sum of Ranks	Mean Rank	Sum of Ranks			
Affective	157.09	25134	162.93	25906	12254.0	25134.0	-.5681
Continuance	151.14	24183	168.91	26857	11303.0	24183.0	-1.7291
Normative	149.02	23844	171.04	27196	10964.0	23844.0	-2.1387*

* $p < 0.05$; n (Telekom Malaysia) = 160; n (Tenaga Nasional) = 159

From table 8.6a, the result indicated that there were no differences in affective commitment and continuance commitment before privatisation in the two organisations, indicating the distribution of affective and continuance commitment before privatisation is similar in both organisations. This reveal that the level of affective commitment and continuance commitment before privatisation were similar in Telekom Malaysia and Tenaga Nasional.

The results also show that normative commitment before privatisation in both organisations differs. This demonstrate that the distribution of normative commitment before privatisation is different in both organisations. Therefore, this shows that normative commitment before privatisation in Telekom Malaysia and Tenaga Nasional are not the same.

Table 8.6b:
Mann Whitney-U Test for Organisational Commitment in Telekom Malaysia and Tenaga Nasional After Privatisation

Organisational Commitment Dimensions	Telekom Malaysia		Tenaga Nasional		U	W	Z
	Mean Rank	Sum of Ranks	Mean Rank	Sum of Ranks			
Affective	139.99	22399	180.14	28642	9518.5	22398.5	-3.9030***
Continuance	144.68	23150	175.41	27891	10269.5	23149.5	-2.9904**
Normative	140.82	22531	179.31	28510	9650.5	22530.5	-3.7390**

p<0.01; *p<0.001; n (Telekom Malaysia) = 160; n (Tenaga Nasional) = 159

Based on table 8.6b, the result indicate that affective, continuance and normative commitment after privatisation in both organisations differs. This demonstrate that the distribution of affective, continuance and normative commitment after privatisation were different in both organisations. Therefore, this shows that affective, continuance and normative commitment differ significantly after privatisation in Telekom Malaysia and Tenaga Nasional after privatisation.

To conclude, the results of the comparison between the two organisations exhibit that affective commitment before privatisation are similar but affective commitment after privatisation are different in Telekom Malaysia and Tenaga Nasional. In terms of continuance commitment, the results show that continuance commitment are similar before privatisation but were different after privatisation in both organisations. But for normative commitment, both results show that normative commitment before and after privatisation were different in both the organisations.

8.7 Comparison of Job Satisfaction between Telekom Malaysia and Tenaga Nasional

Tables 8.7a and 8.7b show the result of non-parametric test on intrinsic and extrinsic satisfaction for Telekom Malaysia and Tenaga Nasional before and after privatisation.

From table 8.7a, the result indicated that there were no differences in intrinsic satisfaction and extrinsic satisfaction before privatisation in the two organisations, indicating the distribution of intrinsic satisfaction before privatisation is similar in

both organisations. This reveal that the level of intrinsic satisfaction before privatisation were similar in Telekom Malaysia and Tenaga Nasional.

Table 8.7a:

Mann Whitney-U Test for Job Satisfaction in Telekom Malaysia and Tenaga Nasional Before Privatisation

Job Satisfaction Dimensions	Telekom Malaysia		Tenaga Nasional		U	W	Z
	Mean Rank	Sum of Ranks	Mean Rank	Sum of Ranks			
Intrinsic	161.86	25897	158.13	25143	12423.0	25143.0	-.3613
Extrinsic	157.83	25254	162.18	25787	12373.5	25253.5	-.4216

n (Telekom Malaysia) = 160; n (Tenaga Nasional) = 159

Table 8.7b:

Mann Whitney-U Test for Job Satisfaction in Telekom Malaysia and Tenaga Nasional After Privatisation

Job Satisfaction Dimensions	Telekom Malaysia		Tenaga Nasional		U	W	Z
	Mean Rank	Sum of Ranks	Mean Rank	Sum of Ranks			
Intrinsic	153.11	24498	165.97	26223	11618.0	24498.0	-1.2519
Extrinsic	141.47	22635	178.65	28406	9754.5	22634.5	-3.6059**

**p<0.01; n (Telekom Malaysia) = 160; n (Tenaga Nasional) = 159

From table 8.7b, the result indicated that there were no differences in intrinsic satisfaction after privatisation in the two organisations, indicating the distribution of intrinsic satisfaction after privatisation is similar in both organisations. This reveal that the level of intrinsic satisfaction after privatisation were similar in Telekom Malaysia and Tenaga Nasional.

The result indicate that extrinsic satisfaction after privatisation in both organisations differs. This demonstrate that the distribution of extrinsic satisfaction after privatisation is different in both organisations. Therefore, this shows extrinsic satisfaction after privatisation in Telekom Malaysia and Tenaga Nasional are not identical.

In summary, the results of the comparison between the two organisations show that intrinsic satisfaction both before and after privatisation, and extrinsic satisfaction

before privatisation are similar in Telekom Malaysia and Tenaga Nasional, but extrinsic satisfaction after privatisation is different in the two organisations.

8.8 Testing of Propositions

Correlation and regression analyses using SPSS for Windows 6.1 were used to find the presence of association between HRM practices and organisational commitment and job satisfaction.

8.8.1 Correlation Analysis

Correlation analysis measures the linear relationship between two variables. The correlation coefficient indicates the strength of association between them. The SPSS programme CORRELATION uses the Pearson product-moment correlation formula to indicate correlations between variables. Positive correlation occurs when high or low values of one variable are associated with high or low values of another and negative correlation occur when high values of one variable are associated respectively with low values of another. The value of the correlation is represented by the correlation coefficient (r). Positive correlation coefficients range between 0 and +1, while negative correlation coefficients range between -1 and 0. The closer the correlation coefficient is to +1 or -1 the greater the positive or negative association respectively.

8.8.2 Regression Analysis

Multiple regression analysis can be used to investigate the patterns of relationships between HRM practices and organisational commitment and job satisfaction. Regression analysis is a statistical tool that is used to relate two or more variables. In this study, the dependent variables (Y-organisational commitment and job satisfaction) is related to one or more independent variables (X-Human Resource Management Practices). The objective of regression analysis is to build a regression model or a prediction equation relating the dependent variable to one or more independent variables. The model can then be used to describe, predict and control the variable of interest on the basis of the independent variables. The formula used is:

$$Y = a + bX_1 + bX_2 + bX_3 + \dots + bX_n$$

Regression is a multivariate technique which indicates the relationship between a single independent variable and multiple predictor variables. Regression analyses were used in the current research to test some of the research propositions. The dependent variables were affective, normative and continuance commitment and intrinsic and extrinsic satisfaction at time 1 (before privatisation) and time 2 (after privatisation) respectively, and they were regressed on the independent variables.

The current studies used a stepwise procedure which examines the variables in the block at each step for entry or removal based on entry/removal criteria. This is a commonly used method of regression analysis and can identify "*variables that, for the sample, are good predictors of the dependent variable*" (Aaker *et al*, 1995). Only those independent variables for which the probability associated with the F-test is less than or equal to 0.05 are entered into the model. The coefficient of multiple determination (r^2) measures the proportion of the total variation in the dependent variable explained by the regression equation. The value of r^2 indicates how much variability in either variable is explained by the other variables. R^2 is often used as an indicator of how well the model implied by the regression equation fits the data. The value of r^2 indicates how much variability in either variable is explained by the other variable. Thus, if r^2 equals 0.5, the model is providing an explanation of 50% of the variance in y . In this study, for example, pay (the independent variable) is explained by affective commitment (dependent variable) in terms of a percentage of its variance.

The B result represents the unstandardised coefficient, and the Beta score represents the standardised coefficient, which allows the Beta results to be compared with one another. Beta coefficients are simply the regression coefficients multiplied by the ratio of the standard deviation of the corresponding independent variable to the dependent variable (Aaker *et al*, 1995). The beta coefficients can be compared to one

another, the larger the beta coefficient: the stronger the impact of that variable on the dependent variable.

According to Bryman and Cramer (1995), the assumptions for correlation and regression analysis are:

1. The dispersion of points in a scatter diagram is homoscedastic, that is, the y score in the x classes should be normally distributed and have equal variances, and similarly for the x scores in the y classes.
2. The size of correlation coefficient and the nature of a regression equation will be affected by the amount of variance in either of the variables concerned.
3. Outliers, that is the extreme values of x or y can exert an excessive influence on the results of both correlations and regression.

In addition, Norusis (1994) and Huck and Cormier (1996) describe the following assumptions for regression analysis:

1. Normality: it is assumed in multiple regression that the residuals (predicted minus observed values) are distributed normally (i.e. follow the normal distribution).
2. Linearity: the relationship between the two variables of interest must be such that the bivariate means fall on a straight line (the regression lines are straight lines).

A limitation of regression analysis is that one can only ascertain co-varying relationship but never be sure about an underlying causal relationship (Statsoft, 1998).

8.8.3 HRM Practices and Organisational Commitment

This study aimed to find out the differences between HRM practices at time 1 (before privatisation) and time 2 (after privatisation) which are the antecedent variables of the dimensions of organisational commitment.

8.8.3.1 Testing of Propositions for Affective Commitment

Proposition 2 a(i):

Practices concerning pay, promotion, benefits, performance appraisal, job security, physical working conditions, training and development at time 1 are antecedents of affective commitment at time 1.

Table 8.8.3.1a shows the result of multiple regression analysis of HRM practices on organisational commitment dimensions in Telekom Malaysia and Tenaga Nasional.

The result for Telekom Malaysia indicates that training and development, which accounts for 33% of the variance of affective commitment with a beta of 0.57, has the strongest impact on affective commitment. Job security explains 7% of the variance, performance appraisal 3%, and benefits 2% of the variance. Of the seven practices regressed, only training and development, job security, performance appraisal and benefits are indicated as HRM practice antecedents of affective commitment at time 1. The correlation analysis in Table 8.8.3.1b shows that training and development has the highest correlation coefficient of (0.57) with affective commitment. But for job security which has a correlation of 0.37 only indicated 5% explained variance in affective commitment at time 1. Performance appraisal and benefits show correlations with affective commitment of 0.44 and 0.43 respectively.

Table 8.8.3.1a:

Multiple Regression Analyses Results of HRM Practices on Affective Commitment in Telekom Malaysia and Tenaga Nasional at Time 1

Organisations	Significant HRM Practices	Standardised Regression Coefficient (Beta)	R square Change (Variance accounted for)	Cumulative Adjusted R-square	F Ratio
Telekom Malaysia	Training & Development	.57	.33	.33	78.56*
	Job Security	.27	.07	.40	52.87*
	Performance Appraisal	.22	.03	.43	39.87*
	Benefits	.16	.02	.45	32.45*
Tenaga Nasional	Performance Appraisal	.56	.32	.32	73.98*
	Training & Development	.33	.08	.40	53.15*
	Job Security	.16	.03	.43	38.98*

*p<.05; Time 1 - before privatisation

Table 8.8.3.1b
Correlation between HRM Practices and Affective Commitment
in Telekom Malaysia and Tenaga Nasional at Time 1

HRM Practices	Telekom Malaysia	Tenaga Nasional
Pay	.49**	.46**
Promotion	.46**	.40**
Benefits	.43**	.43**
Performance Appraisal	.44**	.49**
Job Security	.37**	.34**
Physical Working Conditions	.50**	.25**
Training & Development	.57**	.53**

** $p < 0.01$; Time 1 - before privatisation;

For Tenaga Nasional, Table 8.8.3.1a shows that the HRM practice which has the most impact on affective commitment is performance appraisal, which accounts for 32% of the total variance, with a beta of 0.56. Training and development explains 8% and job security explains 3%. As shown in Table 8.8.3.1b for Tenaga Nasional, the correlation result of affective commitment with performance appraisal is 0.49, training and development 0.53 and job security 0.34.

Therefore, the proposition is partially accepted as only some practices are antecedents of affective commitment at time 1, for both Telekom Malaysia and Tenaga Nasional.

Proposition 2 a(ii)

Practices concerning pay, promotion, benefits, performance appraisal, job security, physical working conditions, training and development at time 2 are antecedents of affective commitment at time 2.

Table 8.8.3.1c shows the result of regression analysis of HRM practices on affective commitment at time 2 for Telekom Malaysia and Tenaga Nasional.

For Telekom Malaysia, the most significant antecedent of HRM practices is pay, which accounts for 37% of the total variance with a beta of 0.61. This result is reflected in the coefficient of correlation with affective commitment at time 2. Pay has the highest correlation, 0.61 (shown in Table 8.8.3.1d). Job Security is also an antecedent of affective commitment at time 2, explaining 5% of the variance with a beta of 0.27, followed by physical working conditions, explaining 2% of the variance with beta of 0.15, performance appraisal 2%, with a beta of -0.14, and training and

development 1%, with beta of 0.15. Benefits and promotion are the only practices which are not HRM practice antecedents of affective commitment at time 2 in Telekom Malaysia. In the correlation analysis, all the practices indicate significant correlation results with affective commitment at the $p < 0.01$ level, as indicated in Table 8.8.3.1d.

Table 8.8.3.1c

Multiple Regression Analyses Results of HRM Practices on Affective Commitment in Telekom Malaysia and Tenaga Nasional at Time 2

Organisations	Significant HRM Practices	Standardised Regression Coefficient (Beta)	R square Change (Variance accounted for)	Cumulative Adjusted R-square	F Ratio
Telekom Malaysia	Pay	.61	.37	.37	93.19*
	Job Security	.27	.05	.42	58.97*
	Physical Working Conditions	.15	.02	.44	41.96*
	Performance Appraisal	-.14	.02	.46	33.15*
	Training & Development	.15	.01	.47	27.94*
Tenaga Nasional	Training & Dev	.54	.29	.29	65.54*

* $p < .05$; Time 2 - after privatisation

Table 8.8.3.1d

Correlation between HRM Practices and Affective Commitment in Telekom Malaysia and Tenaga Nasional at Time 2

HRM Practices	Telekom Malaysia	Tenaga Nasional
Pay	.61**	.39**
Promotion	.43**	.39**
Benefits	.47**	.39**
Performance Appraisal	.22	.29**
Job Security	.50**	.36**
Physical Working Conditions	.41**	.45**
Training & Development	.37**	.54**

** $p < 0.01$; Time 2 - after privatisation

The results for Tenaga Nasional is shown in Table 8.8.3.1c. The results reveal that only training and development is an HRM practice antecedent of affective commitment at time 2. Training and development explains 29% of the variance, with a beta of 0.54. The correlation of training and development with affective commitment is 0.54 at time 2 (Table 8.8.3.1d).

The proposition therefore is partially accepted, as only some HRM practices are shown to be antecedents of affective commitment at time 2, for both Telekom Malaysia and Tenaga Nasional.

Table 8.8.3.1e:

Summary of Results of Correlation Coefficient and Regression Analysis for HRM Practices on Affective Commitment at Time 1 and Time 2

HRM Practices	Telekom Malaysia time 1	Telekom Malaysia time 2	Tenaga Nasional time 1	Tenaga Nasional time 2
Pay	+	Δ +	+	+
Promotion	+	+	+	+
Benefits	Δ +	+	+	+
Performance Appraisal	Δ +	Δ +	Δ +	+
Job Security	Δ +	Δ +	Δ +	+
Physical Working Conditions	+	Δ +	+	+
Training & Development	Δ +	Δ +	Δ +	Δ +

Δ antecedent practice; + significant relationships

Time 1 - before privatisation; Time 2 - after privatisation

The summary above (Table 8.8.3.1e) shows the results of correlation and regression analyses for HRM practices and affective commitment. In Telekom Malaysia, performance appraisal, job security, and training and development are antecedents of affective commitment at both time 1 and time 2, while physical working conditions and pay are antecedents of affective commitment at time 2. Only benefits indicated being antecedent of affective commitment at time 1. All the HRM practices at time 1 and time 2 shows significant relationships with affective commitment.

In Tenaga Nasional, only training and development is an antecedent of affective commitment at both time 1 and time 2. Performance appraisal and job security, however, are antecedents of affective commitment at time 1. All the HRM practices show significant relationships with affective commitment at both time 1 and time 2.

8.8.3.2 Testing of Propositions for Continuance Commitment

Proposition 2b (i)

Practices concerning pay, promotion, benefits, performance appraisal, job security, physical working conditions, training and development at time 1 are antecedents of continuance commitment at time 1.

Table 8.8.3.2a shows the result of the regression analysis of HRM practices on organisational commitment for Telekom Malaysia and Tenaga Nasional at time 1. For Telekom Malaysia, performance appraisal, pay and job security are antecedents of continuance commitment at time 1, explaining 16%, 6% and 2% of the variances respectively. Result from the correlation test (Table 8.8.3.2b) shows that performance appraisal has correlation of 0.43, pay 0.35 and job security 0.38 with continuance commitment.

Table 8.8.3.2a:

Multiple Regression Analyses Results of HRM Practices on Continuance Commitment in Telekom Malaysia and Tenaga Nasional at Time 1

Organisations	Significant HRM Practices	Standardised Regression Coefficient (Beta)	R square Change (Variance accounted for)	Cumulative Adjusted R-square	F Ratio
Telekom Malaysia	Performance Appraisal	.40	.16	.16	31.60*
	Pay	.25	.06	.22	22.29*
	Job Security	.18	.02	.24	17.30
Tenaga Nasional	Pay	.40	.16	.16	30.62*
	Job Security	.28	.06	.22	23.23*
	Performance Appraisal	.23	.05	.27	19.16*
	Physical Working Conditions	-.25	.04	.31	17.70*

*p<.05; Time 1 - before privatisation

Table 8.8.3.2b:

Correlation between HRM Practices and Continuance Commitment in Telekom Malaysia and Tenaga Nasional at Time 1

HRM Practices	Telekom Malaysia	Tenaga Nasional
Pay	.35**	.35**
Promotion	.36**	.26**
Benefits	.35**	.32**
Performance Appraisal	.43**	.44**
Job Security	.38**	.41**
Physical Working Conditions	.26**	.12
Training & Development	.38**	.33**

** p<0.01; Time 1 - before privatisation

From Table 8.8.3.2a, the multiple regression analysis for Tenaga Nasional shows that pay, job security, performance appraisal and physical working conditions are antecedents of continuance commitment at time 1. Pay explains 16% of the variance, job security 6%, performance appraisal 5% and physical working conditions 4%. Pay and job security have correlations of 0.35 and 0.41 respectively with continuance

commitment (Table 8.8.3.2b), while performance appraisal has a correlation of 0.44 and physical working conditions 0.12.

The proposition therefore is partially accepted as not all HRM practices are antecedents of continuance commitment at time 1 for both organisations.

Proposition 2b (ii)

Practices concerning pay, promotion, benefits, performance appraisal, job security, physical working conditions, training and development at time 2 are antecedents of continuance commitment at time 2.

Table 8.8.3.2c shows the regression analysis of HRM practices on organisational commitment for Telekom Malaysia and Tenaga Nasional. For Telekom Malaysia, pay, benefits and training and development are antecedents of continuance commitment at time 2. Pay accounts for 22% of continuance commitment variance at time 2, and a further 2% of the variance is each accounted by benefits and training and development. Table 8.8.3.2d shows that benefits and pay are the two highest correlated variables with continuance commitment at time 2, with correlations of 0.43 and 0.47 respectively.

Table 8.8.3.2c:

Multiple Regression Analyses Results of HRM Practices on Continuance Commitment in Telekom Malaysia and Tenaga Nasional at Time 2

Organisations	Significant HRM Practices	Standardised Regression Coefficient (Beta)	R square Change (Variance accounted for)	Cumulative Adjusted R-square	F Ratio
Telekom Malaysia	Pay	.46	.22	.22	44.63*
	Benefits	.20	.02	.24	25.41*
	Training & Development	-.15	.02	.26	18.62
Tenaga Nasional	Benefits	.43	.18	.18	36.13*

*p<.05; Time 2 - after privatisation

Table 8.8.3.2d:
Correlation between HRM Practices and Continuance Commitment in Telekom Malaysia and Tenaga Nasional at Time 2

HRM Practices	Telekom Malaysia	Tenaga Nasional
Pay	.47**	.32**
Promotion	.32**	.26**
Benefits	.43**	.43**
Performance Appraisal	.18**	.23**
Job Security	.22**	.30**
Physical Working Conditions	.21**	.22**
Training & Development	.06	.29**

** p<0.01; Time 2 - after privatisation

For Tenaga Nasional (Table 8.8.3.2c), benefit is the most significant antecedent of continuance commitment at time 2 explaining 18% of the variance. The result of correlation analysis as shown in Table 8.8.3.2d also indicated that in Tenaga Nasional, benefit have a correlation result of 0.43 with continuance commitment at time 2.

The above proposition therefore is partially accepted.

Table 8.8.3.2e:
Summary of Results of Correlation Coefficient and Regression Analysis of HRM Practices on Continuance Commitment at Time 1 and Time 2

HRM Practices	Telekom Malaysia time 1	Telekom Malaysia time 2	Tenaga Nasional time 1	Tenaga Nasional time 2
Pay	Δ +	Δ +	Δ +	+
Promotion		+	+	+
Benefits		Δ +	+	Δ +
Performance Appraisal	Δ +	+	Δ +	+
Job Security	Δ +	+	Δ +	+
Physical Working Conditions		+	Δ	+
Training & Development		Δ	+	+

Δ antecedent practice; + significant relationship

Time 1 - before privatisation; Time 2 - after privatisation

The table above (Table 8.8.3.2e) shows the correlation and regression results of HRM practices on continuance commitment at time 1 and time 2.

In Telekom Malaysia, all the HRM practices except training and development at time 2 show significant relationships with continuance commitment at time 1 and time 2. Pay, performance appraisal and job security are antecedents of continuance

commitment at time 1, while pay, benefits, and training and development are antecedents at time 2.

In Tenaga Nasional, all the HRM practices, except physical working conditions at time 1, showed significant relationships with continuance commitment at both time 1 and time 2. Pay, performance appraisal, job security and physical working conditions are antecedents of continuance commitment at time 1, while benefits is the only antecedent of continuance commitment at time 2. This shows that there are variations in the practices as antecedents of continuance commitment at both times.

8.8.3.3 Testing of Propositions for Normative Commitment

Proposition 2c (i):

Practices concerning pay, promotion, benefits, performance appraisal, job security, physical working conditions, training and development at time 1 are antecedents of normative commitment at time 1.

Table 8.8.3.3a show the regression analysis result of HRM practices on normative commitment for Telekom Malaysia and Tenaga Nasional at time 1. Results for Telekom Malaysia show that pay, training and development, and benefits are antecedents of normative commitment at time 1. Pay explains 26% of normative commitment variance with a beta of 0.51. Training and development explains a further 6% of the variance with beta of 0.28, while benefits explains 4% of the variance with a beta of 0.25. As shown in Table 8.8.3.3b, benefits has the highest correlation of 0.51 with normative commitment among the other HRM practices, followed by pay with a correlation of 0.49, while training and development with a correlation of 0.46.

Table 8.8.3.3a:

Multiple Regression Analyses Results of HRM Practices on Normative Commitment in Telekom Malaysia and Tenaga Nasional at Time 1

Organisations	Significant HRM Practices	Standardised Regression Coefficient (Beta)	R square Change (Variance accounted for)	Cumulative Adjusted R-square	F Ratio
Telekom Malaysia	Pay	.51	.26	.26	56.60*
	Training & Development	.28	.06	.32	37.72*
	Benefits	.25	.04	.36	29.94*
Tenaga Nasional	Training & Development	.48	.23	.23	49.54*
	Job Security	.30	.09	.32	37.62*
	Performance Appraisal	.16	.02	.34	27.17*

*p<.05; Time 1 - before privatisation

Table 8.8.3.3b:

Correlation between HRM Practices and Normative Commitment in Telekom Malaysia and Tenaga Nasional at Time 1

HRM Practices	Telekom Malaysia	Tenaga Nasional
Pay	.49**	.42**
Promotion	.46**	.28**
Benefits	.51**	.35**
Performance Appraisal	.43**	.37**
Job Security	.27**	.41**
Physical Working Conditions	.35**	.22**
Training & Development	.46**	.43**

** p<0.01; Time 1- before privatisation

For Tenaga Nasional, the regression result in Table 8.8.3.3a shows that training and development, job security and performance appraisal are antecedents of normative commitment at time 1. The result indicated that training and development explains 23% of the variance in normative commitment with beta of 0.48, while job security explains a further 9% of the variance, with a beta of 0.30. Performance appraisal, however, explains only 2% of the variance, with beta of 0.16. These results are consistent with the results of the correlation analysis, as indicated in Table 8.8.3.3b for Tenaga Nasional, where training and development shows the correlation of 0.43, job security 0.41, and performance appraisal 0.37 with normative commitment.

Therefore, based on the above result, the proposition is partially accepted, as not all the practices are indicated as being antecedents of normative commitment at time 1 for both Telekom Malaysia and Tenaga Nasional.

Proposition 2c (ii):

Practices concerning pay, promotion, benefits, performance appraisal, job security, physical working conditions, training and development at time 2 are antecedents of normative commitment at time 2

Table 8.8.3.3c shows the result of regression analysis of HRM practices at time 2 on normative commitment at time 2 for Telekom Malaysia and Tenaga Nasional. For Telekom Malaysia, the result shows that benefits is the most significant antecedent of normative commitment at time 2 explaining 29% of the 41% of total variance. This result is also indicated in the correlation analysis (Table 8.8.3.3d), where benefits achieves the highest correlation of 0.54. The other practices which are also antecedents of normative commitment in the regression analysis are training and development, explaining 8% of the variance with a beta of 0.30, and pay, which accounts for 4% of the variance, with beta of 0.27. All the practices are shown to have significant relationship with normative commitment at time 2 in the correlation analysis, as indicated in Table 8.8.3.3d

Table 8.8.3.3c:

Multiple Regression Analyses Results of HRM Practices on Normative Commitment in Telekom Malaysia and Tenaga Nasional at Time 2

Organisations	Significant HRM Practices	Standardised Regression Coefficient (Beta)	R square Change (Variance accounted for)	Cumulative Adjusted R-square	F Ratio
Telekom Malaysia	Benefits	.54	.29	.29	67.65*
	Training & Development	.30	.08	.37	47.61*
	Pay	.27	.04	.41	37.35*
Tenaga Nasional	Benefits	.53	.28	.28	63.55*
	Training & Development	.26	.05	.33	39.63*

*p<.05; Time 2 - after privatisation

Table 8.8.3.3d:
Correlation between HRM Practices and Normative Commitment in Telekom Malaysia and Tenaga Nasional at Time 2

HRM Practices	Telekom Malaysia	Tenaga Nasional
Pay	.53**	.49**
Promotion	.34**	.49**
Benefits	.54**	.53**
Performance Appraisal	.31**	.35**
Job Security	.36**	.37**
Physical Working Conditions	.20**	.32**
Training & Development	.47**	.47**

** p<0.01; Time 2 - after privatisation

The results of multiple regression analysis for Tenaga Nasional in Table 8.8.3.3c indicate that only benefits and training and development are antecedents of normative commitment at time 2, explaining 28% and 5% of the variance respectively. Results of the correlation analysis also show benefits as having the highest correlation, with an r of 0.53, while training and development indicate correlation of 0.47 with normative commitment as shown in Table 8.8.3.3d.

Based on the above discussion, the proposition therefore is partially accepted, as only some HRM practices are shown to be antecedents of normative commitment at time 2 for both Telekom Malaysia and Tenaga Nasional.

Table 8.8.3.3e:
Summary of Results of Correlation Coefficient and Regression Analysis of HRM practices on Normative Commitment at Time 1 and Time 2

HRM Practices	Telekom Malaysia time 1	Telekom Malaysia time 2	Tenaga Nasional time 1	Tenaga Nasional time 2
Pay	Δ +	Δ +	+	+
Promotion	+	+	+	+
Benefits	Δ +	Δ +	+	Δ +
Performance Appraisal	+	+	Δ +	+
Job Security	+	+	Δ +	+
Physical Working Conditions	+		+	+
Training & Development	Δ +	Δ +	Δ +	Δ +

Δ antecedent practices; + significant relationships

Time 1 - before privatisation; Time 2 - after privatisation

The summary above shows the results of correlation analysis and regression analysis of human resource management practices on normative commitment at time 1 and time 2.

In Telekom Malaysia, pay, benefits and training and development are antecedents of normative commitment at both time 1 and time 2. All the practices at both times show correlations with normative commitment. In Tenaga Nasional, training and development being the antecedent of normative commitment which are significant at both time 1 and time 2. Performance appraisal and job security are shown to be antecedents of normative commitment at time 1, while benefits is an antecedent of normative commitment at time 2. All the HRM practices showed significant relationships with normative commitment at both time 1 and time 2.

8.8.4 Human Resource Management Practices with Job Satisfaction

This sub-section investigates the proposition that the HRM practices at time 1 and time 2 are antecedents of job satisfaction at time 1 and time 2.

8.8.4.1 Testing of Proposition for Intrinsic Satisfaction

Proposition 3a (i):

Practices concerning pay, promotion, benefits, performance appraisal, job security, physical working conditions, training and development at time 1 are antecedents of intrinsic satisfaction at time 1.

Table 8.8.4.1a shows the results of regression analysis of HRM practices on intrinsic satisfaction in Telekom Malaysia and Tenaga Nasional at time 1. For Telekom Malaysia, the antecedent practices for intrinsic satisfaction at time 1 are training and development and benefits. Training and development explains 56% of the variance and benefits explains an additional 3% of the variance. It is indicated that training and development is the highest correlate practices with an r score of 0.75 while benefits have a significant correlation of 0.46 with intrinsic satisfaction as exhibit in Table 8.8.4.1b.

Table 8.8.4.1a:

Multiple Regression Analyses Results of HRM Practices on Intrinsic Satisfaction in Telekom Malaysia and Tenaga Nasional at Time 1

Organisations	Significant HRM Practices	Standardised Regression Coefficient (Beta)	R square Change (Variance accounted for)	Cumulative Adjusted R-square	F Ratio
Telekom Malaysia	Training & Development	.75	.56	.56	205.12*
	Benefits	.18	.03	.59	114.31*
Tenaga Nasional	Training & Development	.69	.48	.48	145.31*
	Promotion	-.14	.01	.49	76.08*
	Job Security	.14	.02	.51	54.14*

*p<.05; Time 1 - before privatisation

Table 8.8.4.1b:

Correlation between HRM Practices and Intrinsic Satisfaction in Telekom Malaysia and Tenaga Nasional at Time 1

HRM Practices	Telekom Malaysia	Tenaga Nasional
Pay	.44**	.42**
Promotion	.55**	.37**
Benefits	.46**	.34**
Performance Appraisal	.45**	.31**
Job Security	.18*	.29**
Physical Working Conditions	.40**	.28**
Training & Development	.75**	.69**

** p<0.01; Time 1- before privatisation

For Tenaga Nasional, the regression results show training and development, promotion and job security as antecedents of intrinsic satisfaction at time 1. Training and development explains 48% of the variance, promotion explains a further 1%, and job security another 2%. This is consistent with the results of correlation analysis, as shown in Table 8.8.4.1b, where training and development shows a correlation of 0.69, promotion 0.37 and job security 0.29 with intrinsic satisfaction.

The proposition therefore is partially accepted, as only some HRM practices are shown to be antecedents of intrinsic satisfaction at time 1.

Proposition 3a (ii)

Practices concerning pay, promotion, benefits, performance appraisal, job security, physical working conditions, training and development at time 2 are antecedents of intrinsic satisfaction at time 2

Table 8.8.4.1c shows the multiple regression results of HRM practices on intrinsic satisfaction at time 2 in Telekom Malaysia and Tenaga Nasional. For Telekom Malaysia, pay, training and development, and job security are shown to be antecedents of intrinsic satisfaction at time 2. Pay accounts for 21% of the total variance, followed by training and development explaining a further 7% of the variance, and job security another 3% of the variance. The results of the correlation analysis (Table 8.8.4.1d) show that, in Telekom Malaysia, pay has a correlation of 0.46, training and development 0.40, and job security 0.41 with intrinsic satisfaction at time 2.

Table 8.8.4.1c:

Multiple Regression Analyses Results of HRM Practices on Intrinsic Satisfaction in Telekom Malaysia and Tenaga Nasional at Time 2

Organisations	Significant HRM Practices	Standardised Regression Coefficient (Beta)	R square Change (Variance accounted for)	Cumulative Adjusted R-square	F Ratio
Telekom Malaysia	Pay	.47	.21	.21	44.01*
	Training & Development	.27	.07	.28	31.36*
	Job Security	.18	.03	.31	23.12*
Tenaga Nasional	Training & Development	.54	.29	.29	66.49*
	Job Security	.17	.02	.31	35.87*
	Promotion	-.25	.04	.35	27.55*

* $p < .05$; Time 2 - after privatisation

Table 8.8.4.1d:

Correlation between HRM Practices and Intrinsic Satisfaction in Telekom Malaysia and Tenaga Nasional at Time 2

HRM Practices	Telekom Malaysia	Tenaga Nasional
Pay	.46**	.23**
Promotion	.28**	.26**
Benefits	.40**	.29**
Performance Appraisal	.35**	.39**
Job Security	.42**	.46**
Physical Working Conditions	.38**	.42**
Training & Development	.40**	.54**

** $p < 0.01$; Time 2 - after privatisation

For Tenaga Nasional (Table 8.8.4.1c), training and development, job security and promotion are shown to be antecedents of intrinsic satisfaction at time 2. Training and development accounts for 29% of the total variance, followed by job security explaining an additional 2% of the variance, and promotion explaining a further 4%

of the variance. Training and development has a correlation of 0.54, job security 0.46 and promotion 0.26 (shown in Table 8.8.4.1d) with intrinsic satisfaction at time 2.

The proposition therefore is partially accepted, as only some HRM practices are shown to be antecedents of intrinsic satisfaction at time 2 in both Telekom Malaysia and Tenaga Nasional.

Table 8.8.4.1e:

Summary of Results of Correlation Coefficient and Regression Analysis of HRM Practices on Intrinsic Satisfaction at Time 1 and Time 2

HRM Practices	Telekom Malaysia time 1	Telekom Malaysia time 2	Tenaga Nasional time 1	Tenaga Nasional time 2
Pay	+	Δ +	+	+
Promotion	+	+	Δ +	Δ +
Benefits	Δ +	+	+	+
Performance Appraisal	+	+	+	+
Job Security	+	Δ +	Δ +	Δ +
Physical Working Conditions	+	+	+	+
Training & Development	Δ +	Δ +	Δ +	Δ +

Δ antecedent practices; + significant relationship

Time 1 - before privatisation; Time 2 - after privatisation

Table 8.8.4.1e summarises the results of correlation analysis and regression analysis of HRM practices on intrinsic satisfaction for Telekom Malaysia and Tenaga Nasional.

In Telekom Malaysia, all the HRM practices show significant relationships with intrinsic satisfaction at both time 1 and time 2. But the result of regression analysis indicated that only benefits and training and development are antecedents of intrinsic satisfaction at time 1, while pay, job security and training and development are antecedents of intrinsic satisfaction at time 2.

In Tenaga Nasional all the HRM practices show significant relationships with intrinsic satisfaction at both time 1 and time 2. But only promotion, job security, and training and development are antecedents both at time 1 and time 2.

8.8.4.2 Testing of Propositions for Extrinsic Satisfaction

Proposition 3b (i)

Practices concerning pay, promotion, benefits, performance appraisal, job security, physical working conditions, training and development at time 1 are antecedents of extrinsic satisfaction at time 1.

Table 8.8.4.2a presents the result of regression analysis of HRM practices at time 1 on extrinsic satisfaction at time 1 for Telekom Malaysia and Tenaga Nasional. For Telekom Malaysia, the results reveal that training and development, benefits, pay and promotion are antecedents of extrinsic satisfaction at time 1. Training and development and benefits explain 34% and 9% of the extrinsic satisfaction variance respectively. Pay and promotion, which are also the antecedent variables of extrinsic satisfaction at time 1, explain 2% and 3% of the variances respectively. All these HRM practices have high correlations (Table 8.8.4.2b) results when correlate with extrinsic satisfaction at time 1.

Table 8.8.4.2a:

Multiple Regression Analyses Results of HRM Practices on Extrinsic Satisfaction in Telekom Malaysia and Tenaga Nasional at Time 1

Organisations	Significant HRM Practices	Standardised Regression Coefficient (Beta)	R square Change (Variance accounted for)	Cumulative Adjusted R-square	F Ratio
Telekom Malaysia	Training & Development	.58	.34	.34	80.29*
	Benefits	.34	.09	.43	60.28*
	Pay	.19	.02	.45	43.39*
	Promotion	-.23	.03	.48	35.85*
Tenaga Nasional	Training & Development	.65	.42	.42	115.48*
	Job Security	.25	.06	.48	72.43*
	Promotion	-.23	.03	.51	54.41*
	Performance Appraisal	.24	.04	.55	47.47*
	Physical Working Conditions	.14	.01	.56	40.09*

* $p < .05$; Time 1 - before privatisation

Table 8.8.4.2b:

Correlation between HRM Practices and Extrinsic Satisfaction in Telekom Malaysia and Tenaga Nasional at Time 1

HRM Practices	Telekom Malaysia	Tenaga Nasional
Pay	.54**	.52**
Promotion	.40**	.39**
Benefits	.52**	.41**
Performance Appraisal	.43**	.48**
Job Security	.24	.41**
Physical Working Conditions	.37**	.49**
Training & Development	.58**	.65**

** $p < 0.01$; Time 1 - before privatisation

For Tenaga Nasional, the regression results (Table 8.8.2.4a) show that training and development, job security, promotion and physical working conditions are antecedents of extrinsic satisfaction at time 1. Training and development explains 42% of the total variance, job security explains 6%, promotion 3%, performance appraisal 4%, and physical working conditions 1%. These practices also show significant correlations with extrinsic satisfaction at time 1, as shown in Table 8.8.4.2b.

The proposition therefore is partially accepted, as only some HRM practices are shown to be antecedents of extrinsic satisfaction at time 2 for Telekom Malaysia and Tenaga Nasional.

Proposition 3b (ii)

Practices concerning pay, promotion, benefits, performance appraisal, job security, physical working conditions, training and development at time 2 are antecedents of extrinsic satisfaction at time 2.

Table 8.8.4.2c shows the regression results for Telekom Malaysia and Tenaga Nasional. The results for Telekom Malaysia show that pay, job security, performance appraisal and training and development are antecedents of extrinsic satisfaction at time 2. Pay accounts for 33% of the total variance while job security explains a further 9%, performance appraisal 4% and training and development 2%. This result corresponds with the results of correlation analysis where the variables show significant relationships with extrinsic satisfaction at time 2 (Table 8.8.4.2d).

Table 8.8.4.2c:
Multiple Regression Analyses Results of HRM Practices on Extrinsic Satisfaction in Telekom Malaysia and Tenaga Nasional at Time 2

Organisations	Significant HRM Practices	Standardised Regression Coefficient (Beta)	R square Change (Variance accounted for)	Cumulative Adjusted R-square	F Ratio
Telekom Malaysia	Pay	.57	.33	.33	77.39*
	Job Security	.35	.09	.42	57.90*
	Performance Appraisal	.23	.04	.46	45.59*
	Training & Development	.14	.02	.48	35.94*
Tenaga Nasional	Performance Appraisal	.58	.34	.34	82.53*
	Job Security	.33	.08	.42	56.19*
	Pay	.19	.02	.44	41.21*

*p<.05; Time 2 - after privatisation

Table 8.8.4.2d:
Correlation between HRM Practices and Extrinsic Satisfaction
in Telekom Malaysia and Tenaga Nasional at Time 2

HRM Practices	Telekom Malaysia	Tenaga Nasional
Pay	.57**	.49**
Promotion	.48**	.57**
Benefits	.52**	.51**
Performance Appraisal	.48**	.58**
Job Security	.54**	.56**
Physical Working Conditions	.36**	.51**
Training & Development	.44**	.56**

**p<0.01; Time 2 - after privatisation

For Tenaga Nasional, the regression results indicate that performance appraisal, job security and pay are the antecedents of extrinsic satisfaction at time 2. Performance appraisal accounts for 34% of the total variance, while job security explains an additional 8% of the variance, and pay explains 2% of the variance. Results of correlation analysis also show significant relationships between these HRM practices at time 2 and extrinsic satisfaction at time 2 for Tenaga Nasional (Table 8.8.4.2d).

The proposition therefore is partially accepted, as only some HRM practices are shown to be antecedents of extrinsic satisfaction at time 2 for both organisations.

Table 8.8.4.2e:
Summary of Results of Correlation Coefficient and Regression Analysis of HRM
Practices on Extrinsic Satisfaction at Time 1 and Time 2

HRM Practices	Telekom Malaysia time 1	Telekom Malaysia time 2	Tenaga Nasional time 1	Tenaga Nasional time 2
Pay	Δ +	Δ +	+	Δ +
Promotion	Δ +	+	Δ +	+
Benefits	Δ +	+	+	+
Performance Appraisal	+	Δ +	Δ +	Δ +
Job Security	+	Δ +	Δ +	Δ +
Physical Working Conditions	+	+	Δ +	+
Training & Development	Δ +	Δ +	Δ +	+

Δ antecedent practices; + significant relationship

Time 1 - before privatisation; Time 2 - after privatisation

Table 8.8.4.2e summarises the result of correlation analysis and regression analysis of HRM practices on extrinsic satisfaction at time 1 and time 2.

In Telekom Malaysia, only pay and training and development are shown to be antecedent practices at both time 1 and time 2. Promotion and benefits are antecedents of extrinsic satisfaction at time 1, while performance appraisal and job security are the antecedents at time 2.

In Tenaga Nasional, only job security and performance appraisal are antecedents of extrinsic satisfaction at both time 1 and time 2, while promotion, physical working conditions, and training and development are antecedents at time 1. Pay is also indicated as an antecedent of extrinsic satisfaction at time 2. All the HRM practices show significant relationships with extrinsic satisfaction at time 1 and time 2.

8.9 Comparison between Time 1 and Time 2 of the Independent and Dependent Variables

This sub-section reports the comparison of the dependent and independent variables before and after privatisation.

8.9.1 Human Resource Management Practices at Time 1 and Time 2.

This section further analyses the situation by looking at the HRM practices relationships with each other at time 1 and time 2. Table 8.9.1a shows the intercorrelation of the practices at both times for Telekom Malaysia while Table 8.9.1b for Tenaga Nasional. The numbers in bold show which practices have significant inter-relationships.

For Telekom Malaysia (Table 8.9.1a), of the total 196 correlation results, only 49 practices indicate significant relationships. None of the results has a correlation of 0.70 or higher, indicating that there is no multi-collinearity among the HRM practices. The highest correlation score, 0.66, is shown by benefits at time 2 and pay at time 2, and between promotion at time 1 and training and development at time 1. All the HRM practices show significant relationships when correlate with the HRM practices at the same time, but only few indicated significant relationships when correlate with HRM practices at different time.

Table 8.9.1a:
Intercorrelations of Human Resource Management Practices at Time 1 and Time 2 for Telekom Malaysia

	Pay t1	Pro t1	Bft t1	PA t1	JS t1	PW t1	TD t1	Pay t2	Pro t2	Bft t2	PA t2	JS t2	PW t2	TD t2
Pay t1	1.0	.65	.60	.48	.35	.45	.51	.39	.01	.01	-.007	-.05	.002	.02
Pro t1		1.0	.61	.62	.14	.55	.66	.29	.21	-.02	.002	-.10	-.01	.09
Bft t1			1.0	.45	.34	.51	.40	.29	.10	.11	.069	-.13	-.07	.15
PA t1				1.0	.16	.51	.62	.15	.13	-.05	.33	-.12	-.01	.14
JS t1					1.0	.28	.19	.11	-.04	-.07	-.043	-.030	.21	.16
PW t1						1.0	.59	.25	.10	.02	.13	.078	-.054	.30
TD t1							1.0	.16	.03	-.13	.08	-.07	-.05	.26
Pay t2								1.0	.62	.66	.39	.48	.36	.33
Pro t2									1.0	.52	.50	.37	.33	.37
Bft t2										1.0	.50	.59	.32	.38
PA t2											1.0	.41	.39	.50
JS t2												1.0	.41	.40
PW t2													1.0	.44
TD t2														1.0

Bold numbers indicate significant relationship at $p < 0.01$

Abbreviations:

Pay t1 - Pay at time 1
 Pro t1- Promotion at time 1
 Bft t1- Benefits at time 1
 PA t1- Performance Appraisal at time 1
 JS t1- Job Security at time 1
 PW t1- Physical Working Conditions at time 1
 TD t1- Training & Development at time 1
 Time 1- refers to the before privatisation

Pay t2 - Pay at time 2
 Pro t2- Promotion at time 2
 Bft t2- Benefits at time 2
 PA t2- Performance Appraisal at time 2
 JS t2- Job Security at time 2
 PW t2- Physical Working Conditions at time 2
 TD t2- Training & Development at time 2
 Time 2- refers to after privatisation

The results of intercorrelation analysis of HRM practices for Tenaga Nasional (Table 8.9.1b) show that, out of the 196 correlation, 79 indicated significant relationships.

Of the total correlations, 15 show results of 0.60 or higher, and the highest r of 0.78 is the correlation of benefits at time 2 and pay at time 2. This indicates that pay and benefits have a high relationship. At time 1, benefits and promotion are correlated

0.76. It should also be noted that training and development at both time 1 and time 2 correlates with all the other variables at both times 1 and 2.

Table 8.9.1b:
Intercorrelations of Human Resource Management Practices at Time 1 and Time 2 for Tenaga Nasional

	Pay t1	Pro t1	Bft t1	PA t1	JS t1	PW t1	TD t1	Pay t2	Pro t2	Bft t2	PA t2	JS t2	PW t2	TD t2
Pay t1	1.0	.68	.69	.52	.39	.47	.64	.30	.22	.27	.15	.20	.22	.31
Pro t1		1.0	.76	.55	.33	.42	.65	.29	.40	.26	.13	.31	.27	.30
Bft t1			1.0	.57	.32	.40	.56	.37	.35	.42	.21	.25	.23	.28
PA t1				1.0	.23	.38	.46	.19	.32	.27	.44	.20	.24	.27
JS t1					1.0	.44	.27	.06	.08	.12	.04	.11	.20	.19
PW t1						1.0	.46	.26	.29	.31	.35	.26	.49	.35
TD t1							1.0	.20	.11	.12	.09	.05	.14	.28
Pay t2								1.0	.73	.78	.51	.46	.46	.55
Pro t2									1.0	.70	.64	.61	.57	.66
Bft t2										1.0	.60	.62	.49	.53
PA t2											1.0	.57	.59	.62
JS t2												1.0	.65	.65
PW t2													1.0	.68
TD t2														1.0

Bold numbers indicate significant relationship at $p < 0.01$

Abbreviations:

Pay t1 - Pay at time 1

Pro t1- Promotion at time 1

Bft t1- Benefits at time 1

PA t1- Performance Appraisal at time 1

JS t1- Job Security at time 1

PW t1- Physical Working Conditions at time 1

TD t1- Training & Development at time 1

Time 1- refers to before privatisation

Pay t2 - Pay at time 2

Pro t2- Promotion at time 2

Bft t2- Benefits at time 2

PA t2- Performance Appraisal at time 2

JS t2- Job Security at time 2

PW t2- Physical Working Conditions at time 2

TD t2- Training & Development at time 2

Time 2- refers to after privatisation

To summarise, for both organisations, training and development has significant results when correlated with other HRM practices both before and after privatisation.

8.9.2 Organisational Commitment at Time 1 and Time 2

Tables 8.9.2a and 8.9.2b show the intercorrelations result between the three dimensions of organisational commitment at time 1 and time 2 for Telekom Malaysia and Tenaga Nasional respectively.

The results indicate that in Telekom Malaysia, continuance commitment and normative commitment at time 1 have correlations of 0.57 and 0.53 respectively with affective commitment at time 1. Normative commitment at time 1 show significant relationships with affective and continuance commitment at time 1. However, affective commitment at time 2 only reveal significant relationship with affective commitment at time 1, but continuance commitment and normative commitment at time 2 are shown to have significant relationships with all the dimensions at time 1 and time 2. This reflects that all the dimensions are closely related.

Table 8.9.2a:

Intercorrelations of Affective, Continuance and Normative Commitment at Time 1 and Time 2 for Telekom Malaysia

	AC time 1	CC time 1	NC time 1	AC time 2	CC time 2	NC time 2
AC time 1	1.00	0.57**	0.53**	0.35**	0.34**	0.28**
CC time 1		1.00	0.64**	0.53	0.45**	0.20**
NC time 1			1.00	0.17	0.43**	0.48**
AC time 2				1.00	0.50**	0.53**
CC time 2					1.00	0.49**
NC time 2						1.00

** $p < 0.01$; n (Telekom Malaysia) = 160; Time 1 - before privatisation; Time 2 - after privatisation
AC- Affective Commitment; CC- Continuance Commitment; NC- Normative Commitment

In the case of Tenaga Nasional (Table 8.9.2b), the result reveal that normative commitment time 1 have a high correlation of 0.75 when correlate with continuance commitment at time 1. This reflected that both dimensions have significant correlation at time 1. Affective commitment at time 1 also show significant relationship with continuance and normative commitment at time 1. Affective commitment at time 2 show significant relationship with affective commitment at time 1, while continuance commitment at time 2 indicated significant relationships

with all the variables at time 1 and time 2, but normative commitment at time 2 does not indicate significant relationship with continuance commitment at time 1.

Table 8.9.2b:

Intercorrelations of Affective, Continuance and Normative Commitment at Time 1 and Time 2 for Tenaga Nasional

	AC time 1	CC time 1	NC time 1	AC time 2	CC time 2	NC time 2
AC time 1	1.00	0.67**	0.64**	0.32**	0.27**	0.26**
CC time 1		1.00	0.75**	0.02	0.42**	0.16
NC time 1			1.00	0.11	0.22**	0.35**
AC time 2				1.00	0.54**	0.62**
CC time 2					1.00	0.61**
NC time 2						1.00

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; n (Tenaga Nasional) = 159;

Time 1 - before privatisation; Time 2 - after privatisation;

AC- Affective Commitment; CC- Continuance Commitment; NC- Normative Commitment

In summary, from the above findings, it could be said that affective, continuance and normative commitment are closely related to one another.

8.9.3 Job Satisfaction at Time 1 and Time 2

Tables 8.9.3a and 8.9.3b show the results of correlations between intrinsic and extrinsic satisfaction at time 1 and time 2 for Telekom Malaysia and Tenaga Nasional respectively.

For Telekom Malaysia, intrinsic and extrinsic satisfaction indicated high correlations of 0.70 and 0.73 at both time 1 and time 2 respectively.

Table 8.9.3a:

Intercorrelations of Intrinsic and Extrinsic Satisfaction at Time 1 and Time 2 for Telekom Malaysia

	Int.JS time 1	Ext.JS time 1	Int.JS time 2	Ext.JS time 2
Int.JS time 1	1.00	0.70**	0.05	-0.03
Ext.JS time 1		1.00	0.12	0.20**
Int.JS time 2			1.00	0.73**
Ext.JS time 2				1.00

** $p < 0.01$; n (Telekom Malaysia) = 160

Time 1 - before privatisation; Time 2 - after privatisation

Int.JS- Intrinsic Job Satisfaction; Ext.JS - Extrinsic Job Satisfaction

In Table 8.9.3b for Tenaga Nasional, intrinsic and extrinsic satisfaction show a high correlation of 0.75 at time 1 and 0.73 at time 2. The results do not show any other significant relationships, i.e. at different times.

Table 8.9.3 b:

Intercorrelations of Intrinsic and Extrinsic Satisfaction at Time 1 and Time 2 for Tenaga Nasional

	Int.JS time 1	Ext.JS time 1	Int.JS time 2	Ext.JS time 2
Int.JS time 1	1.00	0.75**	0.03	-0.11
Ext.JS time 1		1.00	0.15	0.13
Int.JS time 2			1.00	0.73**
Ext.JS time 2				1.00

** $p < 0.01$; n (Tenaga Nasional) = 159

Time 1 - before privatisation; Time 2 - after privatisation

Int.JS- Intrinsic Job Satisfaction; Ext.JS - Extrinsic Job Satisfaction

In summary, the correlation results show that intrinsic and extrinsic satisfaction have strong relationships with one another at the same time but not necessarily at different times.

8.10 Change Analysis

An additional step was taken to examine the predictor variables of changes in organisational commitment dimensions and job satisfaction dimensions before and after privatisation. In order to examine commitment and satisfaction over time, the changes in the levels of the variables before and after privatisation were computed and are included in the analysis. This allows for the examination of the significant predictor of changes in commitment and satisfaction over time and also for HRM practices over the two periods. This method of analysing change are those used by Lydka (1994) and Nelson *et al* (1995) to look for differences between variables over two or more periods of time.

For the change variables, the letters CH are added prior to the variable codes. A total of 12 variables were computed by variable before privatisation minus the variables now (after privatisation). The new computed variables were:

- Ch Pay (pay before - pay now)
 Ch Prom (promotion before - promotion now)
 Ch Benf (benefits before - benefits now)
 Ch PA (performance appraisal before - performance appraisal now)
 Ch JS (job security before - job security now)
 Ch PWC (physical working conditions before - pwc now)
 Ch TD (training and development before - td now)
 Ch AC (affective commitment before - affective commitment now)
 Ch CC (continuance commitment before - continuance commitment now)
 Ch NC (normative commitment before - normative commitment now)
 Ch IntJS (intrinsic satisfaction before - intrinsic satisfaction now)
 Ch ExJS (extrinsic satisfaction before - extrinsic satisfaction now)

The means and standard deviations for the change variables are shown in Table 8.10a for Telekom Malaysia and in Table 8.10b for Tenaga Nasional.

Table 8.10a:
Means and Standard Deviations of Change in all Variables
as a result of privatisation in Telekom Malaysia

Independent Variables	Mean	Std.Dev
Ch Pay	.00	.83
Ch Promotion	.19	.91
Ch Benefits	-.02	.95
Ch Performance Appraisal	-.19	.71
Ch Job Security	.98	1.05
Ch Physical Working Conditions	-.06	.73
Ch Training & Development	-.39	.69
Dependent Variables	Mean	Std. Dev
Ch Affective Commitment	-.04	.70
Ch Continuance Commitment	-.07	.73
Ch Normative Commitment	-.05	.60
Ch Intrinsic Satisfaction	-.27	.84
Ch Extrinsic Satisfaction	.09	.78

Table 8.10a above exhibit the mean result of the change variables for Telekom Malaysia. Change in pay, promotion and job security indicated positive mean change while change in benefits, performance appraisal, physical working conditions and training and development show negative mean results.

In terms of the dependent variables, change in extrinsic satisfaction show positive mean results while change in affective, continuance and normative commitment along with change in intrinsic satisfaction indicated negative mean results.

In summary, change in pay, promotion, job security and extrinsic satisfaction show positive mean results, but change in benefit, performance appraisal, physical working conditions, training and development, affective commitment, continuance commitment, normative commitment and intrinsic satisfaction exhibit negative mean results. These results correspond to the descriptive statistics results as mentioned in section 7.5.

Table 8.10b:
Means and Standard Deviations of Change in all Variables
as a result of privatisation in Tenaga Nasional

Independent Variables	Mean	Std.Dev
Ch Pay	-.43	.82
Ch Promotion	-.15	.84
Ch Benefits	-.29	.77
Ch Performance Appraisal	-.44	.74
Ch Job Security	.71	1.06
Ch Physical Working Conditions	-.18	.62
Ch Training & Development	-.43	.64
Dependent Variables	Mean	Std. Dev
Ch Affective Commitment	-.26	.69
Ch Continuance Commitment	-.26	.67
Ch Normative Commitment	-.22	.69
Ch Intrinsic Satisfaction	-.41	.77
Ch Extrinsic Satisfaction	-.20	.83

Table 8.10b exhibit the mean result of the change variables for Tenaga Nasional. Change in job security indicated positive mean change while changes in pay, promotion, benefits, performance appraisal, physical working conditions and training and development show negative mean results.

In terms of the dependent variables, all the mean results for change in affective, continuance and normative commitment along with change in intrinsic and extrinsic satisfaction indicated negative mean results.

In summary, change in job security show positive mean results, but change in pay, promotion, benefits, performance appraisal, physical working conditions, training and development, together with change in affective commitment, continuance commitment, normative commitment and intrinsic and extrinsic satisfaction exhibit negative mean results. These results corresponds to the descriptive statistics results as mentioned in section 7.5.

8.10.1 Procedures used in the Change Analysis

The SPSS correlation and regression program was used for the analysis of the change variables. For the correlation analysis, the Pearson product-moment correlation coefficient was used to compute correlations between variables.

For the regression analysis, a stepwise procedure was adopted which examines the variables in the block at each step of entry or removal based on entry/removal criteria. This is a commonly used method of regression analysis and can identify *“variables that, for the sample, are good predictors of the dependent variables”* (Norusis, 1994). In the tables, the beta, r-square and F ratio are shown, as well as the significant results of the change in HRM practices when regressed on change organizational commitment and job satisfaction.

Analysis was undertaken using the newly-created change in HRM practices, change organisational commitment dimensions and change job satisfaction dimensions. The change in HRM practices were regressed on change in organisational commitment dimensions and change in job satisfaction dimensions. These tests were designed to show the relative influence of the change HRM practices on the changes in affective, continuance and normative commitment and also on changes in intrinsic and extrinsic satisfaction. These tests were conducted on both samples from Telekom Malaysia and Tenaga Nasional.

8.10.2 Correlation of the Change Variables

Table 8.10.2a shows the inter-correlations of all the change variables (HRM practices and dependent variables) in Telekom Malaysia. All the change variables showed significant relationships with one another.

Table 8.10.2a:
Correlation Coefficients of Change in all Variables as a result of privatisation for Telekom Malaysia

	Ch Pay	Ch Prom	Ch Benf.	Ch PA	Ch JS	Ch PWC	Ch T&D	Ch AC	Ch CC	Ch NC	Ch IntJS	Ch ExtS
Ch Pay	1.0	.69**	.65**	.57**	.48**	.41**	.48**	.59**	.38**	.50**	.47**	.58**
Ch Prom		1.0	.61**	.67**	.38**	.48**	.59**	.54**	.28**	.45**	.50**	.61**
Ch Benf			1.0	.61**	.59**	.52**	.49**	.57**	.41**	.55**	.56**	.62**
Ch PA				1.0	.44**	.53**	.63**	.52**	.24**	.50**	.57**	.56**
Ch JS					1.0	.21**	.28**	.49**	.35**	.45**	.25**	.39**
Ch PWC						1.0	.54**	.43**	.16**	.26**	.43**	.40**
Ch T&D							1.0	.54**	.24**	.51**	.61**	.54**
Ch AC								1.0	.49**	.52**	.55**	.65**
Ch CC									1.0	.40**	.42**	.50**
Ch NC										1.0	.54**	.71**
Ch IntJS											1.0	.77**
Ch ExJS												1.0

**p<0.01

Abbreviations:

Ch Pay - Change in Pay

Ch Prom - Change in Promotion

Ch Benf - Change in Benefits

Ch PA - Change in Performance Appraisal

Ch JS - Change in Job Security

Ch PWC - Change in Physical Working Conditions

Ch T&D - Change in Training and Development

Ch AC - Change in Affective Commitment

Ch CC - Change in Continuance Commitment

Ch NC - Change in Normative Commitment

Ch IntJS - Change in Intrinsic Satisfaction

Ch ExJS - Change in Extrinsic Satisfaction

Table 8.10.2b shows the correlations of all the change practices and the dependent variables for Tenaga Nasional. The result suggests, as for Tenaga Nasional, that all the change practices and the change organisational commitment and job satisfaction dimensions have strong significant relationships with one another.

Table 8.10.2b:
Correlation Coefficients of Change in all Variables as a result of privatisation for Tenaga Nasional

	Ch Pay	Ch Prom	Ch Benf.	Ch PA	Ch JS	Ch PWC	Ch T&D	Ch AC	Ch CC	Ch NC	Ch IntJS	Ch ExtS
Ch Pay	1.0	.70**	.64**	.54**	.37**	.37**	.47**	.40**	.27**	.41**	.33**	.48**
Ch Prom		1.0	.68**	.68**	.41**	.41**	.69**	.56**	.35**	.46**	.49**	.54**
Ch Benf			1.0	.58**	.37**	.31**	.51**	.51**	.34**	.35**	.40**	.43**
Ch PA				1.0	.44**	.40**	.59**	.54**	.33**	.40**	.46**	.45**
Ch JS					1.0	.49**	.44**	.41**	.49**	.53**	.48**	.54**
Ch PWC						1.0	.57**	.49**	.42**	.48**	.48**	.51**
Ch T&D							1.0	.70**	.51**	.56**	.69**	.61**
Ch AC								1.0	.70**	.67**	.76**	.68**
Ch CC									1.0	.79**	.68**	.68**
Ch NC										1.0	.72**	.85**
Ch IntJS											1.0	.80**
Ch ExJS												1.0

**p<0.01

Abbreviations:

Ch Pay - Change in Pay
 Ch Prom - Change in Promotion
 Ch Benf - Change in Benefits
 Ch PA - Change in Performance Appraisal
 Ch JS - Change in Job Security
 Ch PWC - Change in Physical Working Conditions
 Ch T&D - Change in Training and Development

Ch AC - Change in Affective Commitment
 Ch CC - Change in Continuance Commitment
 Ch NC - Change in Normative Commitment
 Ch IntJS - Change in Intrinsic Satisfaction
 Ch ExJS - Change in Extrinsic Satisfaction

8.10.3 Regression Analysis Results

Table 8.10.3a shows the results of stepwise regression of change in HRM practices on change in organisational commitment dimensions for Telekom Malaysia. The results show that change in pay is the most significant predictor of change in affective commitment, explaining 35% of the total variance. Change in training and development explains a further 9% of the variance, while change in job security explains 5% of the variance in change in affective commitment. These HRM practices also show significant relationships with change in affective commitment (Table 8.10.2a): the correlation of change in pay is 0.59, change in training and development 0.54, and change in job security 0.49.

In terms of change in continuance commitment, change in benefits is the most significant predictor accounting for 17% of the total variance. Change in pay explains a further 2% of change in normative commitment variance. These practices also exhibit significant correlations (Table 8.10.2a): 0.41 for change in benefit and 0.38 for change in pay.

In terms of change in normative commitment, change in benefit is the most significant predictor, explaining 30% of the total variance, followed by change in training and development, which explains 8% of the variance, change in job security a further 2%, and change in physical working conditions 1% of the change in normative commitment variance. These practices also show significant relationships with change in normative commitment when correlate with one another (Table 8.10.2a): 0.55 for change in benefit, 0.24 for change in training and development, 0.35 for change in job security and 0.16 for change in physical working conditions.

In summary, the results show that for change in affective commitment, the antecedent HRM practices are changes in pay, training and development and job security. For change in continuance commitment, the antecedent HRM practices are changes in benefits and in pay. For change in normative commitment, the antecedent HRM practices are changes in benefits, training and development, job security and physical working conditions.

Table 8.10.3a:
Multiple Regression Analyses of Change in HRM Practices on Change in Organisational Commitment for Telekom Malaysia

Dependent Change Variables	Significant Independent Change Practices	Standardised Regression Coefficient (Beta)	R square Change	Cumulative Adjusted R-square	F Ratio
Change in Affective Commitment	Ch Pay	.59	.35	.35	88.53*
	Ch Training & Development	.33	.09	.44	62.97*
	Ch Job Security	.24	.05	.49	50.45*
Change in Continuance Commitment	Ch Benefits	.41	.17	.17	33.02*
	Ch Pay	.18	.02	.19	18.79*
Change in Normative Commitment	Ch Benefits	.55	.30	.30	69.79*
	Ch Training & Development	.31	.08	.38	48.18*
	Ch Job Security	.19	.02	.40	35.42*
	Ch PWC	-.15	.01	.41	28.03*

*p<.05; Ch Pay - Change in Pay; Ch Train & Dev - Change in Training and Development; Ch PWC - Change in Physical Working Conditions

Table 8.10.3b shows the results of multiple regression of change in HRM practices on change in organisational commitment dimensions for Tenaga Nasional. For change in affective commitment, the results show that change in training and development explains 49% of the total variance, making it the most significant predictor. Change in benefits explains the remaining 3% of the variances. In the correlation analysis all the change HRM practices show significant relationships with change in affective commitment (Table 8.10.2b), with correlation results of 0.70 for change in training and development and 0.51 for change in benefits.

For changes in continuance commitment, the results show that change in training and development and change in job security are the predictor practices of change in continuance commitment, accounting for 26% and 9% of the variances respectively. These two HRM practices show correlations of 0.51 and 0.49 respectively with change in continuance commitment (Table 8.10.2b).

For changes in normative commitment, the results show that change in training and development is the most significant predictor of change in normative commitment, explaining 31% of the total variance. Change in job security explains 9% of the variance. Both HRM practices also show significant positive (Table 8.10.2b): 0.56 for change in training and development and 0.53 for change in job security.

In summary, the antecedents of change in affective commitment are the change HRM practices of training and development and benefits. For change in continuance commitment and normative commitment, the antecedents are the change HRM practices of training and development and job security.

Table 8.10.3b:
Multiple Regression Analyses of Change in HRM Practices on Change in Organisational Commitment for Tenaga Nasional

Dependent Change Variables	Significant Independent Change Practices	Standardised Regression Coefficient (Beta)	R-square Change	Cumulative Adjusted R-square	F Ratio
Change in Affective Commitment	Ch Training & Development	.70	.49	.49	152.87*
	Ch Benefits	.20	.03	.52	86.04*
Change in Continuance Commitment	Ch Training & Development	.51	.26	.26	57.68*
	Ch Job Security	.33	.09	.35	43.48*
Change in Normative Commitment	Ch Training & Development	.56	.31	.31	73.41*
	Ch Job Security	.35	.11	.42	56.90*

*p<.05; Ch Pay - Change in Pay; Ch Train & Dev - Change in Training and Development; Ch Benefit - Change in Benefits

8.10.4 Changes in Job Satisfaction

Table 8.10.4a shows the results of regression analysis of change in HRM practices on changes in intrinsic and extrinsic satisfaction for Telekom Malaysia. For change in intrinsic satisfaction, the change HRM practices of training and development and benefits emerge as significant. These change HRM practices account for 37% and 9% respectively of the change variances of intrinsic satisfaction. Change in training and development shows a correlation of 0.61 when regressed with change in intrinsic satisfaction, while change in benefits shows a correlation of 0.56. This demonstrates that both the change HRM practices have strong correlation with change in intrinsic satisfaction (Table 8.10.2a)

For change in extrinsic satisfaction, the regression results show that the change HRM practice of benefits explains 38% of the total variance, while change in promotion explains a further 9% and change in training and development explains 3%. The correlations are 0.62 for change in benefits, 0.61 for change in promotion and 0.54 for change in training and development (Table 8.10.2a).

In summary, the results show that the HRM change practices of training and development and benefits are significant for change in intrinsic satisfaction, while the change HRM practices of benefits, promotion and training and development are significant for change in extrinsic satisfaction.

Table 8.10.4a:
Multiple Regression Analyses of Change in HRM Practices on Change in Job Satisfaction for Telekom Malaysia

Dependent Change Variables	Significant Independent Change Practices	Standardised Regression Coefficient (Beta)	R square Change	Cumulative Adjusted R-square	F Ratio
Change in Intrinsic Satisfaction	Ch Training & Development	.61	.37	.37	93.66*
	Ch Benefits	.34	.09	.46	67.78*
Change in Extrinsic Satisfaction	Ch Benefits	.61	.38	.38	98.44*
	Ch Promotion	.38	.09	.47	70.73*
	Ch Training & Development	.20	.03	.50	52.17*

* $p < .05$; Ch Benefit - Change in Benefit; Ch Train & Dev - Change in Training and Development; Ch Promotion - Change in Promotion

Table 8.10.4a shows the result of regression analysis of change HRM practices on change in job satisfaction dimensions for Tenaga Nasional.

For change in intrinsic satisfaction, the results show that change in training and development is the most significant predictors explaining 48% of the total variance, while change in job security explains the remaining 4% of the variance. The change HRM practice of training and development has a correlation of 0.69 and job security 0.48 when regressed with change in intrinsic satisfaction. This indicates that both change HRM practices have strong correlations with change in intrinsic satisfaction (Table 8.10.2b).

For change in extrinsic satisfaction, change in training and development is the most significant predictor of change in extrinsic satisfaction, accounting 36% of the total variance. Change in job security explains 10% of the variances and change in pay explains 2% of the change in extrinsic satisfaction variance. These change HRM practices correlations of 0.61, 0.54 and 0.48 respectively when regressed with change in extrinsic satisfaction, showing strong relationships with one another (Table 8.10.2b).

In summary, the significant change HRM practices for change in intrinsic satisfaction are training and development and job security, while for change in extrinsic satisfaction they are training and development, job security and pay.

Table 8.10.4b:
Multiple Regression Analyses of Change in HRM Practices on Change in Job Satisfaction for Tenaga Nasional

Dependent Change Variables	Significant Independent Change Practices	Standardised Regression Coefficient (Beta)	R square Change	Cumulative Adjusted R-square	F Ratio
Change in Intrinsic Satisfaction	Ch Training & Development	.69	.48	.48	147.06*
	Ch Job Security	.21	.04	.52	84.61*
Change in Extrinsic Satisfaction	Ch Training & Development	.60	.36	.36	92.09*
	Ch Job Security	.34	.10	.46	67.29*
	Ch Pay	.18	.02	.48	49.57*

* $p < .05$; Ch Pay - Change in Pay; Ch Train & Dev - Change in Training and Development; Ch Job Sec - Change in Job Security;

8.11 Summary

This chapter has presented the results of the testing of the propositions stated in Chapter 6. The results show that, for Telekom Malaysia, all the HRM practices except pay and benefits are significantly different before and after privatisation. In Tenaga Nasional, all the HRM practices are significantly different before and after privatisation.

For the antecedents of affective, continuance and normative commitment before and after privatisation, the proposition is partially accepted, as only some of the HRM practices emerge as antecedents at time 1 and time 2.

In Telekom Malaysia, the antecedents of affective commitment at time 1 are training and development, job security, performance appraisal and benefits, while at time 2 they are pay, job security, physical working conditions, performance appraisal and training and development. For continuance commitment, the antecedents at time 1 are performance appraisal, pay and job security, while at time 2 the antecedents are pay, benefits and training and development. Normative commitment is associated with pay, training and development and benefit at time 1 and time 2.

In Tenaga Nasional, the antecedents of affective commitment at time 1 are performance appraisal, training and development and job security, while at time 2 they are training and development. Continuance commitment is shown to be closely associated with pay, job security, performance appraisal and physical working

conditions at time 1, but only with benefits at time 2. Antecedents of normative commitment at time 1 are training and development, job security and performance appraisal, but at time 2 they are benefits and training and development.

The findings in respect of antecedents of intrinsic and extrinsic satisfaction before and after privatisation for Telekom Malaysia and Tenaga Nasional are as follows. For Telekom Malaysia, the antecedents of intrinsic satisfaction at time 1 are training and development and benefits, while at time 2 the antecedents are pay, training and development and job security. The antecedents of extrinsic satisfaction are training and development, benefits, pay and promotion at time 1, but at time 2 the antecedents are pay, job security, performance appraisal, and training and development.

For Tenaga Nasional, the antecedents of intrinsic satisfaction at time 1 are training and development, promotion and job security, while at time 2 the antecedents are training and development, job security and promotion. For extrinsic satisfaction, the antecedents at time 1 are training and development, job security, promotion, performance appraisal, and physical working conditions, while at time 2 the antecedents are performance appraisal, job security and pay.

Further analysis was carried out to find out the effects of change in HRM practices, on change in organizational commitment and job satisfaction before and after privatisation, by computing a new change variable in respect of all the dependent and independent variables. The results of regression analysis on the change variables are as follows.

For Telekom Malaysia, the antecedents of change in affective commitment are change in pay, change in training and development and change in job security. For change in continuance commitment, the antecedents are changes in benefits and pay, while the antecedents for change in normative commitment are changes in benefits, training and development, job security and physical working conditions.

For Tenaga Nasional, the antecedents of change in affective commitment are changes in training and development and benefits. Antecedents of change in continuance commitment are changes in training and development and job security, while the antecedents of change in normative commitment are changes in training and development, and job security.

For changes in intrinsic and extrinsic satisfaction, the results show that, for Telekom Malaysia, the antecedents of change in intrinsic satisfaction are changes in training and development and change in benefits. The antecedents for change in extrinsic satisfaction are changes in benefits, promotion and training and development.

In Tenaga Nasional, the antecedents of change in intrinsic satisfaction are changes in training and development and job security, while the antecedents of change in extrinsic satisfaction are changes in training and development, job security and pay.

The next chapter will discuss these findings in the context of the existing research.

Chapter Nine : DISCUSSION OF RESULTS

9.1 Introduction

This chapter aims to explain and discuss the findings of this research.

First, human resource management (HRM) practices are discussed at time 1 (before privatisation) and time 2 (after privatisation). This is followed by a discussion of the results pertaining to HRM practices as antecedents of organisational commitment before and after privatisation in relation to the literature regarding organisational commitment and its dimensions.

Second, the dimensions of organisational commitment and job satisfaction and how they changed at time 1 and time 2 are examined. This is followed by a discussion of HRM practices as antecedents of job satisfaction before and after privatisation in relation to the literature regarding organisational commitment and job satisfaction and their dimensions.

Finally, the results of the change in HRM practices after privatisation as antecedents of change in organisational commitment and job satisfaction will be discussed.

It should be noted that it is not the intention of this research to establish a causal link in the relationship between organisational commitment and job satisfaction. Rather, the objective is to look at HRM practices as antecedents of organisational commitment and job satisfaction dimensions.

It should be noted that Telekom Malaysia and Tenaga Nasional are discussed separately. Similar results for both organisations, however are combined in order to identify the common practices in those organisations. These separate discussions address the different practices arising from different management before and after privatisation. Before privatisation, although both were separate organisations, they were both bounded by government legislation and policies regarding their HRM practices which might contribute to the similarities in the results. Both, however,

were privatised at different times (1990 for Telekom Malaysia and 1992 for Tenaga Nasional).

Most of the tables referred to in this chapter are to be found in Chapter Eight. New tables are included where necessary.

9.2 Human Resource Management (HRM) Practices Before and After Privatisation

In this section, the results concerning HRM practices are discussed for Telekom Malaysia and Tenaga Nasional by looking at the common antecedents in both organisations. These results have been presented in Chapter Seven. In this chapter, they are discussed in relation to the common antecedents which emerged in both organisations.

In this research, HRM practices reflect the policy of the organisation in general. "Practice" is defined as what actually happens, while "policy" refers to the plan of action adopted by the organisation. Practices in this study are looked at from the point of view of employees' perception of the organisation's policy. In his study on the role of HRM practices in predicting organisational commitment, Ogilvie (1987) states that his research "*measured perceptions of HRM practices, not necessarily objective levels, since only perceptions influence commitment*".

9.2.1 The Results for Telekom Malaysia

The results of this research show that HRM practices of promotion, job security, performance appraisal, physical working conditions, and training and development were significantly different before and after privatisation, while the HRM practices of pay and benefits did not emerge as different before and after privatisation. Telekom Malaysia employees perceived that there are some differences in HRM practices after the organisation were privatised.

9.2.1.1 Pay

Results indicated that there were no differences in the pay received by the employees before and after privatisation. Employees indicated they were receiving higher pay after privatisation (Table 7.3.1).

The result of the t-test and the result of the monthly pay received seems to contradict because in actual fact, employees are receiving a higher salary after privatisation. Government privatisation policy stated that privatised organisations employees should receive pay which are equivalent or superior to that before privatisation. Telekom Malaysia employees did not perceive the pay they received before and after privatisation being different.

Malaysia's inflation rate was shown to be 3.1% when Telekom Malaysia was privatised in 1990 (EIU, 1996). Therefore, the increase monthly pay which employees received after privatisation does not reflect any total increase in pay because of the increase prices of the consumer goods and services in the economy. This led employees to perceive that in total, the pay they received did not effectively increase.

Results for the ranks of importance show that 63.1% employees rank pay as an extremely important practice among the HRM practices studied. Pay was ranked as second of the seven practices ranked by Telekom Malaysia's employees. Therefore, it could be concluded that most of the employees were receiving better pay after privatisation, although most of them did not perceived this as being different compared to before privatisation.

9.2.1.2 Promotion

In Telekom Malaysia, employees perceived promotion to be different before and after privatisation (Table 8.2b). In general, promotion is not based on whether an organisation is public or private but mainly on employees' performance and abilities. Many organisations use promotion practices to motivate employees in addition to

encourage greater commitment to the organisation. Employees look at promotion in the form of increased pay, status, power and chance for self actualisation.

Promotion was ranked sixth out of the seven HRM practices. This disclose that employees perceived promotion as being a less important HRM practice.

9.2.1.3 Benefits

There were differences in benefits before and after privatisation. There were differences regarding pension and medical facilities but similarities in vehicle loan, housing loan, sick leave, holidays, study leave, employees provident fund, and scholarships. Therefore it may be concluded that there are more benefits that are similar before and after privatisation than benefits which are different.

Employees ranked benefits third of the seven HRM practices studied (Table 7.6.1). This show that benefits is considered an important practice by the respondents.

9.2.1.4 Job Security

Employees perceived differences in job security in Telekom Malaysia before and after privatisation. Job security was ranked first in importance amongst the seven HRM practices surveyed (Table 7.6.1). This shows that most employees felt that their employment in a private organisation was less secure compared with when they were in the public sector. Their jobs in the public sector were secure and permanent, but there was no guarantee of job security in a private sector. According to Malaysian government privatisation policy, during the first five years of the implementation of the policy, none of the employees may be laid off, but after five years there is no guarantee that they can remain in the organisation.

This may possibly explain why majority of the employees perceived job security as an important practice especially after privatisation. Most employees feel more insecure in terms of their job after the organisation was privatised. Job security is considered a basic need (as depicted in Maslow's Hierarchy of Needs) which

employees fulfil before being motivated by a higher level of needs, such as promotion. After five years of privatisation, an organisation is free to lay off employees, as they are no longer bonded by the Privatisation Policy. In 1996, Telekom Malaysia had plans under its restructuring policy to lay off 2000 employees under the employees' redundancy : this covered employees who had problems, those who displayed low performance and those who opted to retire (Azhar, 1996). Now in the private sector, they had to be competitive in the market and, therefore, employees' performance was seen as a crucial factor in achieving this. Where most employees perceive their job security is threatened, management shall inform employees of their new policy and practices regarding job security. This would have been particularly relevant for employees who had served Telekom Malaysia long before privatisation : more than 86% of the respondents had served at least 11 years in Telekom Malaysia (Table 7.2).

9.2.1.5 Performance Appraisal

The results show that employees perceived differences in performance appraisal before and after privatisation in Telekom Malaysia. After privatisation, all the employees indicated they were being appraised, compared to only 60.6% before privatisation. Performance appraisal clearly was implemented for all the respondents after privatisation. Performance appraisal is a valuable information on employees' performance in terms of their skills and abilities, and their strength and weaknesses, as well as for identifying their needs for training and development. In discussion with the HRM officers, it was explained that performance appraisal was introduced as a basis for paying bonuses, and providing them training opportunities. Performance appraisal was also part of the basis used by Telekom Malaysia's management to lay off their employees after privatisation. However, in terms of importance to them, employees ranked performance appraisal last of the seven HRM practices studied. Apparently employees feel that performance appraisal does not determine their commitment and satisfaction working in the organisation.

9.2.1.6 Physical Working Conditions

Employees perceived differences exist in the physical working conditions (safety, facilities, hygiene) before and after privatisation. Physical working conditions were ranked as the fifth most important of the seven HRM practices studied (Table 7.6.1). This indicates that many employees perceived physical working conditions as an important HRM practice in the organisation. This may be expected in view of the fact that most employees spend at least eight working hours daily in the organisation. The physical conditions may therefore directly or indirectly influence their work behaviour (Cottringer, 1994; Carnevale and Rios, 1995).

9.2.1.7 Training and Development

Employees perceived differences in training and development before and after privatisation, measured by the number of times respondents attended training in a year. There was an increase of 4.3% in the number of respondents going for training between one and three times a year after privatisation. This shows that Telekom Malaysia gave more emphasis to training and development for their employees after privatisation.

In terms of importance (Table 7.6.1) respondents ranked training and development as the fourth among the seven HRM practices studied. 42.7% of the respondents rated it as a very important practice in the organisation. The majority of the employees in Telekom Malaysia perceived training and development as an important aspect of HRM practice in their employment.

Employees feel that training and development is important to their self and career development (Nordhaug, 1989). The results showed that more employees were given opportunities to attend training, which could be seen as a chance to develop their skills, abilities and competencies to perform their job. While similar opportunities existed before privatisation, employees perceived the presence of more opportunities for training and development after privatisation. Training and development should be given more emphasis by the organisation because it reflects their investment in the

employees to improve their skills, talents and also performance. Training and development, moreover can help to enhance employees' potentials as individuals and also increase their contribution to the organisation. The implementation of privatisation have led to changes in the organisation's environment. Telekom Malaysia have to cope with the continual technological changes in order to keep pace and compete in the dynamic market (Taomira, 1997) therefore, their employees need to be trained in order to be more competitive.

9.2.2 The Results for Tenaga Nasional

All the HRM practices studied except promotion were different before and after privatisation. Employees ranked job security first among the seven practices studied.

9.2.2.1 Pay

There was evidence of significant differences in the pay received by the employees before and after privatisation : employees perceived they were receiving a higher monthly pay compared to before privatisation. This is in line with the government's privatisation policy, which requires employers to offer working terms and conditions which are equivalent or better than before privatisation : employees received more pay than the inflation rate, i.e. 4.7% in 1992, when the organisation was privatised (EIU, 1996).

In terms of importance (Table 7.6.2), respondents of Tenaga Nasional ranked pay as the second among the seven HRM practices studied, with 67.3% of the respondents rated pay as extremely important. This finding is similar to Kuppusamy's (1995) findings, which showed that most employees received a minimum increment of between 4%-8% at Tenaga Nasional after privatisation.

9.2.2.2 Promotion

The results show that there was no significant difference in promotion before and after privatisation in Tenaga Nasional : employees perceived that promotion practices were similar before and after privatisation. The results also implied that promotion

practices were not based on whether an organisation is a public or private, but personally on employees performance, achievement and abilities on the job. Promotion is usually given to employees who have performed up to the standard expected of them and subject to vacancy of posts. But mostly it is based on employees' ability, achievement and performance on the job.

Kuppusamy (1995) revealed that 48.2% of the respondents indicated that promotion were limited in Tenaga Nasional. 52.9% employees reported that they were promoted based on their ability and achievement. Therefore, it could be said that practices regarding promotion did not change much whether the organisation is public or private. Although promotion is not regarded as different before and after privatisation, respondents ranked it as sixth of the seven practices for Tenaga Nasional.

9.2.2.3 Benefits

The results show that there were differences in the benefits employees receive before and after privatisation. Many of the particular benefits examined in the survey were perceived by the employees as being better after privatisation compared to before privatisation. While benefits regarding holidays and employees provident fund (EPF) did not change after privatisation, most employees indicated that they were no longer receiving any pension after privatisation. Overall, there was an increase in the number of employees receiving benefits after privatisation compared to before privatisation in respects to the same type of benefits. Benefits was ranked third in importance of the seven HRM practices studied. As most employees perceived benefits being an important practice.

9.2.2.4 Job Security

Employees' perceived differences in job security in Telekom Malaysia before and after privatisation were also evident. Job security was ranked first in importance of the seven HRM practices surveyed. Most employees felt that their employment in the privatised organisation was less secure. In the public sector, employees had jobs

which were permanent, while in a private sector there is no guarantee of job security. The Malaysian government privatisation policy rules that, during the first five years of the implementation of the policy, none of the employees may be laid off, but after five years there is no guarantee that they can remain in the organisation. In contrast, for employees in the private environment, performance is the main criterion for them to remain in the organisation.

This may possibly explain the reason why the majority of respondents from Tenaga Nasional felt that job security were the most important practice in the organisation. Respondents may feel that the change from being in a public to a private organisation have threatened their job security. Kuppusamy (1995), in a study of Tenaga Nasional employees, found that 67.2% of his sample expected greater job insecurity upon joining the private organisation, and a year later 32.8% of them still felt the same. Employees have to perform well and change their working attitude in order to remain in the organisation. If they feel insecure in their job this could indirectly affect their commitment and satisfaction working in the organisation. However, although there was assurance from the government for the first five years of privatisation, employees still felt insecure after privatisation. The possible reason is because most of the employees are comfortable with the phrase of permanent employment being in the public organisation, and the change will take time to absorb. Further, with the current economic situation in Malaysia, the feeling of insecurity will be greater among the employees.

9.2.2.5 Performance Appraisal

The results show that employees perceived there were differences in performance appraisal before and after privatisation in Tenaga Nasional. After privatisation, all the employees indicated they were being appraised, compared to only 32% before privatisation. Performance appraisal clearly was implemented for all the respondents after privatisation as an instrument to measure employees' contribution to the organisation. Performance appraisal is a valuable tool for gauging employees'

performance in terms of their strength and weaknesses and identifying their needs for training and development and evaluating their skills and abilities.

In terms of importance, however, employees ranked performance appraisal last of the seven HRM practices studied.

9.2.2.6 Physical Working Conditions

Employees perceived there were differences in the physical working conditions (safety, facilities, hygiene) before and after privatisation. Physical working conditions were ranked as the fifth most important of the seven HRM practices studied. Employees may choose to leave an organisation that they perceived is not providing a comfort environment which supports their careers, in view of the fact that they spend at least eight hours daily working in the organisation. Carnevale and Rios (1995) suggest that physical working conditions may influence employees' attitude on the job and hence may affect their commitment and satisfaction level. Management must therefore provide a conducive working environment to employees. The findings of this research are different from those of Kuppusamy (1995), who found that there were few differences in work environment at Tenaga Nasional before and after privatisation. This may be due to the fact that Kuppusamy's study was undertaken in 1991, while this survey was done in 1996. Within this five years period, some aspects of the physical working conditions of the organisation may have changed.

9.2.2.7 Training and Development

Employees perceived that there were increases in training and development before and after privatisation suggesting that more respondents were given opportunities to attend training after privatisation compared to before privatisation. More opportunities to attend training could be seen as a chance to develop skills, abilities and competencies to do the job.

In order of importance, training and development was reported to be ranked fourth of the seven HRM practices studied (Table 7.6.2). This implies that employees felt that

training and development is important to their self and career development. Employees perceived there are more opportunities for training and development after privatisation, although they had been given a similar chance before privatisation.

Training and development should be given emphasis by an organisation because it reflects investment in employees to improve their skills, talents and performance. Moreover, training and development can help to enhance the employees as individuals and also increase their contribution to the organisation. Employees need to develop their skills, competencies to adapt to the new environment and to be updated on the advances in technology in the organisation. This may possibly account for the reason why respondents perceived training and development to be an important practice in the organisation. This result is similar to the findings of Kuppusamy (1995), who found 64.9% of Tenaga Nasional employees expressed the need for training and development. Therefore, it may be concluded from these findings that training and development were given greater emphasis after privatisation compared to before privatisation.

9.2.3 Similar Human Resource Management Practices in Telekom Malaysia and Tenaga Nasional Before and After Privatisation

Table 9.2.3a gives a summary of the results for HRM practices before and after privatisation in Telekom Malaysia and Tenaga Nasional. It could be seen that, in Telekom Malaysia, the practices of promotion, job security, performance appraisal, physical working conditions, and training and development were significantly different before and after privatisation. In Tenaga Nasional, pay, benefits, job security, performance appraisal, physical working conditions, and training and development were significantly different before and after privatisation.

Table 9.2.3a:
Summary of Results of T-tests on Human Resource Management Practices Before and After Privatisation for Telekom Malaysia and Tenaga Nasional.

HRM practices	Telekom Malaysia	Tenaga Nasional
Pay		*
Promotion	*	
Benefits		*
Job Security	*	*
Performance Appraisal	*	*
Physical Working Conditions	*	*
Training & Development	*	*

* Significant differences before and after privatisation

Table 9.2.3b:
Summary of Results of Non Parametric Test on Human Resource Management Practices at Telekom Malaysia and Tenaga Nasional.

HRM practices	Time 1	Time 2
Pay		*
Promotion		*
Benefits		*
Job Security		*
Performance Appraisal		*
Physical Working Conditions	*	
Training & Development		*

* significant difference between Telekom Malaysia and Tenaga Nasional

Table 9.2.3b shows that all the seven HRM practices except physical working conditions were similar before privatisation in Telekom Malaysia and Tenaga Nasional but after privatisation only physical working conditions were shown to be different in both organisations.

The HRM practices of pay, promotion, benefits, job security, performance appraisal, and training and development in Telekom Malaysia were different at time 1 (before privatisation) and time 2 (after privatisation). The HRM practices which did not show any significant difference at the two times were pay, benefits and physical working conditions. For Tenaga Nasional, the HRM practices of pay, promotion, benefits, job security, performance appraisal, and training and development were found to be significantly different at both times. The HRM practices of physical working conditions, however, were not significantly different.

For these organisations, therefore, the common HRM practices which changed before and after privatisation were job security, performance appraisal, and training and development.

Job security has been a debatable issue for employees in privatised organisations. Although the Malaysian government had reassured them of a secure job for five years upon privatisation, they still felt their jobs were no longer secure compared with when they were public sector employees. Employees need to be secure in terms of employment, as this is a basic psychological need of employees. Once this is achieved, they can be motivated by higher-order needs. However, since privatisation secure employment no longer exists, and employees feel that their employment is threatened. This is understandable considering that the HRM practices of private organisations are subject to different rules and regulations compared to public organisations.

Performance appraisal was introduced for all employees in both organisations after they were privatised, through it emerged as being a different practice for both organisations before and after privatisation. Many private sector organisations use appraisal results to determine employees' bonuses, promotion and salary increment as well as to help them improve their performance and develop their potential. Therefore, performance appraisal is seen as an important and crucial practice for the management of employees in private organisations.

Training and development was also different (increases) before and after privatisation in both organisations. Privatised organisations need to update their employees' skills and competencies in order to be competitive in the market. The change in the business environment, that is privatisation, creates a demand for a more competitive market and customer-oriented objectives and mission. There is therefore a need to change employees' abilities and skills in order to meet these demand. Training and development can be a medium to assist employees to cope with these changes and to meet the demands of the new commercial environment they are facing.

9.3 Organisational Commitment Before and After Privatisation

This section discusses affective, continuance and normative commitment before and after privatisation. The objective is to determine if these dimensions of organisational commitment change before and after privatisation.

Affective commitment refers to employees' emotional attachment to, identification with, and involvement in the organisation. Affective commitment of employees whose experiences within the organisation are consistent with their expectations and satisfy their basic needs tend to develop a stronger affective attachment to the organisation than do those whose experiences are less satisfying.

Porter *et al* (1974) suggest that affective commitment (attitudes) develops slowly but consistently over time. Tetrick and Farkas (1988) found that affective commitment was stable over time. This change in commitment over time may relate to HRM practices. This question will be addressed in sub-section 9.3.1.

Mowday *et al* (1979, 1982), view organisational commitment as a relatively stable employee attitude. There are also studies that suggest commitment is a highly stable attitudinal construct (Bateman and Strasser, 1984; Curry *et al*, 1986) while others (Meyer and Allen, 1988; Farkas and Tetrick, 1989) found it to be more changeable over time. Meyer and Allen (1988) and Farkas and Tetrick (1989) found that commitment as develops among new recruits, and their commitment levels stabilise only after they have been with the organisation for some time. Most of the employees in the present study had served at least ten years in their organisation. Therefore one would expect commitment to exhibit a fair degree of stability over time.

According to Peccei and Guest (1993), different components of organisational commitment may exhibit different stability over time. Studies done by Meyer *et al* (1990); Farkas and Tetrick (1989) have addressed this issue and they suggested that some dimensions of commitment may be more stable than others. This particular

study focuses on HRM practices as antecedents of the three dimensions of organisational commitment over two period of time. The study in part aimed to find out if the antecedents of organisational commitment are similar or different in a public and a private organisation.

Continuance commitment is the cost employees associate with leaving the organisation. It develops as employees recognise that they have accumulated investments or 'side-bets' that would be lost if they leave the organisation (Becker, 1960).

Normative commitment is related to employees' obligation to stay with the organisation. It develops as a result of social experiences that emphasise the appropriateness of remaining loyal to one's employer (Weiner, 1982) or through the receipt of benefits that create within employees a sense of obligation to reciprocate (Scholl, 1981).

Meyer and Allen (1991) proposed that employees' willingness to contribute to organisational goals would be influenced differentially by the nature of their commitment, with those wanting to belong (affective commitment) being more likely to exert effort to perform than those needing to belong (continuance commitment) or those feeling obligated to belong (normative commitment). Most of the studies regarding organisational commitment have been looked from a general (total organisational commitment) perspective, and few have differentiated it of multi-dimensionally.

Previous research has found differences in organisational commitment between public and private organisations, but they made comparisons among different organisations (Md. Zain, 1996; Zeffane, 1994, 1995; Savery, 1991; Odom *et al*, 1990; Akumoah-Boteng, 1989). This study looked at the same organisation originally in the public domain and later as a private organisation after privatisation.

In the next sub-section, the dimensions of affective, continuance and normative commitment are discussed separately for Telekom Malaysia and Tenaga Nasional because the results have indicated there are differences, especially after privatisation. The results are later combined to identify similarities in results in the organisations. Organisations concerned with retaining employees by strengthening their commitment need to carefully consider the nature of the commitment they instil. Taking a multi-dimensionality approach to organisational commitment (Meyer, Allen and Smith, 1993), provides a more complete understanding of a person's tie to his or her own job.

9.3.1 Organisational Commitment in Telekom Malaysia

The results indicate there were no significant differences before and after privatisation for affective, continuance and normative commitment in Telekom Malaysia (Table 8.3a).

For affective commitment, the results show no significant difference before and after privatisation. Employees' emotional attachment, identification and involvement in Telekom Malaysia was similar before and after privatisation. Many HRM practices may seem to be similar before and after privatisation : length or service of more than 10 years for most of them may have resulted in many having very much felt they were part of the organisation. Moreover, most employees have become very much acclimatised and adapted to the way the organisation was managed, and therefore they need time to adapt to new changes in the practices. This result is parallel to findings of Porter *et al* (1974), who suggested that commitment attitudes (affective commitment) develop slowly but consistently over time. If this study were carried out again in five years' time, the change might be significant.

For continuance commitment, the results again show no significant difference before and after privatisation. Employees may have feelings of insecurity before privatisation as a result of uncertainty (Cooper *et al*, 1995). After privatisation, the terms and conditions of employment are known to them, therefore it is easier for

them to decide to stay in the organisation as compared to before privatisation. Employees also might have accumulated investments or side-bets which would be lost if they leave the organisation.

The results also show that there was no significant difference in normative commitment before and after privatisation. The change from public to private sector therefore does not change employees' feeling of obligation to stay in the organisation. The length of tenure for most of the employees (more than 10 years) could have contributed to this result. Employees may feel that they are part of the organisation, happy, contented and at ease with their colleagues, the environment, and the management. Therefore, this could explain why they feel obligated and wanted to stay in the organisation even after it was privatised.

9.3.2 Organisational Commitment in Tenaga Nasional

For Tenaga Nasional, the results show that there were significant differences in affective and normative commitment before and after privatisation, but not in continuance commitment (Table 8.3b).

For affective commitment, the results show that employees' attachment to, identification with and involvement in the organisation are greater after privatisation compared to before privatisation : employees had a greater desire to stay with the organisation after privatisation. The feelings of being part of the organisation as a result of having been accustomed to the organisations' surroundings, policies and practices and the total environment may account for greater need to stay and be involved in the organisation.

This result concurs with the findings of Porter *et al* (1974), who suggest that commitment attitude (affective commitment) develops slowly but consistently over time. Tetrick and Farkas (1988) also found that the dimensions of Organisational Commitment Questionnaire (many researchers mentioned these questionnaire as being similar to the affective commitment dimension) were not similar over time.

For continuance commitment, the results show there was no difference before and after privatisation : the cost to employees associated with leaving the organisation is not significantly different before and after privatisation. The possible reason could be they like the working environment, they are happy and satisfied with the financial and non-financial aspects of their pay and benefits.

The findings for affective and continuance commitment are not similar to these of Meyer *et al* (1993), who found that levels of affective (attitudinal) commitment decrease over time among their sample of nursing students while their level of continuance commitment (behavioural) commitment increased. Meyer *et al* (1993) suggest that cost considerations may have a more important influence on commitment levels for those who remain with their organisation than a desire to stay. This research focuses on employees who had been working in it before the organisation was privatised and continues to do so after privatisation. Moreover, most of these employees had more than ten years' service in the organisation. Their investment in it therefore might have influenced their remaining in the organisation.

For normative commitment, the results revealed differences before and after privatisation, suggesting that most employees felt more obligated to remain in the organisation after privatisation compared to before privatisation. A possible reason is their moral obligation to stay, having worked for many years with Tenaga Nasional. More than 80% of the respondents had been working with Tenaga Nasional for more than 10 years. Most employees favoured the working environment, the financial and non-financial benefits they were receiving and were satisfied with the working conditions in the organisation.

The findings for Tenaga Nasional indicated an increased level of affective commitment and therefore a stronger desire to stay in the organisation after privatisation compared to before privatisation. For continuance commitment, however, there was no significant change after privatisation. While for normative

commitment, the employees obligation to remain in the organisation were stronger after privatisation.

9.3.3 Similar Organisational Commitment Results in Telekom Malaysia and Tenaga Nasional Before and After Privatisation

There are significant differences in the results for both organisation regarding how their employees perceived their commitment towards the organisation before and after privatisation. The difference could be due to the different types of organisation, different management, different culture, and different implementation of the policy and practices. Similar results however, were obtained for continuance commitment : there was no change after privatisation. Employees in both organisations may have perceived that they might loose the benefit of their investment if they were move to other organisations.

9.3.4 The Interrelationship between Affective, Continuance and Normative Commitment

This sub-section discusses the relationship between affective, continuance and normative commitment both before and after privatisation in Telekom Malaysia and Tenaga Nasional.

9.3.4.1 Telekom Malaysia

The results show that affective commitment is significantly related to continuance and normative commitment at the same time but not necessarily with different times. O'Reilly and Chatman (1980) proposed that attitudinal (affective) commitment and behavioural commitment (continuance commitment in this study) are highly related. Allen and Meyer (1990) suggest that, although commitment dimensions are related, they have different antecedents and outcomes; this aspect will be discussed later in this chapter.

The results in this study show correlation of 0.57 before privatisation compared to 0.50 after privatisation between affective and continuance commitment. This finding concurs with earlier findings by Lydka (1994) and Mottaz (1989). Both found a

strong relationship between attitudinal commitment and behavioural commitment. It should be noted, however, that both Lydka and Mottaz used the OCQ as a measure for attitudinal (affective) commitment, while this study used the measures for the affective dimension developed by Allen and Meyer (1990). They found strong relationship between attitudinal commitment and behavioural commitment. However, Tetrick and Farkas (1988) found value commitment (affective commitment) and commitment to stay (continuance commitment) were highly correlated over time.

The correlation between normative and affective commitment was not significantly different before and after privatisation : the relationship between obligation stay in the organisation and the emotional attachment, identification with and involvement in the organisation is more or less constant before and after privatisation. This show that whether an organisation is public or private may not affect employees wanting to belong (affective) and their obligation to stay (normative) in the organisation. Employees' social experiences and expectations which make them feel obligated to remain in the organisation may have accounted for this phenomenon.

The correlation between normative and affective commitment is 0.53 both before and after privatisation : the relationship between the emotional attachment, identification with and involvement in the organisation and the cost associated with leaving the organisation has the same result, irrespective of transition from public to private sector. The possible reason is that employees have accumulated both an economic and a psychological investment in the organisation, to the extent that they feel inclined to stay in the organisation.

The correlation between normative commitment and continuance commitment was 0.64 before privatisation and 0.49 after privatisation. This show that the relationship between employees' obligation to stay and the cost associated with leaving the organisation decreased as the organisation transformed into a private entity. The

likely reason is that employees may have yet to accumulate sufficient costs to influence their level of continuance commitment.

9.3.4.2 Tenaga Nasional

The results show that affective commitment is significantly related to continuance and normative commitment at the same time but not necessarily with different times. The correlations of 0.67 before privatisation and 0.54 after privatisation suggest that the relationship between affective and continuance commitment decreases over time. This result does not correspond to the findings of Tetrick and Farkas (1988), who found a higher correlation over a period of time. The result in this study implies that the relationship between affective and continuance commitment is higher when the organisation is a public entity than when it is in the private domain : the relationship between attachment, identification and involvement in the organisation with the cost employees associate with leaving the organisation is greater before privatisation. O'Reilly and Chatman (1980) found that attitudinal (affective) commitment and behavioural commitment (continuance commitment in this study) are highly related. The result of this research is different from the findings of Tetrick and Farkas (1988), who found that value commitment (affective commitment) and commitment to stay (continuance commitment) show high correlation over time.

The correlations between normative and affective commitment, however, were significantly different before and after privatisation : that the relationship between obligation to stay in the organisation and the emotional attachment, identification with and involvement in the organisation decreased after privatisation. There is a likelihood that employees have less experience of being in a private organisation; hence their loyalty towards the organisation might be affected. This situation could be different probably after a longer period after.

For the relationship between affective and normative commitment, the result for before privatisation is 0.64 while for after privatisation is 0.62. This also reflect the decrease in the relationship between affective and normative commitment over time.

In other words, the relationship between the emotional attachment, identification with and involvement in the organisation and the obligation to stay is greater to employees in a public domain than in the private domain.

The correlations between normative commitment and continuance commitment were 0.75 before privatisation and 0.61 after privatisation : the relationship between the cost employees associate with leaving the organisation and their obligation to stay with the organisation decreases after privatisation. This could be due to employees having less accumulated investment or side-bets, thereby leading to a decrease in their feeling of loyalty towards the organisation. As far as is known, there is no study that has looked specifically into the relationship between continuance and normative commitment.

In *summary*, it may be inferred from this study that the relationships between affective, continuance and normative forms of commitment are different before and after privatisation. Future research should compare the relationships of affective, continuance and normative commitment of the public and private organisations.

9.4 Human Resource Management Practices as Antecedents of Organisational Commitment : The Relationship before and after Privatisation

Antecedents of organisational commitment address the issue of what factors increase or decrease in the strength of the bond between an employee and the organisation. Very little apparently has been conducted to investigate the relationship between the dimensions of organisational commitment and HRM practices before and after privatisation. This study attempts to fill the gap in previous studies by looking at the antecedents of affective, continuance and normative commitment in two public organisations which were privatised.

According to Peccei and Guest (1993), organisational commitment is a complex phenomenon and has several antecedents. But Mathieu and Zajac (1990) suggest that

organisational commitment is not associated with consistent antecedents and consequences. Gaining a better understanding of how commitment develops and is maintained over time has important practical implications for employees and organisations. Allen and Meyer (1990) suggest that although the dimensions of commitment are related, they have different antecedents and outcomes. More are needed to clarify the meaning, definition and measurement of the concepts used (Allen and Meyer, 1990; Morrow, 1983; O'Reilly and Chatman, 1986). In the present study, the researcher uses the concept and measures developed by Allen and Meyer (1990) which have been used previously by other researchers and have shown to have high reliability and validity (refer to chapter 5).

This study does not specifically address the issue of how organisational commitment develops over time, but attempts to find out the antecedents of organisational commitment dimensions in relation to HRM practices at two times, before and after privatisation. This study reveals these HRM practices which influence the dimensions of organisational commitment and job satisfaction both before and after privatisation.

The following sub-section discusses the results of the study on the relationship between HRM practices and the dimensions organisational commitment in Telekom Malaysia and Tenaga Nasional. The antecedents before and after privatisation which emerge as the same for both organisations are discussed.

9.4.1 The Results of HRM Practices as Antecedents of Organisational Commitment in Telekom Malaysia

Pay is indicated by the multiple regression analysis as an antecedent of continuance and normative commitment before and after privatisation but as an antecedent of affective commitment only after privatisation. Pay, in other words, was found to be related to employees' desire to stay (affective) only after privatisation : pay is a reason for staying in the privatised organisation. And pay relates to the cost employees associate with leaving the organisation (continuance commitment) before

and after privatisation. So pay is a factor that employees consider in deciding if they want to leave the organisation. This is understandable because, if an employee is offered better pay elsewhere, there is a high probability that he and she might leave Telekom Malaysia. Pay is also associated with why employees feel obligated to remain in the organisation (normative commitment) both before and after privatisation. The reasons could be either that employees felt satisfied with the pay they were receiving or that they could not get similar or better pay in a similar job elsewhere.

Promotion does not emerge as an antecedent of any dimension of organisational commitment either before and after privatisation. This may be explained by the fact that the majority of the respondents did not receive any promotion either before and after privatisation, so promotion did not figure in determining commitment. Gaertner and Nollen (1989) found that employees who have experienced promotion are more committed than those who have not. As many of the Telekom Malaysia respondents had not been promoted, promotion did not determine employees commitment in the organisation.

Benefits on the other hand emerged as an antecedent of affective commitment before privatisation, continuance commitment after privatisation and normative commitment both before and after privatisation. There is a possibility that the type of benefits that employees received before privatisation encouraged them to want to belong to Telekom Malaysia. In contrast, after privatisation, employees are not entitled to pensions and no longer contributed to the Employees' Provident Fund (EPF) : such benefits are given to employees only when they reached retirement age. Most employees would want a permanent income after retirement, and this could be associated with their wanting to belong to the organisation before privatisation.

Benefits relate to the costs that employees associate with leaving the organisation (continuance commitment) after privatisation. The probable reason for this is that

benefits such as pensions and EPF which were available to them before privatisation were no longer available to them when the organisation was privatised.

Benefits also relate to employees' feelings of obligation to stay with the organisation (normative commitment) both before and after privatisation : the obligation to stay in the organisation is similar irrespective of whether the organisation is private or public. The implication is that the benefits employees receive do not change their feeling of obligation to remain in the organisation. A possible reason for this is that they could not get a similar type of benefits in another organisation, and hence feel obligated to remain in Telekom Malaysia.

Performance appraisal was found to be an antecedent of affective commitment both before and after privatisation and an antecedent of continuance commitment only before privatisation. Performance appraisal affects employees' emotional attachment, identification with, and involvement in the organisation (affective commitment) both before and after privatisation. The probable reason for this is that employees' social experiences and involvement in the organisation could be related to their performance in the organisation.

Performance appraisal is also related to the costs employees associate with leaving the organisation (continuance commitment), but only before privatisation. The possible reason for this is that performance appraisal is used as a criterion for employees to be promoted, receive bonuses or go for training. Therefore, if their performance does not receive a good evaluation, they might lose opportunities to be promoted or to get good bonuses.

Job security was found to be an antecedent of affective commitment both before and after privatisation and of continuance commitment only before privatisation. This indicate that job security is related to employees' attachment, identification and involvement in the organisation (affective commitment) both before and after privatisation. This reveals that employees, irrespective of the type of organisation

they belong to, would like to be part of the organisation, involved in its activities and perhaps proud to be known as employees of the organisation. Hence, with secure employment, the feeling of wanting to belong (affective commitment) will make them feel more attached to and part of the organisation.

Job security was also found to be related to the cost the employees associate with leaving the organisation before privatisation. The likely reason for this is that employees are more likely to have family and financial commitment. This would tend to make job security an important consideration for them in order to meet other commitment. Further, changing jobs may involve cost in terms of relocation and the need to adapt to the new environment.

Physical working conditions are an antecedent of affective commitment after privatisation. Its prominence in affecting employees' attachment, identification and involvement in the organisation may probably arise as a result of employees wanting a secure, safe and comfortable physical working environment.

Training and development was found to be an antecedent of affective and normative commitment both before and after privatisation and an antecedent of continuance commitment only after privatisation. The possible reason for this is that training and development is seen as a practice where employees can improve themselves in terms of their skills, capabilities, competencies and also knowledge.

Training and development is also shown to relate to the cost employees associate with leaving the organisation (continuance commitment), but only after privatisation. The likely reason for this is that employees feel the training they received has made them feel the need to belong to Telekom Malaysia than elsewhere. Employees feel they were granted more opportunities to attend training which are related to their work after privatisation.

Training and development also exhibits influence over employees, feeling of obligation to remain in the organisation (normative commitment) both before and after privatisation. The possible reason is that most employees had been given opportunities to go for training both before and after privatisation, and such training would have assisted them in their work, so feeling of indebtedness and consequent desire to remain in the organisation was rather high.

In summary, these findings indicate that training and development does play an important role in determining employees' commitment to the organisation, supporting the findings by Caldwell *et al* (1990) of a significant relationship between training and commitment.

The above discussion can be simplified in Table 9.4.1 and comparison of the common and different antecedents of organisational commitment before and after privatisation in Telekom Malaysia can be observed.

Table 9.4.1:
Antecedents of Affective, Continuance and Normative Commitment in Telekom Malaysia Before and After Privatisation

Before Privatisation Significant Practices	Dependant Variables	After Privatisation Significant Practices
<i>Training & Development</i> <i>Job Security</i> <i>Performance Appraisal</i> <i>Benefits</i>	Affective Commitment	<i>Pay</i> <i>Job Security</i> <i>Physical Working Conditions</i> <i>Performance Appraisal</i> <i>Training & Development</i>
<i>Performance Appraisal</i> <i>Pay</i> <i>Job Security</i>	Continuance Commitment	<i>Pay</i> <i>Benefits</i> <i>Training & Development</i>
<i>Pay</i> <i>Training & Development</i> <i>Benefits</i>	Normative Commitment	<i>Pay</i> <i>Training & Development</i> <i>Benefits</i>

Italic HRM practices indicate common results before and after privatisation

The common and different antecedents of affective, continuance and normative commitment results suggest that organisational commitment is a dynamic construct which changes in line with changes in HRM practices as a result of privatisation.

This research has revealed the relationship between HRM practices and the dimensions of organisational commitment before and after privatisation. This supports the findings of Ogilvie (1987), who proposed that HRM practices have considerable positive relationships with organisational commitment. The current research stresses the role of HRM practices in explaining affective, continuance and normative commitment and changes in their relationships before and after privatisation.

Affective Commitment

As shown in Table 9.4.1, the common antecedents of affective commitment before and after privatisation are training and development, job security and performance appraisal. The different antecedents are benefits before privatisation, while after privatisation the antecedents were pay and physical working conditions. The degrees of contribution of these HRM practices before privatisation in terms of explained variance of the affective commitment differ. Training and development before privatisation explained 33% of affective commitment variance but after privatisation, it explained only 1% of the affective commitment variance. This shows that before privatisation, training and development seems to be associated greater with employees' emotional attachment, identification with and involvement in the organisation than after privatisation. This shows that employees associate their desire to stay in the organisation with training and development is stronger before privatisation.

Pay was found to be the most significant antecedent of affective commitment after privatisation, explaining 37% of the variance. This implies that after privatisation, employees of Telekom Malaysia indicated pay as strongly related to their need of wanting to belong (affective commitment) compared to training and development before privatisation. The likely reason is that, pay for this may be perceived as the basic motivating factor. With money, employees are able to buy their needs and support their family. With increase in pay after privatisation, employees are more

able to utilise their money into other things which they can afford. Hence, this is possibly explain why pay is related to the feelings of belongings to the organisation.

The other antecedents of affective commitment common to before and after privatisation are job security and performance appraisal, indicating 7% and 3% of the explained variances respectively before privatisation. After privatisation, job security explained 5% of the variances while performance appraisal, an additional 2% of the affective commitment variance (refer to Table 8.8.3.1a and Table 8.8.3.1c). This reveal that, although the antecedents are similar, their explained variances of affective commitment decreases over time. This suggest that the relationship between job security and performance appraisal with desire to stay in the organisation decreases being in a private organisation. The possible reason for the decrease in the variance is because job security is no longer a permanent item for the employees five years after privatisation. Performance appraisal is implemented to all employees only after privatisation, hence it will take sometime before employees can fully understand its consequence and its outcomes.

The different antecedents of affective commitment were benefits before privatisation, after privatisation were pay and physical working conditions. Pay was reported to explain 37% of the variance, indicating that being a private organisation (after privatisation), employees emotional attachment, identification and involvement is greatly influence by the pay they received. Benefits explained 2% of affective commitment variances before privatisation, while physical working conditions explained 2% of affective commitment variances after privatisation. Therefore, it could be concluded that there are more practices being antecedents in a private organisation (after privatisation) as compare to before privatisation. Job security still remains a practice which Telekom Malaysia employees strongly indicate their attachment, identification and involvement in the organisation.

Continuance Commitment

Continuance commitment is the cost employee associates with leaving the organisation. Although continuance commitment does not indicate being significantly different over time at Telekom Malaysia (Table 8.3a), there are similarity and differences in the antecedent practices attached to it. The similar antecedent at both times are pay in which before privatisation with an explained variance of 6% while after privatisation the explained variance is 22%. This shows that employees associate pay with the cost of leaving the organisation greater after privatisation compared to before privatisation. The different antecedents before privatisation were performance appraisal and job security which explained 16% and 2% of continuance commitment variances respectively. After privatisation, the different antecedents of continuance commitment are benefit, explaining a further 2% of the total variance and training and development explaining 2% of the variances. The total variance of continuance commitment after privatisation is 26% compared to only 24% before privatisation. This reveal that there is not much difference in the total continuance commitment variances before and after privatisation, although there are similar and different antecedent practices at both times.

Normative Commitment

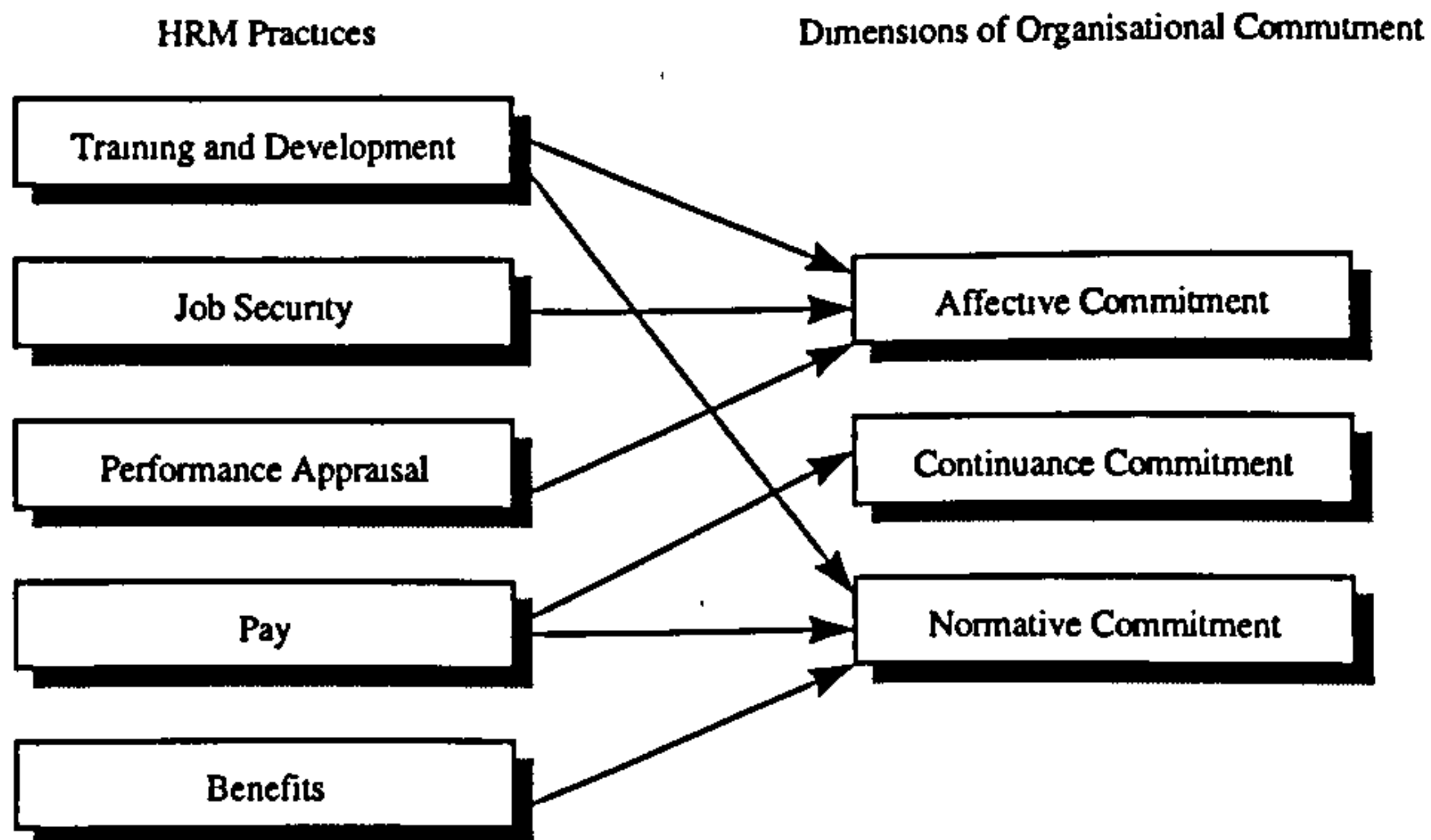
Normative commitment is related to employees obligation to stay with the organisation. The t-test result indicated there were no significant differences in normative commitment before and after privatisation. The antecedents of normative commitment were common to both point of times. The antecedents before and after privatisation were pay, training and development, and benefits. The variances of the antecedents differ at both times. Before privatisation, the total variance for normative commitment is 36%, with pay contributing 26% of the variance, followed by training and development 6% and benefit an additional 4% (refer to Table 8.8.3.3a and Table 8.8.3.3c). After privatisation, the total variance of normative commitment is 41% with benefit contributing 29% of the variance, training and development 8% and pay 4% of the variance. This disclose that there were differences in the variances at both point of times, which clearly demonstrate that benefit is highly associated with the

employees obligation to stay after privatisation compared to before privatisation. Before privatisation, employees indicated pay as being the major reason for staying in the organisation apart from training and development and also benefit.

In *summary*, there are common and different HRM practices being antecedent to affective and continuance commitment in Telekom Malaysia before and after privatisation. For normative commitment, however, the antecedent HRM practices are common at both times.

A model of the common antecedents of organisational commitment in Telekom Malaysia before and after privatisation is shown in Figure 9.4.1.

Figure 9.4.1:
Common Antecedents of Organisational Commitment in Telekom Malaysia before and after Privatisation



9.4.2 The Results of HRM Practices as Antecedents of Organisational Commitment in Tenaga Nasional

Pay is indicated by the results of multiple regression analysis as an antecedent of continuance commitment before privatisation. Pay is found to relate to the cost

employees associate with leaving the organisation (continuance) before and after privatisation. Therefore pay is a factor that employees consider when deciding if they want to leave the organisation. This is understandable because if the employee is offered a better pay elsewhere, there is a possibility they might consider leaving Tenaga Nasional .

Promotion does not emerged as an antecedent of any organisational commitment dimensions either before and after privatisation. The reason could be because many of the respondents did not receive any promotion either before or after privatisation, so promotion did not figure in determining commitment. Gaertner and Nollen (1989) found that employees who have experienced promotion are more committed than those who have not. As many of the Tenaga Nasional respondents had not been promoted, promotion did not determine employees commitment in the organisation. This corresponds to the findings regarding promotion as many of the respondents were not being promoted at both times, leaving the researcher to conclude that promotion is not seen as a practice which have change before and after privatisation in Tenaga Nasional.

Benefits on the other hand emerged as an antecedent of continuance commitment after privatisation. Benefits is relate to the costs that employees associate with leaving the organisation (continuance commitment) after privatisation. The likely reason for this finding is that the type and amount of benefits which employees receive such as the medical treatment, share options, loan provided and the scholarships for further education will be costly if they have to pay for it. Hence, this make them feel the need to belong in Tenaga Nasional more after privatisation.

Performance appraisal was found to be an antecedent of affective, continuance and normative commitment before privatisation. Performance appraisal is relate to employees emotional attachment, identification with, and involvement in the organisation (affective commitment) before privatisation. The result shows that performance appraisal is associated with employees wanting to stay in the

organisation. The probable reason for this is that employees social experiences and involvement in the organisation activities could be an indication of their performance in the organisation.

Performance appraisal is also related to the costs employees associate with leaving the organisation (continuance commitment) before privatisation. The possible reason for this is that performance appraisal is used as a criterion for employees' promotion or training decisions. Promotion normally commensurate with higher pay and other benefits. Hence, it likely for the employees to exert effort in order to perform better as they need to belong in the organisation.

Performance appraisal also indicate association with employees obligation to remain in the organisation (normative commitment) before privatisation. The likely reason for this is that employees who had perform well and have received opportunities for career advancement or opportunities for training will be obligated to remain in the organisation. It may be that the feeling of loyalty is greater after they have these opportunities. Hence, it could be summarised that performance appraisal as antecedents of affective, continuance and normative commitment only before privatisation.

Job security was found to be an antecedent of affective, continuance and normative commitment only before privatisation. This indicate that job security is related to employees attachment, identification and involvement in the organisation (affective commitment) before privatisation. The possible reason for this is employees wants to feel being part of the organisation, and feel proud to tell others they work for the organisation. Therefore, with a secure employment they will feel more attach, and want to belong to the organisation.

Job security is also found to be the cost that employees associate with leaving the organisation (continuance commitment) before privatisation. The likely reason for this is that employees are more likely to have family and financial commitment. This

makes job security an important consideration for them in order to meet other commitment. Apart from this, changing jobs, may involve cost in terms of relocation and the need to adapt to the new environment.

Job Security was also found to influence employees feeling of obligation to remain in the organisation (normative commitment) before privatisation. The probable reason is that the permanent job (before privatisation) they once held make them feel secure and at ease. This makes them feel loyal and obliged to belong to the organisation. This corresponds to job security being an issue to most respondents as before being in a private organisation, they have a permanent and secure jobs. Therefore, it could be possible that the employees feel insecure after the organisation were being privatised. The insecure employment could have made them feel threatened and could affect their commitment towards the organisation.

Physical working conditions does not emerge to be antecedent of organisational commitment both before and after privatisation. This suggest that Tenaga Nasional employees do not associate physical working conditions with the reason of wanting to belong (affective), needing to belong (continuance) and obligated to belong (normative). The reasons for that outcome could be because many of the respondents do not perceive changes taking place in the physical aspects of the working conditions before and after privatisation.

Training and development was found to be an antecedents of affective and normative commitment both before and after privatisation. The possible reason for this is that training and development could be seen as a practice which employees can benefit themselves in order to improve their skills, capabilities, competencies and also knowledge.

Training and development also appear to affect employees feeling of obligation to remain in the organisation (normative commitment) both before and after privatisation. The possible reason is that, most of the employees have been given opportunities to go for training both before and after privatisation, and these training

enhanced the work they are currently assigned. Hence, this may explain why the level of commitment attached to the organisation and the obliged feeling to remain in the organisation is rather high.

In summary, these findings indicate that training and development plays an important role in determining employees' commitment to Tenaga Nasional.

The above discussion can be simplified in table 9.4.2 and comparison of the similar and different antecedents of organisational commitment before and after privatisation in Tenaga Nasional can be observed.

Table 9.4.2:
Antecedents of Affective, Continuance and Normative Commitment in Tenaga Nasional Before and After Privatisation

Before Privatisation	Dependent Variables	After Privatisation
Significant Practices		Significant Practices
Performance Appraisal <i>Training & Development</i> Job Security	Affective Commitment	<i>Training & Development</i>
Pay Job Security Performance Appraisal Physical Working Conditions	Continuance Commitment	Benefits
<i>Training & Development</i> Job Security Performance Appraisal	Normative Commitment	Benefits <i>Training & Development</i>

Italic HRM practice indicate similar results before and after privatisation

The above result again suggest that commitment is a dynamic construct which changes over time. This research has revealed interesting relationship between human resource management practices and the dimensions of organisational commitment over time. This supports the findings of Ogilvie (1987) who found that human resource practices indeed have considerable positive relationships with organisational commitment. The current research has further stressed the role of human resource management practices in explaining affective, continuance and normative commitment particularly with their relationship before and after privatisation.

Affective Commitment

As shown in Table 9.4.2, the common antecedents of affective commitment before and after privatisation is training and development. The contributed variances for both times however were different. Before privatisation, training and development explained 8% of the total 43% of variations in affective commitment (Table 8.8.3.1a). After privatisation, it represents the only antecedent explaining 29% of the variance (Table 8.8.3.1c). These findings reveal in this dimension of commitment the fact that after privatisation, training and development is highly associated with employees' feelings of belonging to the organisation as compared to before privatisation. There is a probability that this develop as a result of employees having undergone training both before and after privatisation, and these training's have enhanced the opportunities for self development and career development in the organisation.

Apart from training and development, before privatisation, the other antecedent practices for affective commitment are performance appraisal and job security. Performance appraisal explains 32% of the variance while job security explains another 3%. This demonstrate that performance appraisal and job security were also related to Tenaga Nasional employees' emotional attachment, identification and involvement in the organisation before privatisation. The results of t-test result indicated that there were significant differences in the level of affective commitment before and after privatisation. Overall, similarity and differences therefore characterise the antecedents of affective commitment for respondents of Tenaga Nasional in relation to it being a public organisation and a private organisation.

Continuance Commitment

No HRM practices commonly emerged as antecedents of continuance commitment before and after privatisation. Before privatisation, the antecedents of continuance commitment were pay, explaining 16% of the variance, followed by job security, 6%, performance appraisal, 5% and physical working conditions, 4% of continuance commitment variances. In total, these four practices explains 31% of the variance of

continuance commitment before privatisation (Table 8.8.3.2a). After privatisation, benefit was the only antecedent, explaining 18% of the variance in continuance commitment (Table 8.8.3.2c). This reveals that there were different antecedents of continuance commitment being in a public organisation and being in a private organisation which suggest the fact that the cost employees associate with leaving the organisation differs before and after privatisation.

Normative Commitment

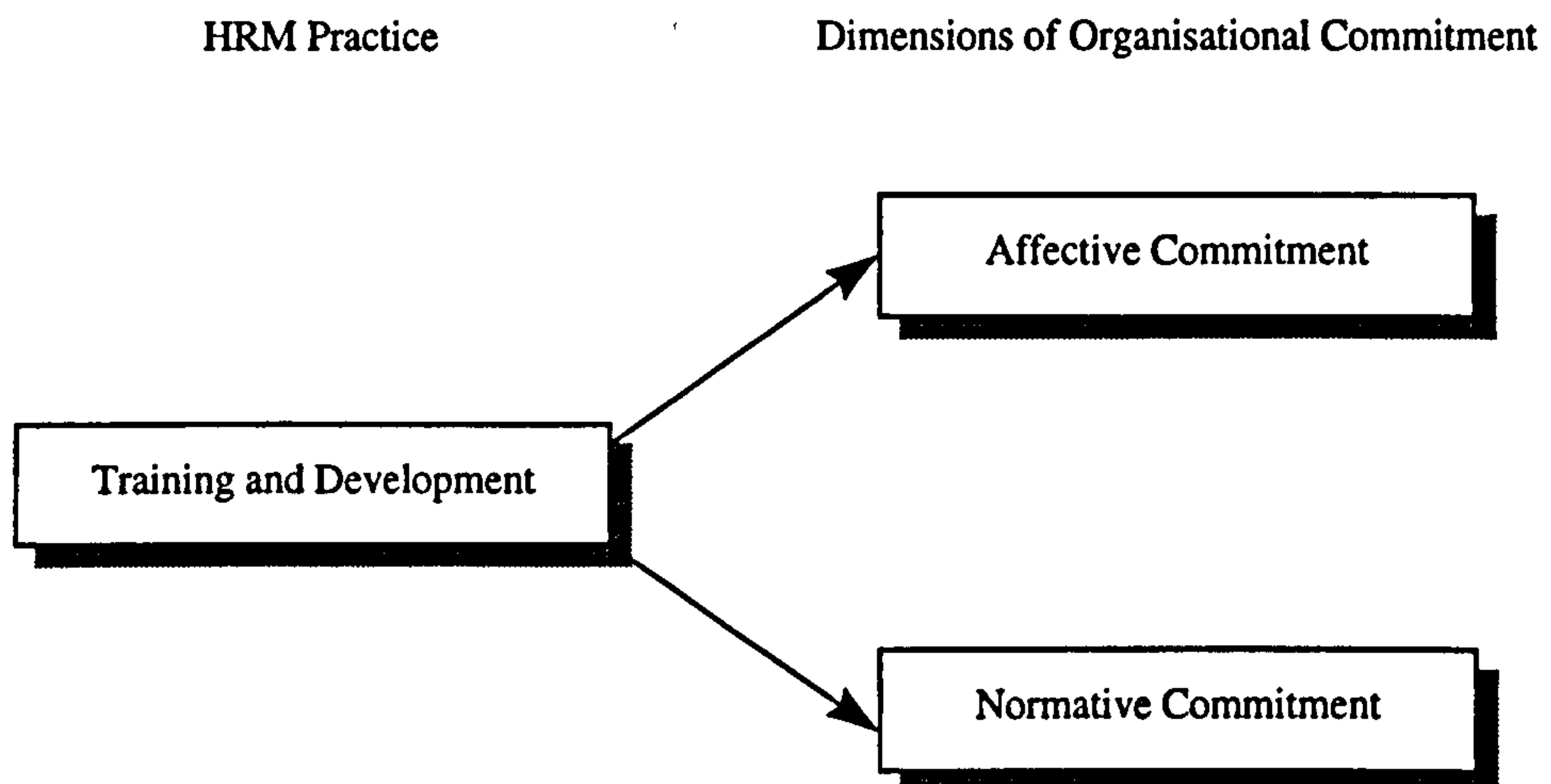
Normative commitment is the obligation to stay with the organisation. The HRM practices representing antecedents of normative commitment common to before and after privatisation is training and development. The different antecedents on the other hand were job security and performance appraisal before privatisation, and benefit after privatisation. Although training and development are common antecedents over time, their contribution to the variance of normative commitment differs. Before privatisation (Table 8.8.3.3a), training and development explains 23% of normative commitment variance while after privatisation it explained 5% of the variances (Table 8.8.3.3c). Training and development is therefore highly related to employees' obligation to stay before privatisation than after privatisation. As after privatisation, benefit explains 28% of the normative commitment variances indicating that employees' obligation to stay is more related to benefit than training and development. Before privatisation, apart from training and development, job security is also an antecedent explaining an additional 9% of the normative commitment variances while performance appraisal explains an additional 2% of the variances. It could be concluded that before privatisation (being in a public organisation), employees' feeling of obligation to stay in the organisation is related to the HRM practices regarding training and development, job security and performance appraisal while after privatisation (being in a private organisation), it is closely related to HRM practices of benefit and training and development.

In *summary*, while the results reveal that training and development is a common antecedent of both affective and normative commitment before and after privatisation

in Tenaga Nasional, the antecedents of continuance commitment are different at both times. The common findings are represented in the model in Figure 9.4.2.

Figure 9.4.2:

Common Antecedents of Organisational Commitment in Tenaga Nasional before and after Privatisation



9.4.3 Common Antecedents of Dimensions of Organisational Commitment in Telekom Malaysia and Tenaga Nasional.

This section is devoted to discussing the common results emerged in Telekom Malaysia and Tenaga Nasional before and after privatisation.

The following are the results before privatisation:

For affective commitment, the antecedent HRM practices in Telekom Malaysia are training and development, job security, benefits and performance appraisal, while for Tenaga Nasional, they are training and development, performance appraisal and job security. The HRM practices constituting its antecedents common to both

organisations before privatisation were training and development, performance appraisal and job security. These HRM practices, in other words, are strongly associated with employees' emotional attachment, identification with, and involvement in the organisation before privatisation. This may be explained by the fact that employees are given opportunities for self development and career development. As a result, employees may feel more attached to, and proud to be 'part' of the organisations. For performance appraisal, employees who had performed up to the standard expected from them, were also likely to be promoted or given opportunities for training. Hence it would make them feel wanted and attached to the organisation. In terms of job security, employees are likely to prefer employment which promises greater level of security in order for them to feel committed to the organisation.

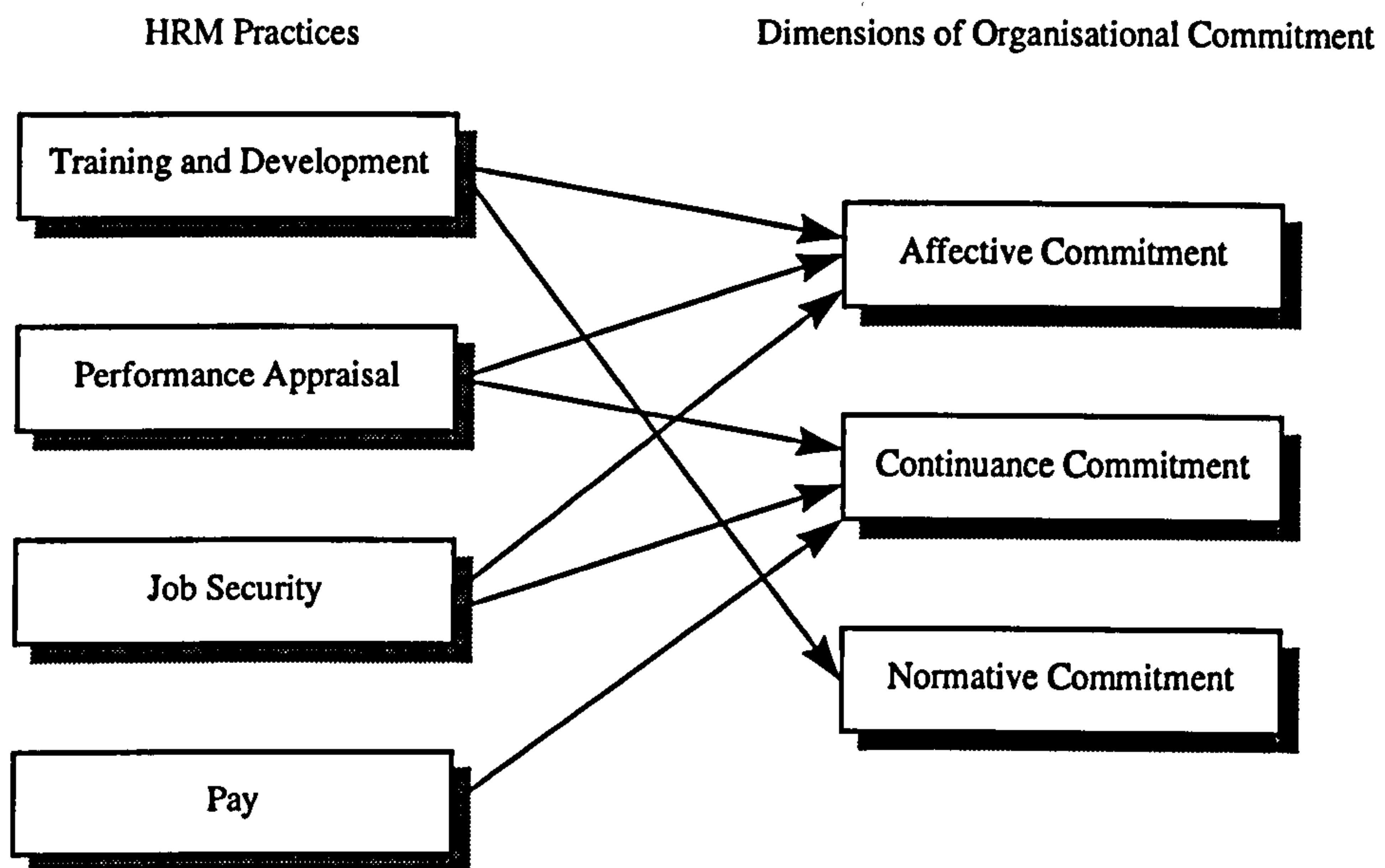
For continuance commitment, antecedent HRM practices in Telekom Malaysia are pay, performance appraisal and job security, while for Tenaga Nasional, they are pay, job security, performance appraisal and physical working conditions. The results show that performance appraisal, job security and pay constitute antecedents that were common before privatisation. This simply implies that employees associate these three HRM practices with the cost of leaving the organisation. Favourable pay and job security which employees receive may prevent or discourage them from leaving the organisation.

For normative commitment, the antecedent HRM practices in Telekom Malaysia are training and development, pay and benefits, while for Tenaga Nasional, they are benefits, training and development and performance appraisal. Employees' obligation to stay with the organisation (normative commitment), the results show training and development as the only antecedent common to both organisations after privatisation. The opportunities for training and development may have helped employees to enhance their skills, abilities, capabilities and performance in the organisations and in return they feel obligated to stay in the organisation. Additionally, most of the

employees had served more than 10 years; hence they felt they were part of the organisation and are committed to stay in the organisation.

Figure 9.4.3a show the antecedent practices of affective, continuance and normative commitment which are common to both Telekom Malaysia and Tenaga Nasional before privatisation.

Figure 9.4.3a:
Common Antecedents of Organisational Commitment in Telekom Malaysia and Tenaga Nasional Before Privatisation



The antecedents of organisational commitment in Telekom Malaysia and Tenaga Nasional after privatisation are now discussed. The main objective was to find the common antecedent HRM practices in the organisations following the organisational change.

For affective commitment, the antecedent HRM practices in Telekom Malaysia were pay, job security, physical working conditions, performance appraisal and training

and development, while in Tenaga Nasional, the only antecedent were training and development. Therefore only one common antecedent emerged for both organisations after privatisation, namely training and development. Training and development, then, is strongly associated with employees' emotional attachment, identification with, and involvement in the organisation after privatisation. Enhanced opportunities for employees' self and career development as a result of training and development may influence employees in both organisations to remain in the organisation.

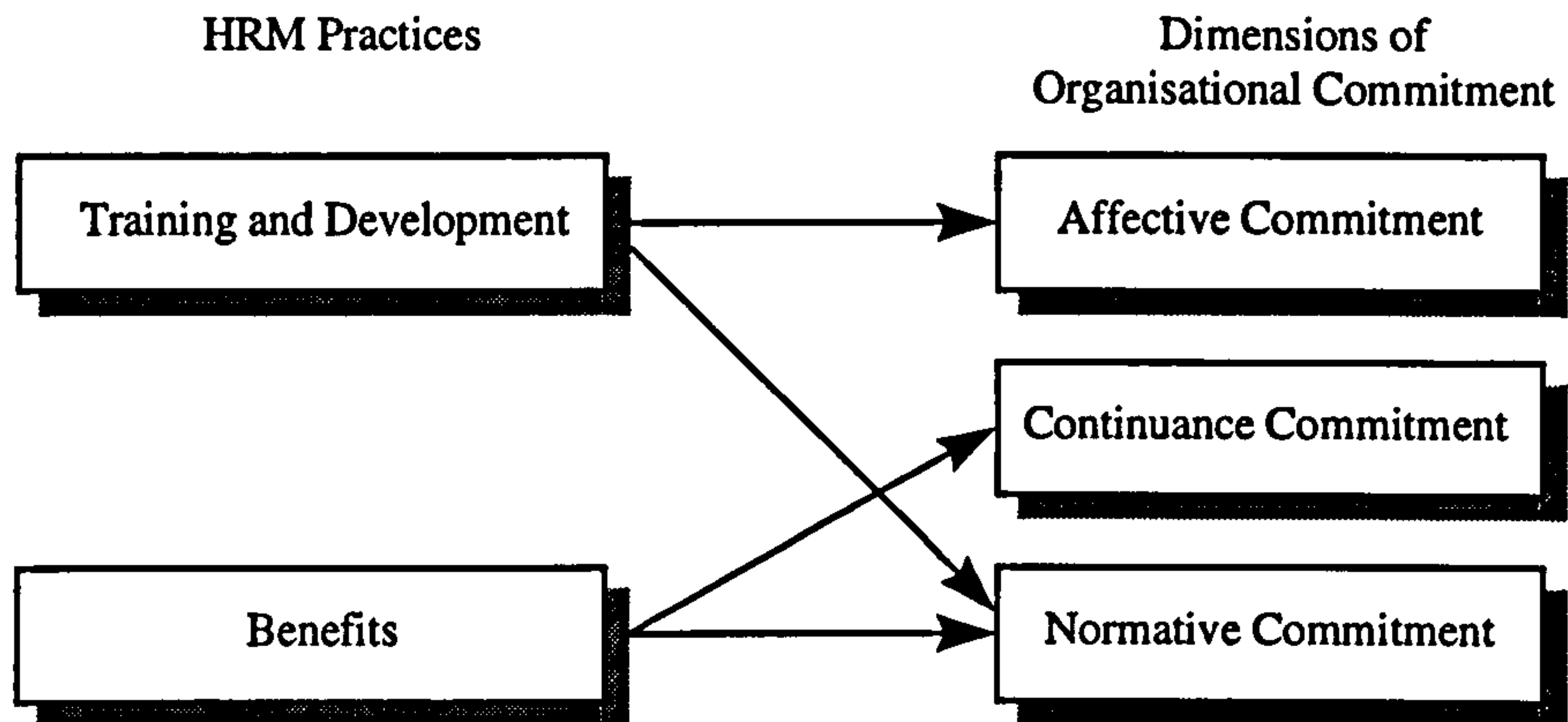
For continuance commitment, the antecedent HRM practices in Telekom Malaysia were pay, benefits and training and development, while in Tenaga Nasional, the only antecedent was benefits. Only benefits is the common antecedent practices after privatisation. This suggest that employees associate benefits with the cost of leaving the organisation. It may be that employees feel that the benefits that they receive prevent them from leaving the organisation as these cannot be obtained in other organisations.

In terms of normative commitment, the antecedent HRM practices after privatisation in Telekom Malaysia were benefits, training and development, and pay. In Tenaga Nasional, benefits and training and development emerged as antecedent. Two HRM practices, i.e., benefits and training and development, are antecedents common to both organisations after privatisation. The benefits received and the attractiveness of training and development opportunities may explain their obligation to stay in the organisation. Most of the employees had served more than 10 years in the organisation making them feel part of the organisation and strengthening their commitment to the organisation.

The common antecedents showed similar impact in both organisations after privatisation. The results are presented in Figure 9.4.3b.

Figure 9.4.3b:

**Common Antecedents of Organisational
Commitment in Telekom Malaysia and Tenaga
Nasional After Privatisation**



In *summary*, there are common antecedents of organisational commitment at Telekom Malaysia and Tenaga Nasional. Training and development is the most important HRM practice associated with affective and normative commitment both before and after privatisation in Telekom Malaysia and Tenaga Nasional. Training and development is therefore important to employee commitment, regardless of whether an organisation is public or private. Training and development therefore needs to be emphasised in order for employees to an organisation. This is not surprising for training and development can be seen as a way for the employees to improve themselves and their career, in addition to enhancing their skills, knowledge and experiences.

Meyer *et al* (1989) suggest that it is important for organisations to examine the policies and practices they implement to increase employees' commitment. It may be more prudent, although perhaps more difficult for organisations to foster affective

commitment in their employees than to develop continuance commitment. Employees who intrinsically value their association with the organisation are more likely not only to remain with the organisation but also to work towards its success.

9.5 Job Satisfaction before and after Privatisation

This section discusses the dimensions of job satisfaction and the antecedents of intrinsic and extrinsic satisfaction in relation to HRM practices before and after privatisation. Here the results indicate that, in Telekom Malaysia, only the levels of intrinsic satisfaction changed before and after privatisation; in Tenaga Nasional, both intrinsic and extrinsic job satisfaction showed differences before and after privatisation.

According to Porter *et al* (1974) and Mowday *et al* (1982), job satisfaction reflects more immediate reactions to particular aspects of the work situation. Satisfaction refers to the degree to which individuals like or are happy with their work (Price and Muller, 1981) and represents a response to one's specific task and task environment (Mowday *et al*, 1979). Intrinsic satisfaction refers to factors that are characteristics of the job itself, such as morale, values, creativity, ability, achievement, responsibilities, autonomy and authority. Extrinsic satisfaction refers to the conditions that surrounds the job, for example working conditions, pay, benefits, social status, and management policies and practices.

It could be expected that employees' satisfaction with their jobs would be different in both the organisations: Telekom Malaysia is a telecommunications organisation and Tenaga Nasional is an electricity supply organisation and differences in the nature of jobs may lead to such differences. Moreover, different values and cultures in these organisations may contribute to such differences.

9.5.1 Job Satisfaction in Telekom Malaysia

The results showed significant differences in intrinsic satisfaction but not in extrinsic satisfaction before and after privatisation in Telekom Malaysia.

Greater intrinsic satisfaction was apparent after privatisation than before privatisation: employees' satisfaction regarding achievement, advancement, work, responsibility and recognition was greater after privatisation than before privatisation. This favourable outcome may stem from the fact that employees were given more responsibilities after privatisation, given more training to develop their skills and competencies, formed better relationships with management and given more recognition by management.

In terms of extrinsic satisfaction, the results showed no significant differences before and after privatisation : employees perceived no significant changes in organisation policy and administration, technical supervision, working conditions, salary or interpersonal supervision before and after privatisation.

9.5.2 Job Satisfaction in Tenaga Nasional

The results showed differences in intrinsic and extrinsic satisfaction both before and after privatisation at Tenaga Nasional.

Intrinsic satisfaction, satisfaction regarding achievement, advancement, work, responsibilities and recognition was significantly greater after privatisation. The possible reasons for this are that employees were given more chance to improve themselves, more opportunities for training and that their work and contribution were recognised more by management.

Extrinsic satisfaction, concerning the hygiene factors of organisation policy and administration, technical supervision, working conditions, salary and interpersonal supervision, was greater after privatisation than before. The possible reasons are the changes in the organisation's policies and the way it is was managed, employees' better relationships with management and supervisors, aspects of the working conditions have changed and increases in salary after privatisation.

9.5.3 The Interrelationship between Intrinsic and Extrinsic Satisfaction

This sub-section discusses the relationship between intrinsic and extrinsic satisfaction at before and after privatisation for Telekom Malaysia and Tenaga Nasional. The correlation indicated that intrinsic and extrinsic satisfaction are significantly related to each other at the same time (e.g. intrinsic and extrinsic before privatisation) but not necessarily with different times (e.g. intrinsic satisfaction before privatisation and extrinsic satisfaction after privatisation).

For Telekom Malaysia, the correlation between intrinsic and extrinsic job satisfaction was 0.70 before privatisation and was 0.73 after privatisation. Hence it could be indicated that factors such as recognition, achievement, advancement and responsibility are highly related to factors such as pay, working conditions, organisational policy and administration and supervision both before and after privatisation.

The results for Tenaga Nasional also indicate significant relationships between intrinsic and extrinsic satisfaction at the same time but not with different times. The correlation was 0.75 before privatisation but was only 0.73 after privatisation. Although the score decreases over time, the relationship suggest they are strongly related to each other.

In summary, intrinsic and extrinsic satisfaction emerge as closely related to each other in this study. As far as is known there is only one study (Wernimont, 1966) that specifically addressed the relationship between intrinsic and extrinsic satisfaction.

9.5.4 Job Satisfaction and Human Resource Management Practices : The Relationship before and after Privatisation in Telekom Malaysia

This study identified the HRM practices which influence intrinsic and extrinsic satisfaction before and after privatisation. An understanding of the practices that influence intrinsic and extrinsic satisfaction before and after privatisation may be helpful to management in determining the practices that affect employees'

satisfaction on the job. Very few studies have investigated the relationship between job satisfactions and HRM practices before and after privatisation. This study sought to address this gap by looking at the antecedents of intrinsic and extrinsic satisfaction in public organisations which were later privatised.

Pay was associated with intrinsic satisfaction after privatisation, and with extrinsic satisfaction both before and after privatisation. This suggest that pay is closely related to motivator factors such as achievement, advancement and responsibilities more after privatisation compared to before privatisation. Indeed, pay constitutes the contributing and motivating factor for employees to be satisfied. This demonstrate that employees relate pay with their satisfaction on matters regarding achievement, advancement, responsibilities.

Pay meanwhile was also shown to relate significantly to extrinsic job satisfaction, i.e. with organisational policy and administration, working conditions, and supervision both before and after privatisation. This may suggest that pay practices are considered by employees to determine their satisfaction working in the organisation.

Promotion has a significant relationship with both intrinsic and extrinsic job satisfaction before and after privatisation, though the multiple regression analysis indicates a significant relationship with extrinsic satisfaction only before privatisation. This shows that promotion practices in Telekom are closely related to organisational policy and administration, supervision and working conditions (hygiene factors) before privatisation. This may suggest that promotion practices are considered by employees to determine their satisfaction working in the organisation. Employees perceived that promotion practices did not change on privatisation.

Carlopio and Gardner (1995) found a positive relationship between job satisfaction and organisational level, with ratings of job satisfaction increasing as one climbs organisation hierarchy. According to Wright (1990), offering opportunities for

promotion can lead to greater job satisfaction. The importance of employees' perceptions about their career prospects was confirmed by Witt and Nye (1992), who found that employees who perceived fairness in their organisations' pay and promotion were more satisfied with their jobs than employees who perceived less fairness.

Benefits correlated with intrinsic and extrinsic satisfaction before and after privatisation but only indicated it being an antecedent of intrinsic satisfaction and extrinsic satisfaction before privatisation. This suggest that benefits were closely related to motivator factors such as achievement, advancement and responsibilities before privatisation. Benefits is also shown to relate to hygiene factors such as organisational policy and administration, working conditions, and supervision before privatisation.

Performance appraisal was found to be significantly related to intrinsic and extrinsic satisfaction, both before and after privatisation and to extrinsic satisfaction, after privatisation. This suggest that performance appraisal was closely related to achievement, advancement and responsibility before and after privatisation. The possible reason for this is that employees felt their performance will determine their career advancement in the organisation. On the other hand, performance appraisal is also related to hygiene factors, that is organizational policy and administration, working conditions, and supervision after privatisation.

Job security was found to be significantly associated with intrinsic and extrinsic satisfaction both before and after privatisation and the multiple regression results indicated it being an antecedent of intrinsic and extrinsic satisfaction only after privatisation. The possible reason for this is that, since job security was considerably lessened after five years of privatisation, employees felt their jobs were threatened and would prefer more secure employment. Employees might have felt threatened by management's intention to lay off employees with poor performance (a declared

policy), and this may have affected their satisfaction level. Wittmer (1991) found that job security is more valuable than pay in the public sector.

Physical working conditions did not emerge as an antecedent of intrinsic and extrinsic satisfaction either before or after privatisation, although the results show significant correlations with intrinsic and extrinsic satisfaction at both times. Carnevale and Rios (1995) also found a positive relationship between job satisfaction and quality of physical settings. They suggest that the nature of physical working environment is an important factor that shapes employees' attitude on the job.

Training and development was found to correlate and regress with intrinsic and extrinsic satisfaction before and after privatisation : both motivator and hygiene factors are closely related to training and development before and after privatisation. Employees can improve their skills, capabilities, competencies and knowledge of their job by attending training programmes. Therefore, with more skills and knowledge, there is a greater chance for them to advance in their job and in the organisation. Nordhaug (1989) found that employees who had participated in organisational training over their careers reported the training led to high motivation, career development and psycho-social development. The employees also reported increased self-actualisation and self confidence. He said that these factors lead to increased job satisfaction.

Training and development has also shown to relate to satisfaction with hygiene factors such as organisational policy and administration, working conditions, and supervision both before privatisation.

Table 9.5.4 show the HRM practices antecedents of intrinsic and extrinsic satisfaction before and after privatisation.

Table 9.5.4:
Antecedents of Intrinsic and Extrinsic Satisfaction in Telekom Malaysia before and after Privatisation.

Before Privatisation Significant Practices	Dependent Variables	After Privatisation Significant Practices
<i>Training & Development</i> Benefits	Intrinsic Satisfaction	Pay <i>Training & Development</i> Job Security
<i>Training & Development</i> Benefits <i>Pay</i> Promotion	Extrinsic Satisfaction	<i>Pay</i> Job Security Performance Appraisal <i>Training & Development</i>

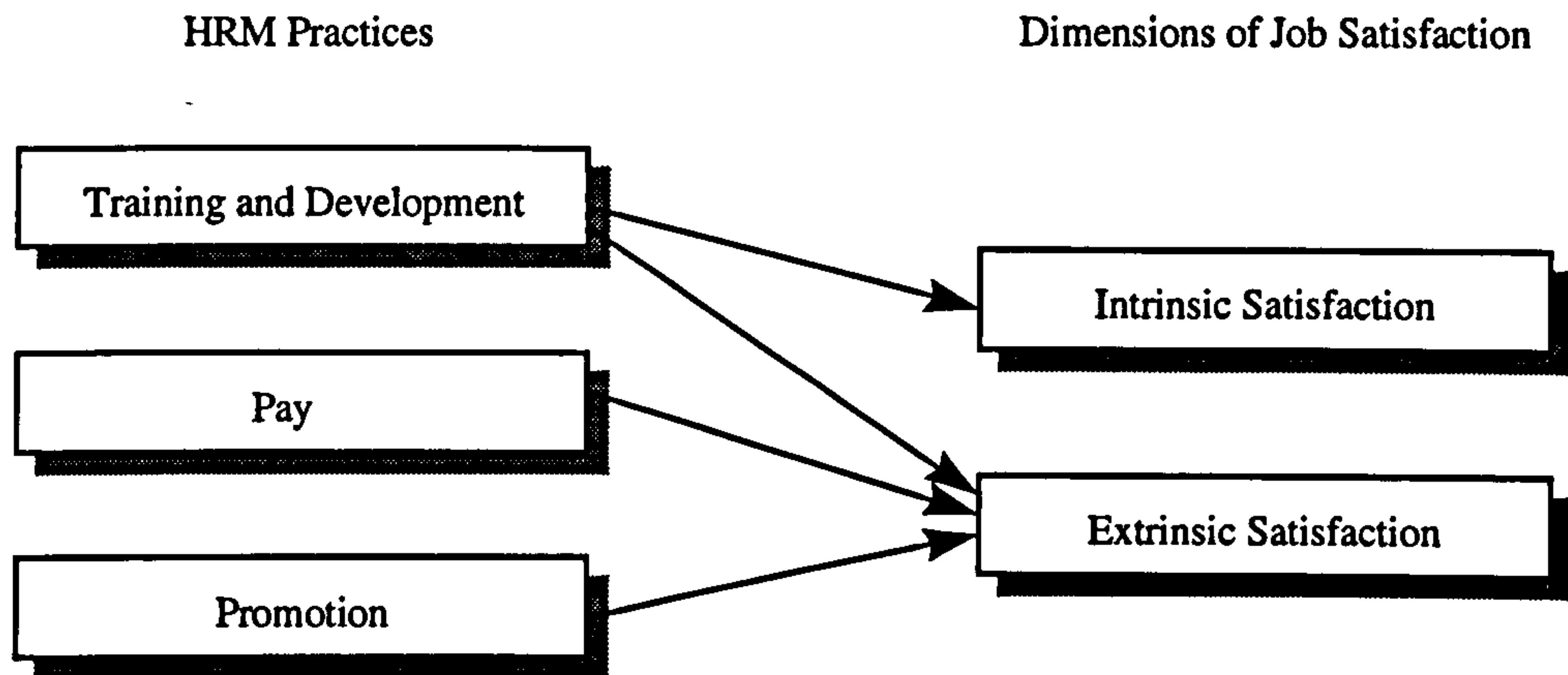
Italic practices indicate being similar before and after privatisation

Intrinsic satisfaction was associated with training and development both before and after privatisation time 1 and time 2. Before privatisation, 56% of the variance in intrinsic satisfaction was explained by training and development, while an additional 3% was contributed by benefits. In contrast, after privatisation, training and development explained only 7% of the variance, while pay explained 21% and job security an additional 3% of the variance. These results suggest that, in a public sector organisation, employees' satisfaction with achievement, advancement, responsibility and recognition is highly related to training and development. In the privatised organisation, however, pay, training and development and job security were related to satisfaction with achievement, advancement, responsibility and recognition. Employees associated training and development with intrinsic satisfaction irrespective whether they were in a public or a private organisation.

Extrinsic satisfaction relates to satisfaction with organisational policy and administration, supervision, working conditions, salary and interpersonal supervision. Before privatisation, the antecedents of extrinsic satisfaction were training and development, benefits, pay and promotion. After privatisation, the antecedents were pay, job security, performance appraisal and training and development. These practices together explained a 48% of the variances both before and after privatisation. The common antecedents for at both times were training and development and pay. The different antecedents were benefits and promotion before privatisation and job security and performance appraisal after privatisation.

The common antecedents of intrinsic and extrinsic satisfaction in Telekom Malaysia before and after privatisation are shown in Figure 9.5.4

Figure 9.5.4:
Common Antecedents of Job Satisfaction in Telekom Malaysia before and after Privatisation



9.5.5 Job Satisfaction and Human Resource Management Practices : The Relationship Before and After Privatisation in Tenaga Nasional

This sub-section discusses HRM practices as antecedents of intrinsic and extrinsic satisfaction in Tenaga Nasional before and after privatisation.

Pay was an antecedent of extrinsic satisfaction after privatisation. It would be expected that pay concerns a basic need for satisfaction among employees. This may suggest that pay practices are considered by employees to determine their satisfaction working in the organisation.

Promotion was significantly related to the dimensions of job satisfaction, before and after privatisation though it was an antecedent of only intrinsic satisfaction before

and after privatisation and of extrinsic satisfaction before privatisation. This suggests that promotion is closely related to motivator factors such as achievement, advancement and responsibilities before and after privatisation. When employees are promoted, they receive increased pay, status and self esteem.

Promotion practices in Tenaga Nasional were also closely related to satisfaction with organisational policy and administration, supervision and working conditions before privatisation. Employees perceived that promotion did not change after privatisation. According to Wright (1990), offering opportunities for promotion can lead to greater job satisfaction. The importance of employees' perceptions about their career prospects was stressed by Witt and Nye (1992), who found that employees who perceived fairness in their organisations' pay and promotion were more satisfied with their jobs than employees who did not perceive such fairness. Carlopio and Gardner (1995) showed a positive relationship between satisfaction and organisational level, with ratings of job satisfaction increasing as one climbs the organisation hierarchy.

Benefits correlate significantly with intrinsic and extrinsic satisfaction before and after privatisation but are not an antecedent of either intrinsic satisfaction or extrinsic satisfaction either before or after privatisation. This suggests that benefits are not related to motivator factors such as achievement, advancement and responsibilities nor to hygiene factors such as organisational policy and administration, working conditions, and supervision either before or after privatisation. It may be concluded that Tenaga Nasional employees did not perceive benefits as a determinant of their job satisfaction.

Performance appraisal was found to relate to both intrinsic and extrinsic satisfaction both before and after privatisation but was an antecedent of only extrinsic satisfaction both before and after privatisation. This implies that performance appraisal is a hygiene factor regardless of public or private ownership.

Job security was found to correlate with intrinsic and extrinsic satisfaction both before and after privatisation but to be an antecedent of intrinsic and extrinsic

satisfaction only after privatisation. The possible reason is that, after privatisation employees were no longer promised guaranteed employment in the organisation. Hence, it is possible they might feel insecure about their job and the association of job security being a motivating and hygiene factor is understandable.

Physical working conditions, were an antecedent of extrinsic satisfaction only before privatisation. This may suggest that physical working conditions are considered by employees in determining their satisfaction working in the organisation. A positive relationship between job satisfaction and the quality of physical setting was important in shaping employees attitude on the job (Carnevale and Rios, 1995).

Training and development was an antecedent of intrinsic satisfaction both before and after privatisation and an antecedent of extrinsic satisfaction before privatisation. Training and development enhances opportunities for employees self and career development and increases satisfaction. Training and development also relates to hygiene factors : policy regarding training practices had been implemented and has provided more opportunities for the employees.

Table 9.5.5 show the HRM practices antecedents of intrinsic and extrinsic satisfaction before and after privatisation.

Table 9.5.5:
Antecedents of Intrinsic and Extrinsic Satisfaction in Tenaga Nasional Before and After Privatisation

Before Privatisation	Dependent Variables	After Privatisation
Significant Practices		Significant Practices
<i>Training & Development</i> <i>Promotion</i> <i>Job Security</i>	Intrinsic Satisfaction	<i>Training & Development</i> <i>Promotion</i> <i>Job Security</i>
Training & Development Job Security Promotion <i>Performance Appraisal</i> <i>Physical Working Conditions</i>	Extrinsic Satisfaction	<i>Performance Appraisal</i> <i>Job Security</i> Pay

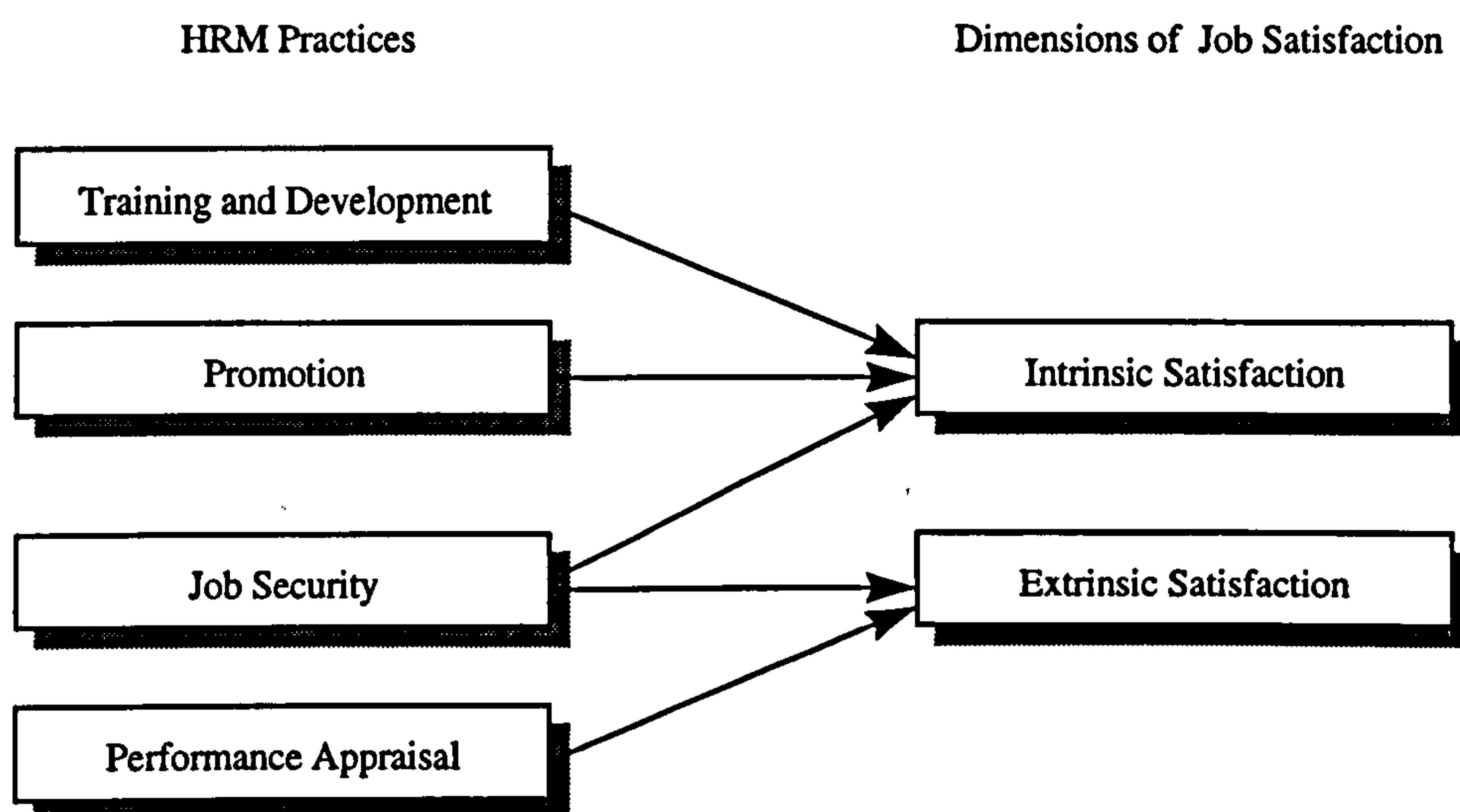
Italic practices indicate being similar before and after privatisation

The common antecedents of intrinsic satisfaction both before and after privatisation were training and development, promotion and job security. Before privatisation, training and development explained 48% of the variation in intrinsic satisfaction, with promotion adding a further 1% and job security a further 2%. The total explained variances for intrinsic satisfaction before privatisation are 51%. After privatisation, training and development explained 29%, job security an additional 2% and promotion a further 4% of variance in intrinsic satisfaction. Although the antecedent practices were common at both times, the difference lies in the strength of explained variances. Training and development was more strongly associated with employees' achievement, advancement, responsibility and recognition when Tenaga Nasional was in public ownership than subsequently as a private organisation.

The antecedent HRM practices of extrinsic satisfaction before privatisation were training and development, job security, promotion, performance appraisal and physical working conditions. After privatisation, the antecedent HRM practices were performance appraisal, job security and pay. The common antecedent practices at both times therefore were performance appraisal and job security. The different antecedents of extrinsic satisfaction before privatisation were training and development, promotion and physical working conditions, and after privatisation, pay. Before privatisation, training and development explained 42 % of the variance in extrinsic satisfaction with job security adding a further 6%, promotion 3%, performance appraisal 4% and physical working conditions 1%. After privatisation, performance appraisal explained 34% of the variance in extrinsic satisfaction, with job security explaining a further 8% and pay a further 2%. This demonstrated that the antecedents of HRM practices explained 56% of the variance in extrinsic satisfaction before privatisation compared with only 44% after privatisation. The antecedent HRM practices in a public organisation was therefore more strongly related to satisfaction with organisational policy and administration, supervision, working conditions and salary than it was when privatised. Extrinsic satisfaction appears to be different in a public and private organisation. Figure 9.5.5 shows the common antecedents of job satisfaction in Tenaga Nasional before and after privatisation.

Figure 9.5.5:

**Common Antecedents of Job Satisfaction in
Tenaga Nasional before and after Privatisation**



9.5.5.1 Common Antecedents of Job Satisfaction in Telekom Malaysia and Tenaga Nasional Before Privatisation

This sub-section discusses the common HRM antecedents of intrinsic and extrinsic satisfaction in Telekom Malaysia and Tenaga Nasional before privatisation. The results suggest that the common HRM practices have same effect on intrinsic and extrinsic satisfaction in both organisations before privatisation.

For intrinsic satisfaction, the antecedent HRM practices in Telekom Malaysia were training and development, and benefits, while in Tenaga Nasional, the antecedent practices were training and development, promotion and job security. Hence, the common antecedent practice for intrinsic satisfaction before privatisation in both organisations was training and development. Employees in both organisations associate training and development with their satisfaction regarding the motivating factors. The possible reason is that employees in both organisations associate training

and development with enhancing opportunity for advancement and developing their skills and ability. The different antecedent HRM practices were benefits in Telekom Malaysia and promotion and job security in Tenaga Nasional. The difference in antecedent HRM practices may be related to the different environments and policies of both organisations.

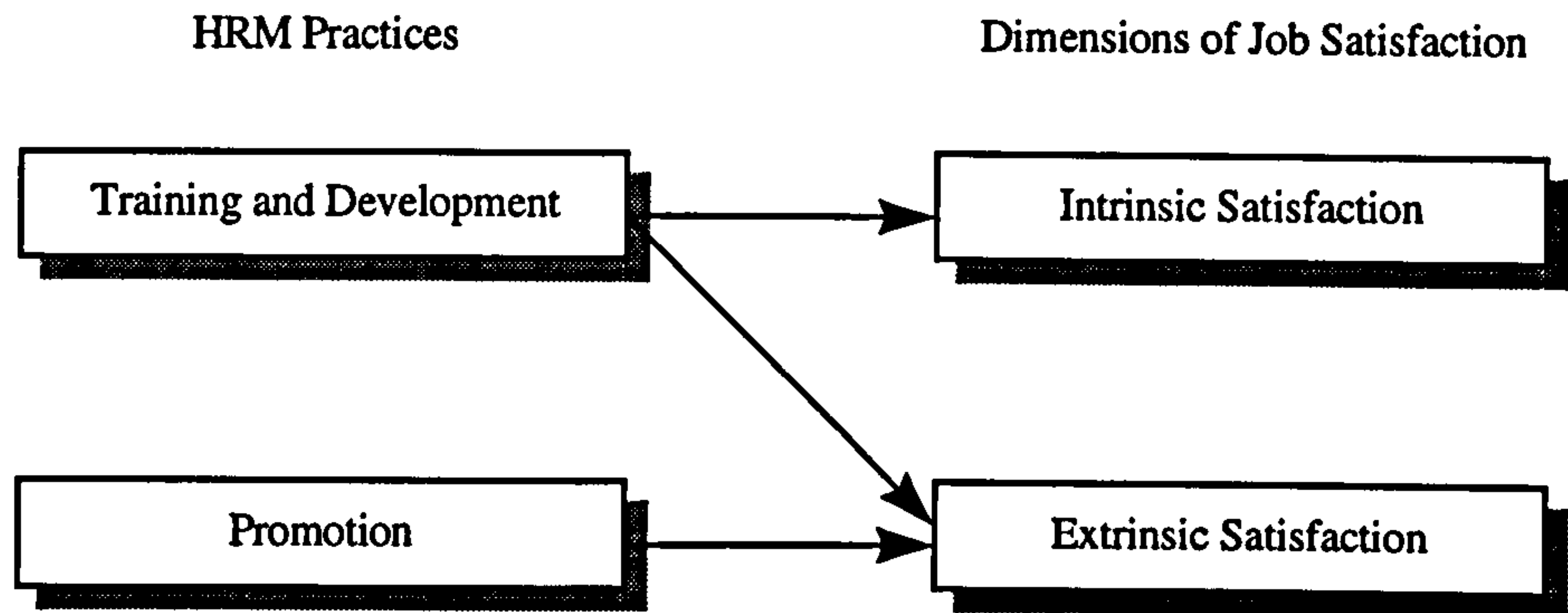
The antecedent HRM practices of extrinsic satisfaction before privatisation in Telekom Malaysia were training and development, benefits, pay and promotion. In Tenaga Nasional, the antecedent practices were training and development, job security, promotion, performance appraisal, and physical working conditions. The common antecedent HRM practices in both organisations before privatisation were training and development, and promotion. These are associated with hygiene factors before privatisation. The likely reason is that training and development policies in the organisations were already changing before privatisation and employees were being given more opportunities to go for training. Therefore, employees have opportunities to enhance their skills, knowledge and abilities in order to adapt to the changing environment.

Employees who had been promoted received increased pay and responsibilities and this may have boosted their self actualisation and self-esteem in the work place.

The common HRM practice antecedents of job satisfaction before privatisation in both organisations is shown in Figure 9.5.5.1

Figure 9.5.5.1:

**Common Antecedents of Job Satisfaction in
Telekom Malaysia and Tenaga Nasional before
Privatisation**



9.5.5.2 Common Antecedents of Job Satisfaction in Telekom Malaysia and Tenaga Nasional After Privatisation

This sub-section discusses the antecedent of job satisfaction in Telekom Malaysia and Tenaga Nasional after privatisation.

For intrinsic satisfaction, the antecedent HRM practices in Telekom Malaysia were training and development, pay and job security, while in Tenaga Nasional, the antecedent HRM practices were training and development, promotion and job security. The common antecedent HRM practices for intrinsic satisfaction after privatisation in both organisations therefore were training and development, and job security. The likely reason is that, training and development could enhance employees skills, abilities, and knowledge. Apart from that, it could help to improve their personal and career advancement working in the organisation, and with this they have created chances of promotion and given responsibilities. Hence, it could make them satisfied. For job security, the likely reason is that, since there was no longer

guaranteed employment after privatisation, employees associated it being a practice which will make them satisfied working for the organisation. The security is seen as a motivating factor for them to advance in the organisation, and be given responsibilities; all this will motivate them to work harder in the organisation.

The different antecedent HRM practices were pay in Telekom Malaysia and promotion in Tenaga Nasional. The differences in antecedent HRM practices may be related to the different environment, culture and policies in both organisations.

The antecedents of extrinsic satisfaction after privatisation in Telekom Malaysia were training and development, performance appraisal, pay and job security. The antecedents of extrinsic satisfaction after privatisation in Tenaga Nasional were pay, job security, and performance appraisal.

The common antecedents in both organisations were indicated performance appraisal, job security and pay. Performance appraisal was introduced only after privatisation in both organisations. It was used to indicate to employees their progress and achievement in the organisation. Management also used performance appraisal as a basis for yearly bonuses, promotion and training needs. Therefore, performance appraisal reveal relationship with employees satisfaction of the hygiene factors. This could be the reason for employees to relate performance appraisal with their satisfaction regarding the hygiene factor.

Job security also shown to be the hygiene factors for employees to be satisfied working in the organisation. The likely reason is that, employees see job security as an important practice for them to be satisfied. This is because they want to feel secure and have permanent employment working in the organisation.

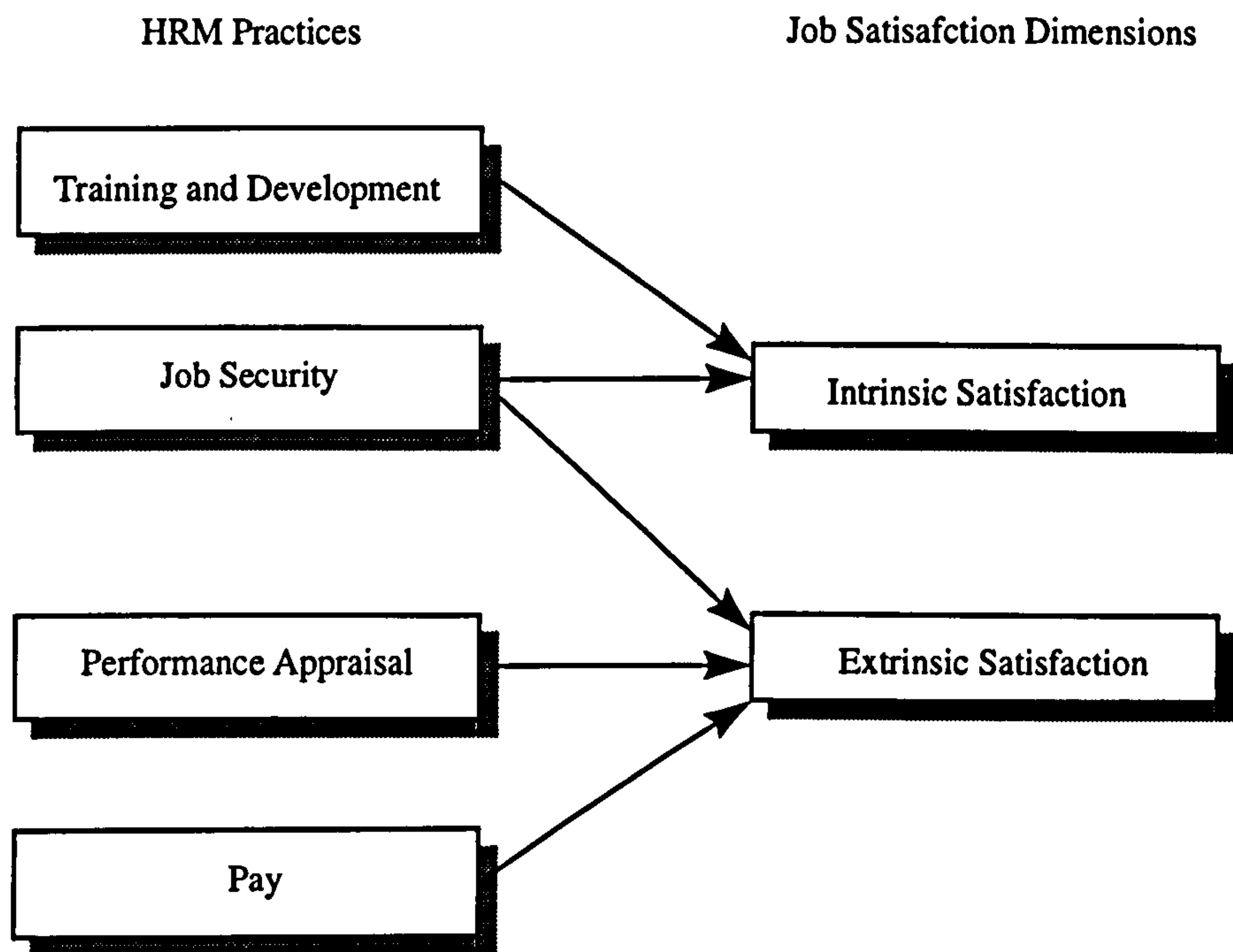
Pay also indicate being related to hygiene factors for employees to be satisfied in both organisations after privatisation. The possible reason is that pay is the main reason why most employees work. Pay that they received could be used to maintain

themselves and their family. Hence, it is seen as a practice which will determine their satisfaction working in the organisation.

In *Summary*, the common antecedent practices could indicate employees in both organisations associate the practices being the motivating (job satisfaction and training and development) and hygiene factors (performance appraisal, job satisfaction and pay) for them to be satisfied working in the organisation after privatisation. A summary of the common antecedents of job satisfaction after privatisation is shown in figure 9.5.5.2.

Figure 9.5.5.2:

**Common Antecedents of Job Satisfaction in
Telekom Malaysia and Tenaga Nasional After
Privatisation**



9.6 Results of the Change Practices

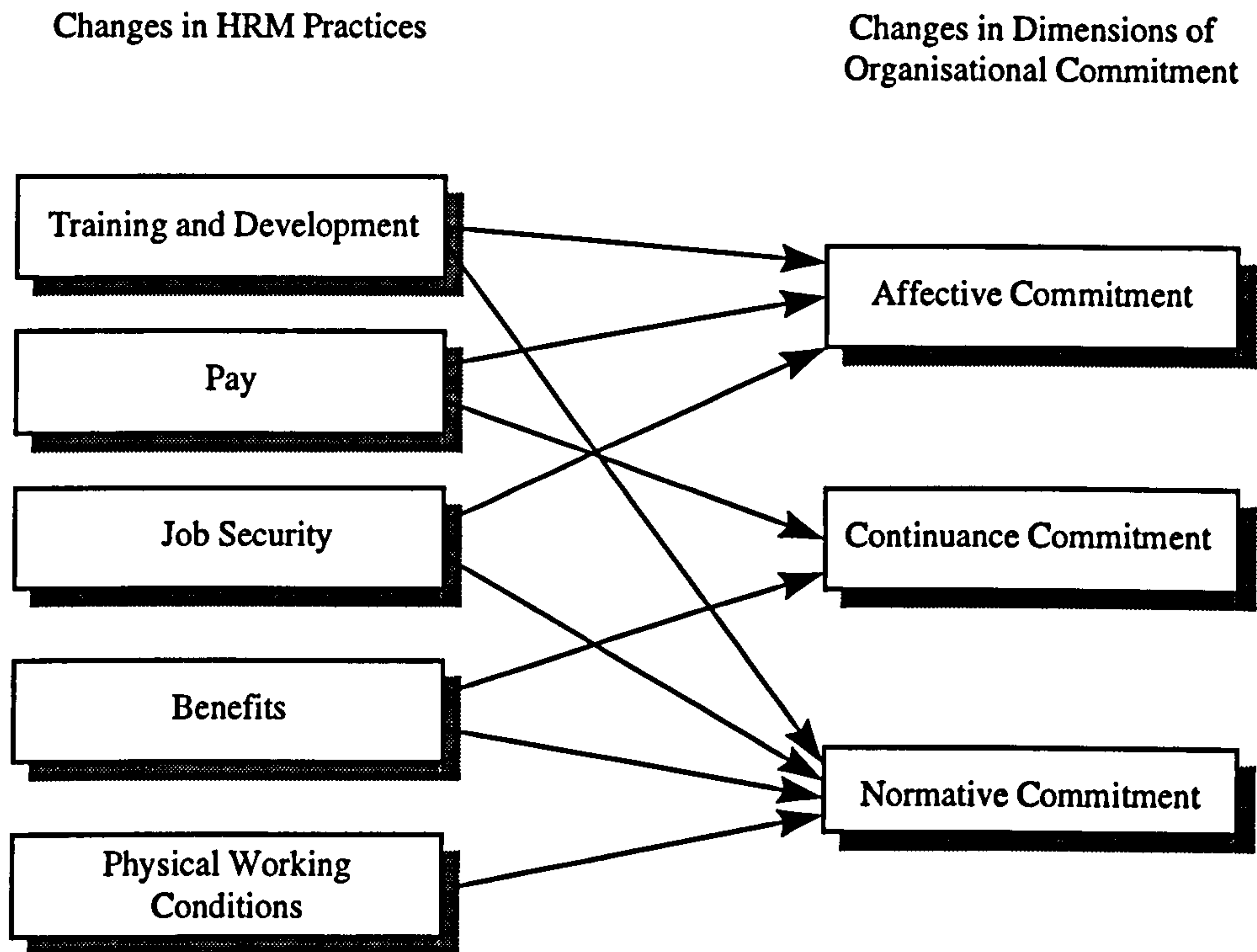
This sub-section discusses the findings for the additional variables created based on changes in the HRM practices and changes in organisational commitment and job satisfaction before and after privatisation.

Results of correlation of change practices before and after privatisation for Telekom Malaysia and Tenaga Nasional show that all the changes in HRM practices, changes in organisational commitment and the changes in job satisfaction have positive relationships with one another. Although all the changes in HRM practices have relationships with the dependent variables, they do not necessarily show significant results when regressed on the dependent variables. The regression results for Telekom Malaysia and Tenaga Nasional are discussed in this sub-section.

9.6.1 Changes in HRM Practices and Changes in Organisational Commitment : the relationships

Here we discuss the changes in HRM practices as antecedents of changes in organisational commitment in Telekom Malaysia and Tenaga Nasional. This study omitted reporting and discussing the findings in relation to the relationships of the dimensions of organisational commitment with one another because these are not germane to this thesis. The results of the multiple regression is presented in Figure 9.6.1a for Telekom Malaysia and in Figure 9.6.1b for Tenaga Nasional.

Figure 9.6.1a:
**Antecedents of Changes in Organisational
 Commitment in Telekom Malaysia**



For change in affective commitment, which is the emotional attachment to, identification with and involvement in the organisation, the results show that changes in the HRM practices of training and development, pay and job security are antecedents.

This suggests that privatisation has caused respondents to relate changes in training and development, pay and job security as a reason to belong in the organisation. Training and development improves their skills, abilities and knowledge which in turn appear to make them want to belong to the organisation. Secondly, the increase pay which employees received after privatisation may be a contributing factor, as employees were happier and satisfied with the pay they received. Job security also shown being the reason for employees wanting to belong in the organisation. Thirdly, it may be that employees felt that the change from a public organisation to a

private organisation threatened their job security. Therefore, they feel that if they continue to have job security, it will make them feel emotionally attached, be identified as employees' of Telekom Malaysia, and will be more involved in the organisation's activities.

For change in continuance commitment, which is the cost employees associate with leaving the organisation, the result showed changes in pay and benefits to be antecedents. This may suggest that, if employees were being offered a better pay elsewhere, there is a possibility they might leave. The types of benefits they received such as medical, scholarships, employees provident fund, holidays, housing and vehicle loans are among the likely reasons why they need to belong to the organisation. It may be that the benefits they received in Telekom Malaysia does not commensurate with what other potential organisations are offering.

For change in normative commitment, which is the feeling of obligation to stay in the organisation, the change in practices of training and development, job security, benefits and physical working conditions were shown to be the antecedents. This suggests that those practices are reasons why employees feel obligated to stay in the organisation.

In terms of change in training and development, the amount of training they received could be the reason for them to feel obligated to stay in the organisation. The possible reasons is because they are satisfied with the training and the training they received has helped to enhance their knowledge, skills and capabilities in performing their job.

Change in job security was also found to relate to employees' feeling obligated to stay in the organisation. The possible explanation for this is that, although management was free to lay off employees after five years of privatisation, most of the employees still remain in the organisation. The change after privatisation was not seen as threatening employees' job security. Management's increased emphasis on

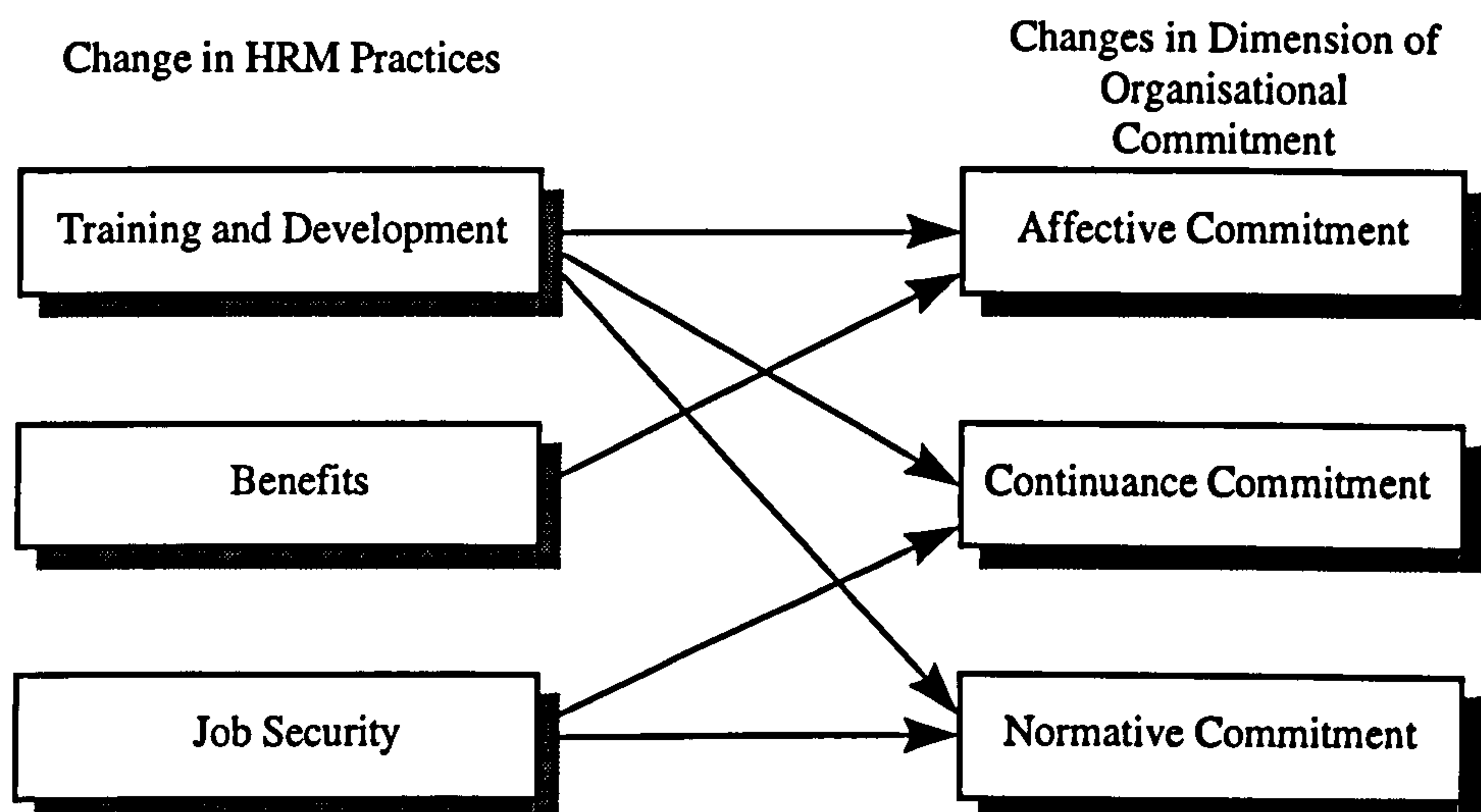
training and development might have encouraged employees to remain in the organisation, as they would feel secure in terms of employment.

Change in benefits also emerge as a reason for employees to feel obligated to stay in the organisation. It may be that, the type and amount of benefits given to employees made them feel they were commensurate to the work they did in the organisation. They also perhaps felt comfortable with the benefits provided to them.

Figure 9.6.1b shows the results of change in HRM practices as antecedents of change in organisational commitment dimensions in Tenaga Nasional.

Figure 9.6.1b:

Antecedents of Changes in Organisational Commitment in Tenaga Nasional



For change in affective commitment, which is the emotional attachment to, identification with and involvement in the organisation, the results show that change in the HRM practices of training and development and benefits were antecedents.

This may suggest that privatisation has caused respondents to regard training and development and benefits as the reasons to belong in the organisation. It may be that, training they received improved their skills, abilities and knowledge. It may also be that employees felt that the change from a public organisation to a private organisation increased the benefits they received. The type of benefits they received, such as medical, scholarships, employees provident fund, holidays, housing and vehicle loans, are the likely reason why they want to belong in the organisation. And it may be that the benefits they received in Tenaga Nasional were better than those other organisations were offering.

For change in continuance commitment, which is the cost employees associate with leaving the organisation, the results show change in training and development and in job security as antecedents.

The possible reason is that training has improved employees' skills, abilities and knowledge but would be costly if they were to pay for their own. This suggests that the training employees receive deters them from leaving the organisation.

Change in job security was also shown to relate to the cost employees associate with leaving the organisation. An explanation for this may be that most of the respondents we likely to have family and financial commitment and that this would make job security a more important consideration for them in order to meet their commitments. Another possibility is that, if employees change organisations, it may involve relocation and require learning new organisational procedures and establishing new friendships. Hence most respondents may prefer the feeling of a comfortable and secure job compared to the uncertainty that a new organisation might offer.

For change in normative commitment, which is the obligation to stay in the organisation, the changes in the practices of training and development and job security were shown to be antecedents. The possible reason for training and

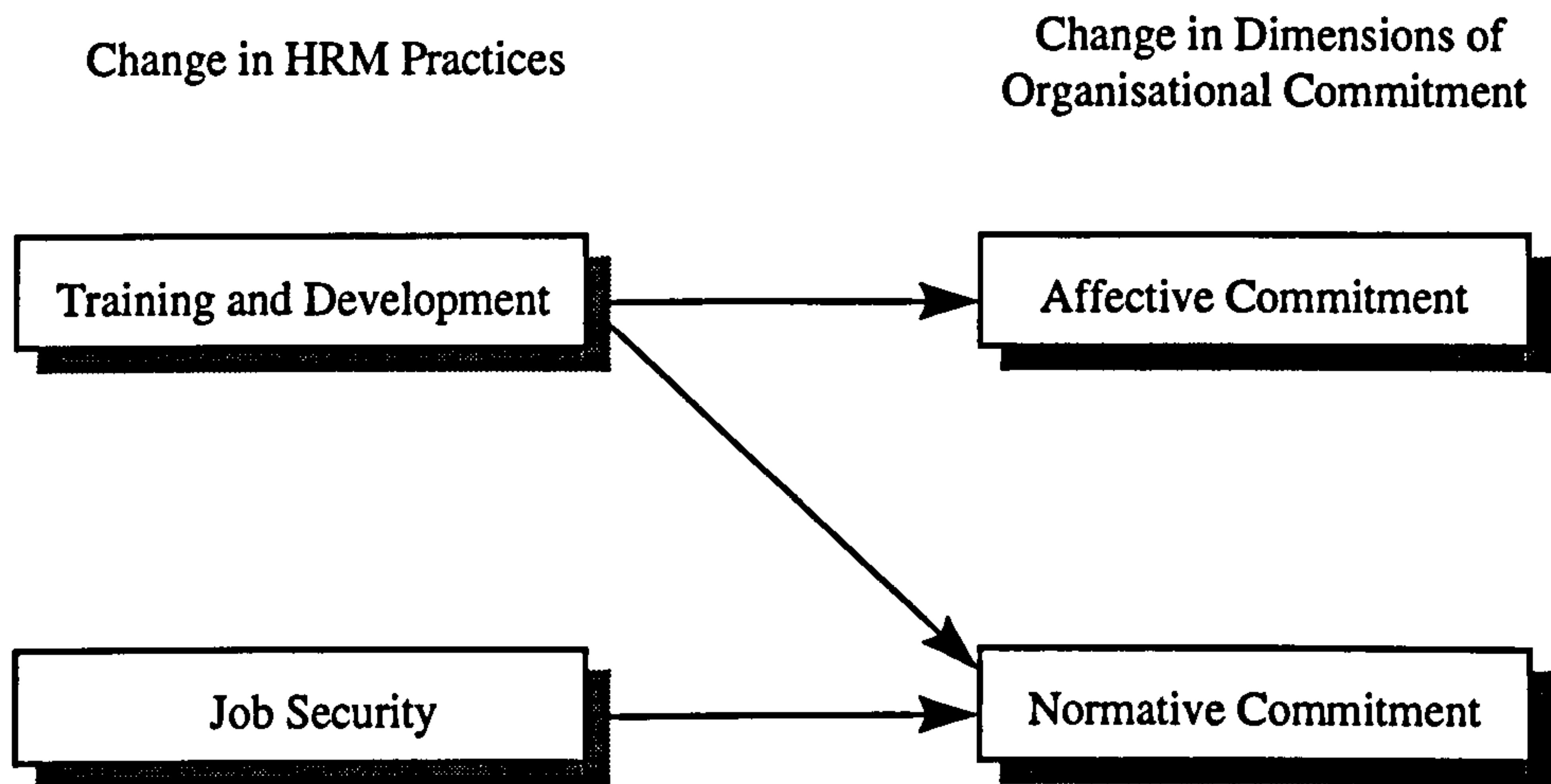
development is that they have improved their skills, abilities and knowledge but that training would be costly if they were to pay for their own.

Change in job security was also found to relate to the employees' feeling obligated to stay in the organisation. The explanation for this may be that most of the respondents were likely to have family and financial commitments, and this would make job security a more important consideration for them in order to meet their commitments. Another possibility is that, if employees change organisation, it may involve relocation and require learning new organisational procedure and establishing new friendship. Hence, most respondents may feel obligated to leave the comfortable and secure job compared to the unfamiliar situations and conditions in a different organisation.

9.6.2 Common Antecedents of Changes in Organisational Commitment in Telekom Malaysia and Tenaga Nasional

Figure 9.6.2 shows the common antecedents in respect of changes in HRM practices for changes in organisational commitment in Telekom Malaysia and Tenaga Nasional.

Figure 9.6.2:
**Common Antecedents of Change in Organisational
 Commitment in Telekom Malaysia and Tenaga
 Nasional**



The common antecedent of change in affective commitment is change in training and development. This suggest that privatisation has caused respondents to regard training and development as a reason to belong in the organisation. It may be the training they received improved their skills, abilities and knowledge, and hence felt they want to remain in the organisation.

For change in normative commitment, that is the feeling of obligation to belong to the organisation, the common antecedents were changes in training and development and changes in job security. The possible reason is that employees in both organisations felt the training they received in their respective organisation make them feel indebted to remain and serve the organisation. Another possible reason is

that the training they received had increased their skills, capabilities and competency in their work and hence they felt obligated to remain in the organisation.

Change in job security is also a common antecedent of change in normative commitment in both organisations. The possible reason is that, for the first five years of privatisation, none of the employees could be laid off: since Telekom Malaysia and Tenaga Nasional were privatised in 1990 and 1992 respectively, employees still felt obligated to remain in the organisations. The survey was carried out in 1996, that is 6 years after privatisation in Telekom Malaysia and 4 years in Tenaga Nasional. This may suggest that the change from being a public to a private organisation does not change the feeling of obligation to remain in the organisation. It may be that most employees had been working for more than ten years, therefore their desire to remain in the organisation was strong. Another possible reason may be the disruption of relocation and adapting to a new environment. Relocation to a different area, involves not only the employee but also their entire family. This may be costly financially, apart from having to adjust to the new organisational climate and procedures.

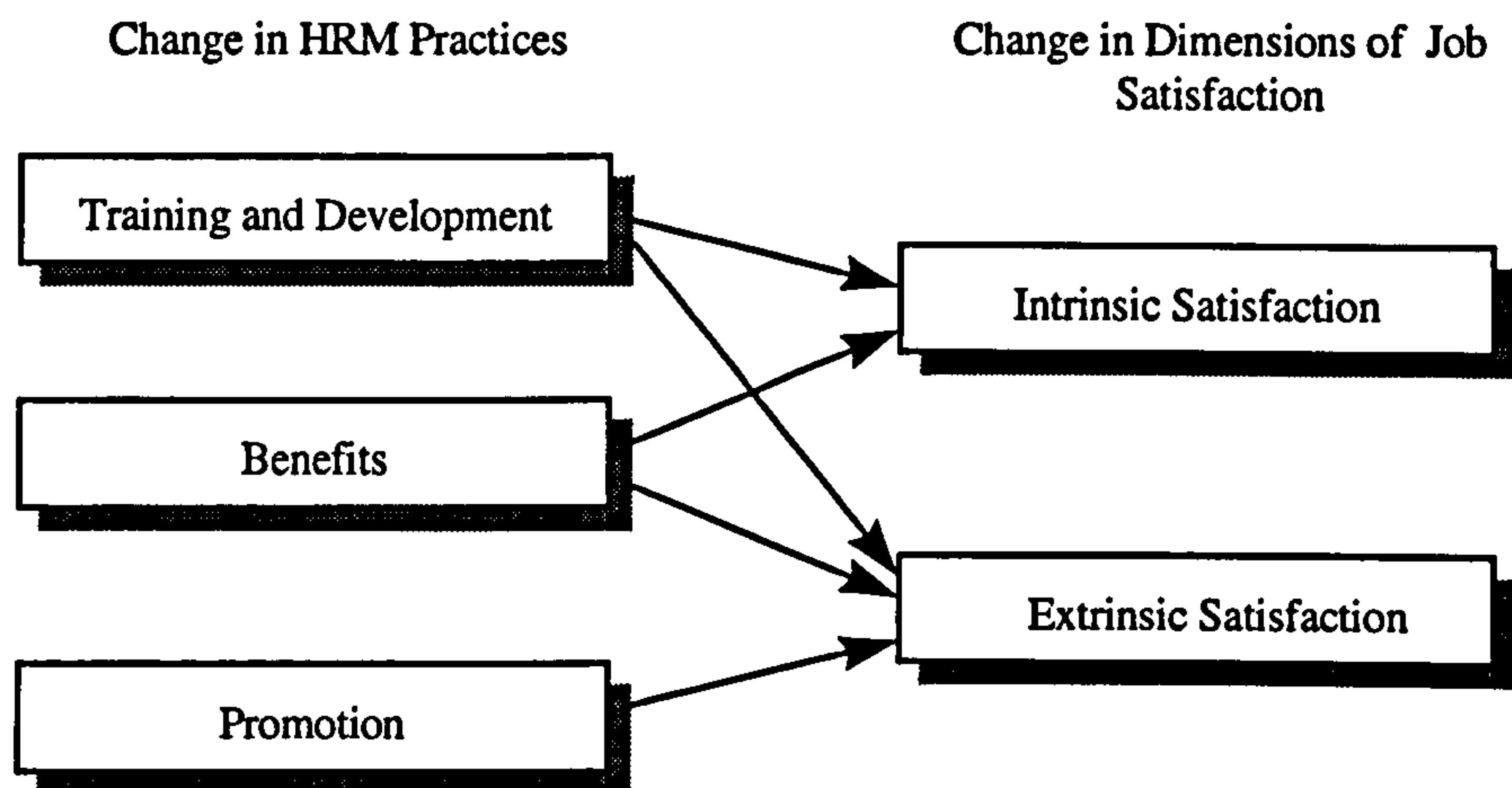
9.6.3 Changes in Human Resource Management Practices and Changes in Job Satisfaction After Privatisation: The Relationships

This sub-section discusses the changes in HRM practices after privatisation as antecedents of change in job satisfaction dimensions in Telekom Malaysia and Tenaga Nasional. (This study omitted reporting and discussing the findings in relation to the dimensions relationships with one another because it is not germane to this thesis).

9.6.3.1 Changes in Human Resource Management Practices and Changes in Job Satisfaction After Privatisation in Telekom Malaysia

Figure 9.6.3.1

Antecedents of Change in Job Satisfaction in Telekom Malaysia after Privatisation



For change in intrinsic satisfaction, which reflects the motivating factors associated with the job or outcomes directly derived from the job, the results for Telekom Malaysia show that the antecedents are change in training and development and change in benefits. This indicate changes in these practices influence employees' satisfaction regarding recognition, achievement, advancement, responsibilities, autonomy and authority.

This may suggest that privatisation has caused respondents to regard training and development as a reason for them to feel satisfied working in the organisation. For example, the training they received may have assisted them to advance in the organisation in terms of being promoted or being given other responsibilities. They

may have felt satisfaction with the training they received while working in Telekom Malaysia because it increased their abilities, skills, and knowledge on the job.

Change in benefits is also a motivating factor associated with employees being satisfied.

For change in extrinsic satisfaction, which comprises hygiene factors associated with conditions surrounding the job, the results indicate that changes in training and development, benefits and promotion are antecedent.

It may be that, the training and development practices have change since privatisation to corresponds to the current needs being a private organisation. Employees need to be better equipped and prepared for the changes that is implemented in the organisation. Training and development is a tool to assist employees to adapt to the changed environment. Hence, the change in training and development may have a relationship with the changing working conditions and the organisational policy and administration.

Change in benefits was also found to be an antecedent of change in extrinsic satisfaction. Employees were satisfied with the improved and better benefits which they received after privatisation. An explanation for this that respondents possibly are comfortable with the benefits provided by the privatised organisation in meeting their basic needs.

Change in promotion was an antecedent of change in extrinsic satisfaction, indicating that they have greater opportunities to be promoted. This suggest that change in the promotion practice is likely to effect employees' satisfaction on the job.

9.6.3.2 Changes in Human Resource Management Practices and Changes in Job Satisfaction After Privatisation in Tenaga Nasional

The next sub-section looks at the antecedents of change in job satisfaction in Tenaga Nasional after privatisation.

Figure 9.6.3.2:

Antecedents of Change in Job Satisfaction in Tenaga Nasional after Privatisation

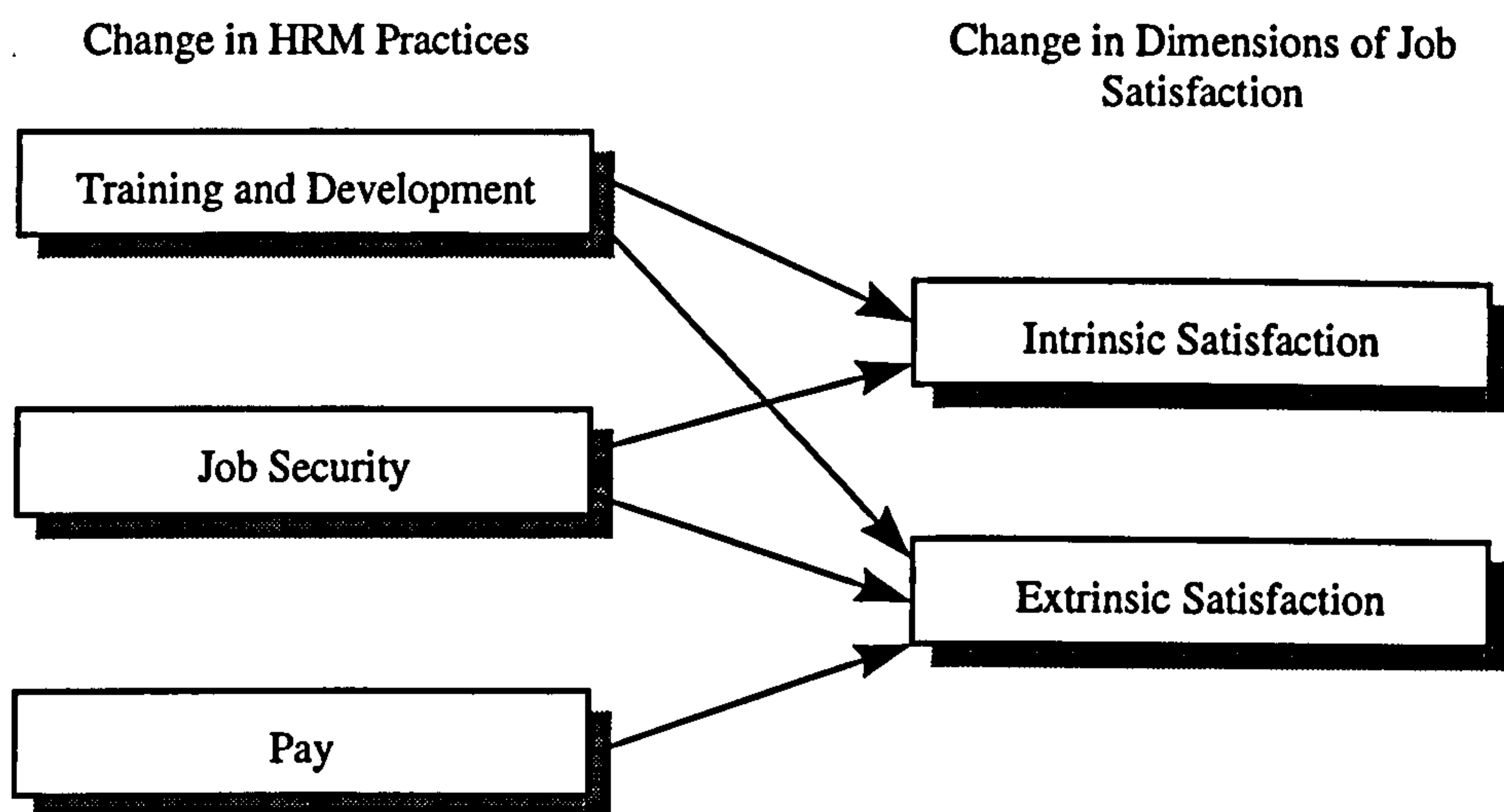


Figure 9.6.2.2 shows the antecedent in terms of HRM practices of change in job satisfaction in Tenaga Nasional after privatisation. (The discussion omitted reporting this findings in relation to the dimensions relationships with one another because it is not germane to this thesis).

For change in intrinsic satisfaction, the motivating factors associated with the job itself or outcomes directly derived from the job, the results in Tenaga Nasional show the antecedents are change in training and development and job security.

A possible reason is that the training they received in the organisation have assisted them to advance in the organisation in terms of being promoted or being given responsibilities.

Change in job security was also the motivating factor associated with employees satisfaction. The likely reason is that, after privatisation, employees were no longer promised guaranteed employment in the organisation. Hence, it is possible they felt their employment was threatened. Most of the respondents had families and financial commitment, thus making job security an important consideration for them in order to meet other commitments. If they changed organisation, it would be likely to involve relocation and require them to adapt to the new organisation. Most employees would prefer the satisfaction of a secure job.

For change in extrinsic satisfaction, hygiene factors associated with conditions surrounding the job, the result indicate that changes in training and development, benefits and promotion were the antecedents. It may be that training and development practices had changed since privatisation to meet the current demands involve in being a private organisation. Employees need to be better equipped and prepared for the new kind of environment. Training and development is seen as a tool to assist employees to adapt to the changes.

Change in job security was also found to be an antecedent of change in extrinsic satisfaction. An explanation for this is that respondents may be comfortable with the permanent job they once had while working in a public organisation. The change in job security may have made them feel uncomfortable and insecure as they were not certain if and when they would be laid off. It may be that, this change was a hygiene factor which influenced their job satisfaction.

Change in pay was an antecedent of change in extrinsic satisfaction. Employees indicated that they received higher monthly pay after privatisation. Pay is an

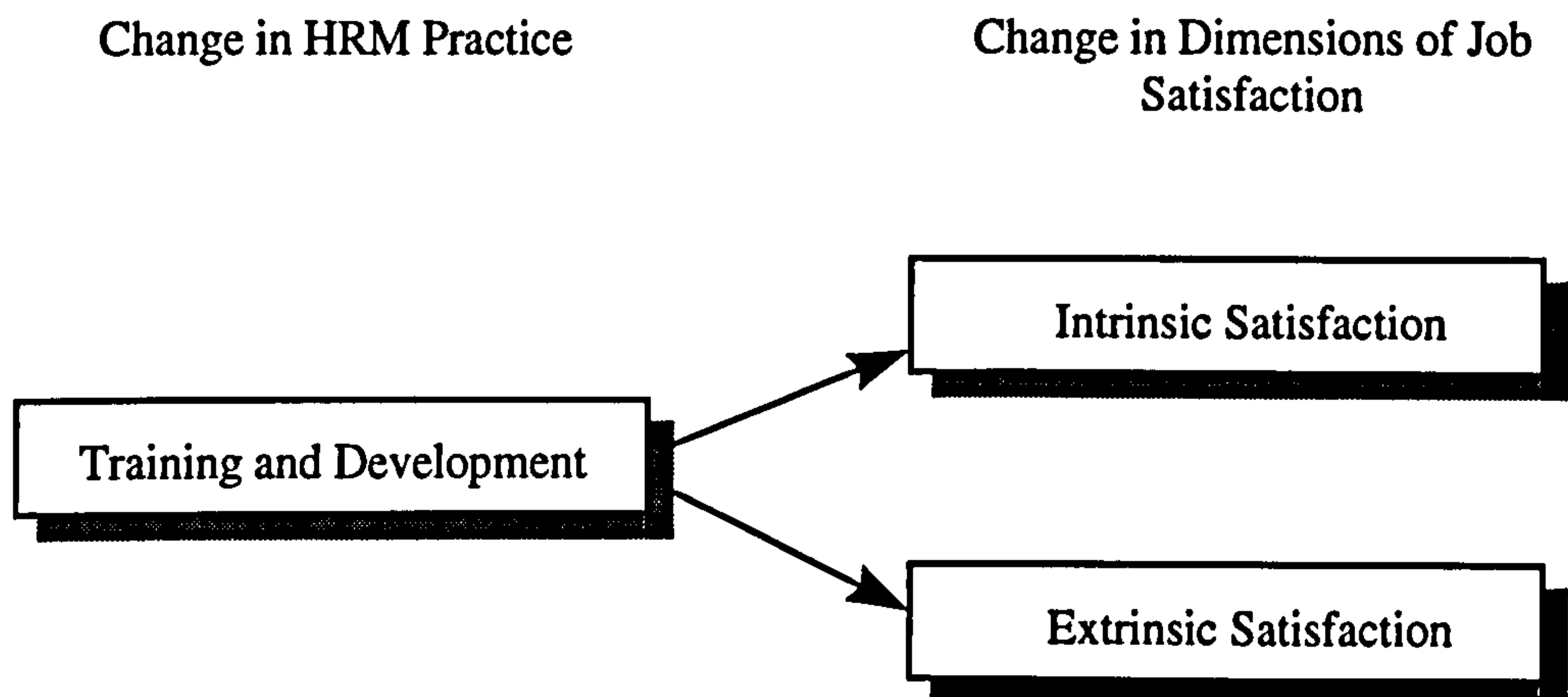
important HRM practice as it influences employees' job satisfaction because employees need money to support themselves and their family.

9.6.3.3 Common Antecedents of Change in Job Satisfaction Dimensions in Telekom Malaysia and Tenaga Nasional after privatisation.

The following sub-section look for the common changes in HRM practices as antecedents of change in job satisfaction in Telekom Malaysia and Tenaga Nasional. Figure 9.6.3.3 show common antecedents of change in job satisfaction in Telekom Malaysia and Tenaga Nasional.

Figure 9.6.3.3:

Common Antecedents of Change in Job Satisfaction in Telekom Malaysia and Tenaga Nasional



The common antecedent of change in HRM practices for intrinsic and extrinsic satisfaction in Telekom Malaysia and Tenaga Nasional is training and development. The likely reason is that training and development helps to enhance employees' personal efficacy in terms of their skills, abilities and knowledge. Assisting employees in their job and also for their future career advancement in the organisation.

Conclusion

Employees associate privatisation with the HRM practice of training and development, which is an antecedent of both affective and normative commitment and intrinsic and extrinsic satisfaction, both before and after privatisation. Changes in training and development were strongly associated with changes in affective and normative commitment and also with changes in intrinsic and extrinsic satisfaction. Hence training and development is a major practice that is closely linked to affective commitment.

Hussey (1993) recommends increased attention to trying to make management development and training more effective by tying it much closer to corporate objectives and strategies. Training is also related to implementing new policy, and therefore it has an effect on organisational change. In both policy and strategy implementation, there is the possibility that an individual may feel threatened because of the lack of skill or knowledge to cope with a new situation or because his or her psychological contract has been changed (job security). Hence training and development could reduce the barrier of such feelings. Sisson (1989), says that training is an element which is central to any assessment of the effectiveness of human resource management strategy and is linked to HRM as a symbolic value: it demonstrate to employees the value that company places on them and can thus contribute to motivation.

The importance of training and development therefore has to be given consideration. The main aim of training and development is to improve employees skills, abilities

and knowledge. With training, employees will feel that they have the ability to find other employment if they need to. As job security is no longer available, the focus should be diverted to other forms of self development. Training and development may be seen as a method to assist employee to develop themselves and also their career.

The traditional management training system in many developing countries is based on one central management training institute. Such institutes focus mainly on improving technical rather than managerial skills. Privatisation is associated with power decentralisation and greater customer orientation. In a competitive business environment, effective HRM policies and practices are crucial to success.

The impact of privatisation on management can be traced through several logical stages (Prokopenko, 1995). Privatisation has an impact on organisational restructuring and managerial practices, leading to changes in managerial styles, skills and attitudes, and a new demand for management training institution to meet these challenges. This idea is consistent with the findings and conclusion regarding training and development in this research. Training and development in this research was found to be associated strongly with affective and normative commitment, and also with intrinsic and extrinsic satisfaction after privatisation. In respect of the change in HRM practices, change in training and development was also found to have a strong relationship with changes in affective and normative commitment and with changes in intrinsic and extrinsic satisfaction.

Newly privatised organisations are increasingly trying to become more client and market oriented. These organisations are also beginning to recognise that the skills and commitment of their employees and the quality of their managers will determine future success. Employees' competence is recognised as the most precious resource, and investment in training and critical HRM practices is replacing the traditional personnel practices.

As a consequence of privatisation, top management's attitudes will change in state-owned companies. Instead of considering employees in terms of production and cost factors, managers will view them as a vital creative resource to meet customer expectations and as a source of revenue (Prokopenko, 1995). Further, private companies try to match available human resources (skills and potential) with the corporate mission and goals (Krulis-Randa, 1990). Prokopenko (1995) also suggests that personnel policy objectives in private companies are formulated more concretely and thus facilitate the development of employees as well as the use and evaluation of their contribution to enterprise results.

9.7 Implications for Practice

Given the importance of HRM practices, human resource managers should focus their attention on the types of HRM practices that can influence employees' commitment and job satisfaction. Researchers can help by developing sound means for measuring them. A degree of breadth is important because the culture of an organisation may cause a specific subset of HRM practices to have greater effects on organisational attitudes. Difference in emphases could cause certain HRM practices to have positive or negative impacts on commitment. The role of specific HRM practices may vary by organisation in terms of their culture and environment.

HRM managers who seek to assess and increase employee commitment levels should:

1. Examine the HRM policies and practices of their organisation. Is there an official statement of their policy? What is the informal impression of them?
2. Assess how HRM practices are communicated to employees. They should be communicated in a sincere manner so that they favourably affect employee perception of concern and reciprocity.

9.8 Summary

It is evident that HRM practices are antecedents of affective, continuance and normative commitment and also intrinsic and extrinsic satisfaction before and after privatisation. The common antecedents of affective commitment in Telekom Malaysia and Tenaga Nasional before privatisation were training and development, performance appraisal and job security. For continuance commitment, the common antecedents in the organisations before privatisation were performance appraisal, job security and pay. For normative commitment, the common antecedents in both organisations was training and development. After privatisation, the common antecedents of affective commitment in both organisations was training and development. For continuance commitment, the common antecedents after privatisation in both organisations was benefits, while for normative commitment, the common antecedents were training and development and benefits.

There is also evidence of HRM practices as antecedents of intrinsic and extrinsic satisfaction before and after privatisation in both organisations. The common antecedents of intrinsic satisfaction in both organisations before privatisation was training and development; while after privatisation the common antecedents were training and development and job security. The common antecedents of extrinsic satisfaction in both organisations after privatisation were training and development and promotion, while after privatisation they were job security, performance appraisal and pay.

The common antecedent of change in affective commitment in Telekom Malaysia and Tenaga Nasional was training and development, while the common antecedents of change in normative commitment were training and development and job security. The common antecedents of change in intrinsic and extrinsic satisfaction in both organisations was training and development.

Chapter Ten : TOWARDS A MODEL

10.1 Introduction

This chapter presents a discussion of the implications of these findings, a model representing the findings, and a discussion of the study's limitations and suggestions for future research.

It is important to note that this study has exploratory in approach whereby a number of HRM practices were investigated in relation to organisational commitment and job satisfaction before and after privatisation. The scope of inquiry used a cross-section survey (compiling two sets of data) of two organisations in an attempt to gain a general picture of the changes in HRM practices which occurred before and after the organisations were privatised. This factor should be considered when interpreting the results of this study in order to appreciate the findings in light of the study's limitations.

This study was initiated after recognising that very few studies have considered employees in privatised organisations in Malaysia, particularly the non-executives employees, in relation to changes in HRM practices after privatisation. The purpose of the study was that the commonalities in HRM practices before and after privatisation in privatised organisations in terms of organisational commitment and job satisfaction could be better understood.

The scale of organisational change prompted by privatisation provides an ideal focus for the investigation of HRM practices. However, it is hoped that the lessons learned here are applicable to many organisations facing changes in such practices and not just those arising from privatisation.

The rationale of the privatisation programmes as stimulating the economy has become a strong political creed in the 1990s (Salama, 1995). It became obvious during this research that the privatisation programme for Telekom Malaysia and

Tenaga Nasional led to yet more public organisations in Malaysia being privatised. In Telekom Malaysia and Tenaga Nasional this led to changes in the internal environment of the organisations themselves, and this has resulted in changes in HRM policies and practices as well. This study investigated whether the changed practices led to differences in organisational commitment and job satisfaction of employees.

The significant contribution of this research lies in revealing that changes in the HRM practices regarding job security, performance appraisal, physical working conditions and training and development occurred in the two organisations yet found the practices of pay, promotion, and benefits had change only in one of the organisations after privatisation. A comparative analysis of the practices was done through analysing the common HRM practice antecedents of organisational commitment and job satisfaction in Telekom Malaysia and Tenaga Nasional before and after privatisation.

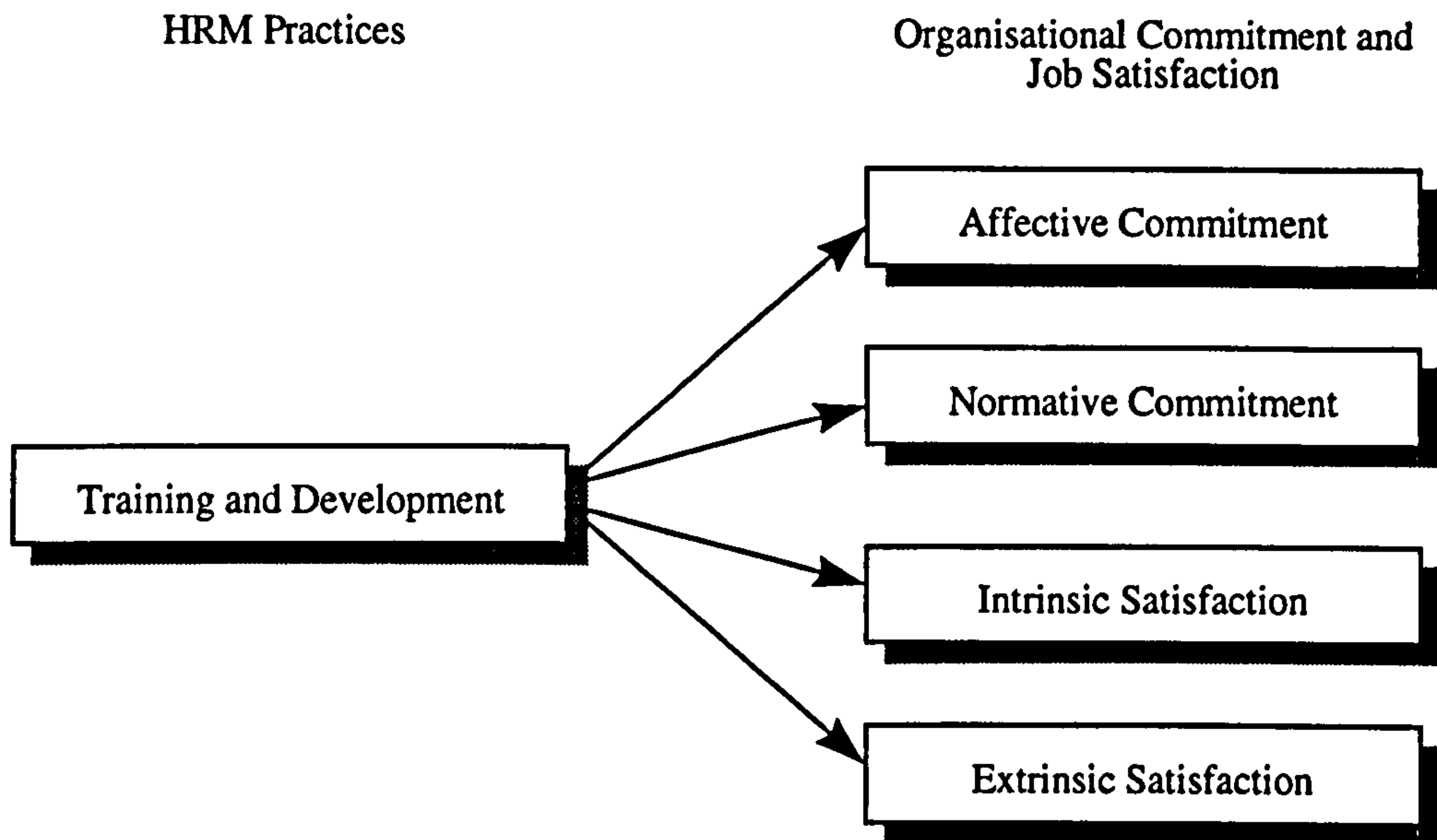
10.2 A Proposed Model

Findings derived from this research may be combined to form a model which explains the HRM practices that influence organisational commitment and job satisfaction before and after privatisation. The model is derived from the common antecedents in Telekom Malaysia and Tenaga Nasional.

Figure 10.2a represents a model of HRM practices which are the common antecedents of organisational commitment and job satisfaction in Telekom Malaysia and Tenaga Nasional before privatisation. Figure 10.2b shows a model of HRM practices which are the common antecedents of organisational commitment and job satisfaction in Telekom Malaysia and Tenaga Nasional after privatisation. Figure 10.2c shows a model of change in HRM practices which are antecedents of change in organisational commitment and job satisfaction in Telekom Malaysia and Tenaga Nasional.

Figure 10.2a:

**Model of HRM Practice Antecedents of
Organisational Commitment and Job Satisfaction
Before Privatisation**

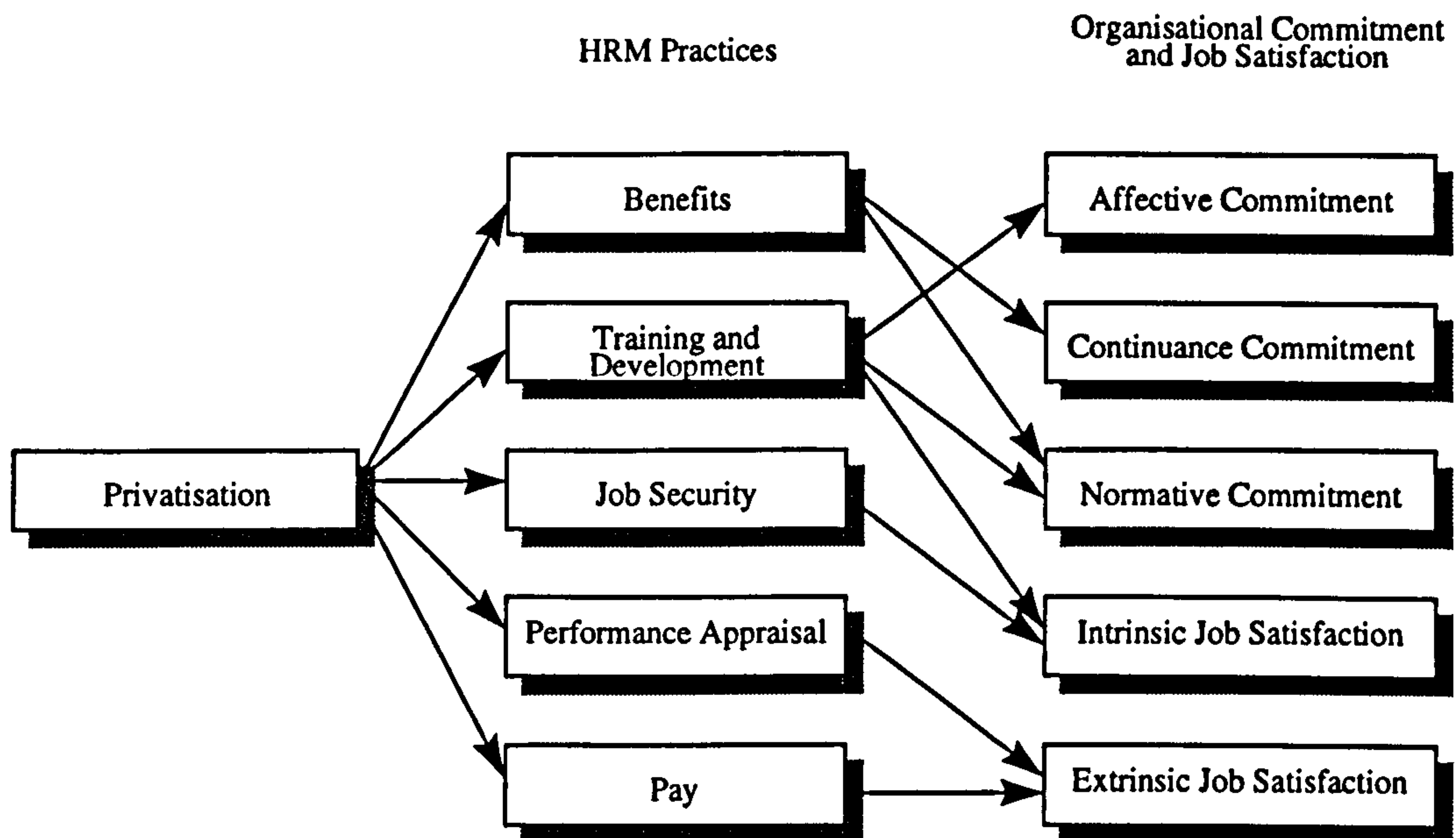


Model in figure 10.2a show that training and development being the antecedent practice of affective commitment, normative commitment, intrinsic satisfaction and also extrinsic satisfaction before privatisation.

This shows that before privatisation, training and development is closely related to employees wanting to belong (affective commitment), feeling obligated to belong (normative commitment), satisfaction with the motivating factors (intrinsic satisfaction) and satisfaction with the hygiene factors (extrinsic satisfaction).

Figure 10.2b:

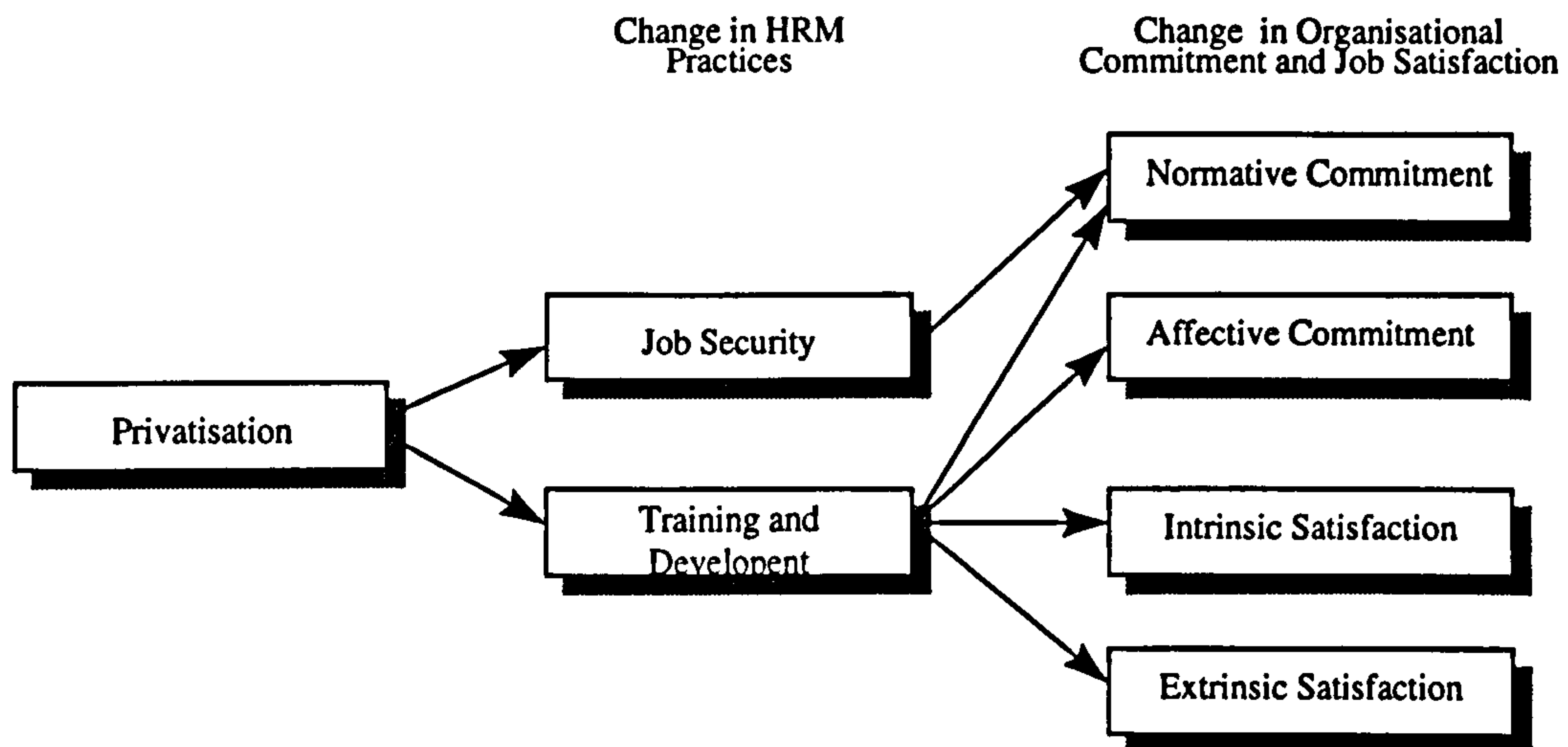
**Model for HRM Practice Antecedents of
Organisational Commitment and Job Satisfaction After
Privatisation**



The model in Figure 10.2b shows the HRM practices which were antecedents of organisational commitment and job satisfaction after privatisation. The practice of training and development seems to be the antecedents of affective commitment (wanting to belong). Continuance commitment (needing to belong) is influenced by benefits, while normative commitment (obligated to belong) is influenced by benefits and training and development. Motivating factor (intrinsic job satisfaction) depends in part on job security and extrinsic satisfaction (hygiene factors) depends in part on performance appraisal and pay.

Figure 10.2c:

**Model for Change in HRM Practices as
Antecedents of Change in Organisational
Commitment and Job Satisfaction**



The model in figure 10.2c shows the antecedents of change in organisational commitment and job satisfaction in terms of changes in HRM practices. The figure shows that changes in wanting to belong (affective commitment), needing to belong (normative commitment), motivating factor (intrinsic satisfaction) and hygiene factors (extrinsic satisfaction) are influenced by changes in training and development. In addition, changes in the need to belong in the organisation (normative commitment) is influenced by changes in job security.

10.3 Implications of the Findings

The findings suggest that HRM practices (antecedents) influence affective, continuance and normative commitment and intrinsic and extrinsic satisfaction both in a public and private organisation. If the antecedents are common to both organisations in the same situation at the same time, it can be deduced that the HRM practices played an identical or similar role in determining employees' commitment towards the organisation and job satisfaction.

Training and development practices in particular have a strong relationship with employees' affective and normative commitment as well as their intrinsic and extrinsic satisfaction in both organisations..

Privatisation seeks to promote efficiency, competition and productivity, employees were assured that they would not lose the benefits they enjoyed when they were employed by the government. Privatisation thus promised employees terms and conditions not less favourable than those formerly offered by the government, at least in the short term.

The effects of privatisation on management can be traced through several logical stages. Privatisation has an impact on organisational restructuring and managerial practices, leading to changes in managerial styles, skills and attitudes and a new demand for management training institutions to meet these challenges (Prokopenko, 1995). His statement supports the findings in this research regarding training and development.

The changes in training and development practices were also found to have a strong association with changes in affective commitment, normative commitment and in intrinsic and extrinsic satisfaction. It could be inferred that training and development relates to many aspect of employees' attitudes regarding the organisation and their job in the organisation. Management therefore should take great effort to understand

employees' needs and behaviours and the impact of training and development on them.

The implication of this for HRM practitioners should be quite apparent. That is, HRM practitioners need to ensure that the orientation programmes they design include training as an essential element. Additional care should also be taken to design the training to suit individual employees' needs. The amounts and types of training offered should add value to what the employees already possess. Further, training programmes must not be a once-only event but should be offered regularly for the employees to upgrade their knowledge, skills and abilities. Managers' attitudes towards and awareness of training are a crucial factor affecting training and development in organisations. Managers should recognise the importance of training for individual and organisational achievements.

Training and development should be carried out in line with the new objectives and missions of the newly privatised organisations where they are trying to become more client and market oriented. Managers of these organisations are also beginning to recognise that the skills and commitment of their employees and the quality of their managers will determine the future success of the organisation. Employees' competence is recognised as the most precious resource; therefore investment in training is considered important for the organisation. In addition, advances in electronics and telecommunications are forcing organisations to change and advance with continual technological changes in order to keep pace and compete in the dynamic world market.

The changing business environment presents a new imperative and privatisation presents a new opportunity. Instead of considering employees in terms of production and cost factors, management need to view employees as a vital creative resource to meet customer expectations and as an investment for the organisation's future competitiveness.

Organisations around the world are coming under increasing pressure to improve their efficiency and effectiveness to be able to compete in a less regulated and more rapidly changing market situation and to cope with the unexpected. They must learn to cope with change. Change may be internal or external to the organisation. Internal changes in an organisation may relate to finance, structure, technology strategy on culture, while external changes may include the economics, politics, competition and government legislation. The current economic situation in Malaysia may led the government to delay their plans to privatised more organisations until the economy recovers.

One of the important area in respect of change is human resources. Organisations are increasingly becoming aware that inspite of the technological changes in the recent years, human resources are the crucial factor in overall development and productivity. Rapid changes in technology, shorter product life cycles, increased competition and low-cost production are reasons which are compelling organisations to have a highly skilled and educated workforce which can effectively meet these challenges. However, workers with the required skills or attributes cannot always be found or may be too expensive to employ. Organisations are therefore focusing on developing the knowledge and skills of their workers in-house through systematic training and development activities.

This study has filled in the gap in the studies which look at organisational changes in HRM practices regarding pay, promotion, benefits, performance appraisal, job security, physical working conditions, and training and development before and after privatisation. In general, the results of the current study showed the importance of the relationships between human resource management practices organisational commitment and job satisfaction before and after privatisation. This supports the findings of Ogilvie (1987) that human resource management practices have a considerable positive relationship with organisational commitment.

Although this research has indicated the relationships between HRM practices, organisational commitment and job satisfaction, attention needs to be given to individuals' needs and values in considering which practices may influence their commitment and satisfaction.

The results of this study could be used to relate to the practices which employees feel could influence their attachment, identification and involvement in the organisation (affective commitment), cost associated with leaving the organisation (continuance commitment) and the sense of obligation to stay in the organisation (normative commitment) being initially in a public organisation and later changed to a private organisation.

Top management needs to be committed to training and development activities, including the involvement in assessing training plans and policies and creating a suitable environment in order to implement the plans and policies. This is because top management support plays a critical role in the success or failure of any training and development activities. Armstrong (1992) says that commitment is necessary to support each aspect of the overall HRM strategy. Taylor (1996) and Pettigrew *et al* (1988) also support this view and state that top-level management support is a critical factor for the successful implementation and maintenance of training and development activities.

In order to gain the full benefits, a supportive environment has to be created in which the newly acquired skills can be implemented (Temporal, 1990). Any major changes to the working environment can be implemented only with top management support and understanding. Top management views any activities in terms of benefits and revenue. So training and development activities should be able to demonstrate clearly the benefits to the managers, in particular the enhancement of productivity.

In addition, developing a positive culture of training and development should be perceived by the top management as a strategy for achievement of organisational

objectives through developing employees' positive attitudes and values, rather than treating training and development activities simply as a cost, for which immediate and tangible returns are not always evident. This is because, according to Al-Ali and Taylor (1997), organisational culture has a major influence on the achievement of organisational excellence by instilling new values, beliefs and attitudes which in turn change employees' behaviour and help them to cope with changes. Training developments and institutions and trainers themselves plays a vital role in transferring the required changes in skills, knowledge and attitudes into action in order to achieve organisational objectives.

However, while employers may be able to influence employees' commitment through their organisational policies and practices, they are less likely to be able to influence employees' perceptions of their alternative employment opportunities particularly if these concern external factors such as the labour market or community ties. However, there are internal factors, such as career development and promotion systems, which influence employees' perceptions of being tied to the organisation and over which employers have some control.

The results from this study will be able to guide managers to relate the type of HRM practices which influence employees' satisfaction from working before and after the organisations were privatised. The results found in this study could be used by the studied organisations (Telekom Malaysia and Tenaga Nasional), and also other organisations which will be privatised in the near future. Organisations could give greater emphasis to the type of HRM practices found to influence employees' commitment and satisfaction.

The different antecedents for the dimensions indicated the result could be caused by the different organisational culture in each organisation representing different value systems and behaviour in the organisation, the different management style after privatisation, and the different type of industry both organisation were from; that is telecommunication for Telekom Malaysia and electricity supply for Tenaga Nasional.

Both organisations such were government owned entities before they were being privatised, as both the organisations had to abide by the policies, rules and regulations stated in the government's civil service order.

10.4 Limitations of the Research

The limitations to the present research that must be acknowledged.

These are :

1. Measures

This study uses the Allen and Meyer (1990) three dimensions of organisational commitment and the job satisfaction dimensions of intrinsic and extrinsic satisfaction (Weiss, *et al*, 1967). This study has been conducted cross-sectionally with two samples of data collected (before and after privatisation) in two organisations that were privatised. A longitudinal study would be preferable in order to examine change over a period of time. Recognition of these limitations could provide opportunities for future researchers to use different measures and compare the results with this research.

2. Design of the questionnaire

The questionnaire was design in a manner which allowed the respondents to answer similar questions for two different periods. It was intended to minimised problems relating questions which respondents could not fully remember, especially before privatisation.

3. Sample

This study focused on non-executive staff of two privatised organisations which were previously government-owned entities. This limits generalisation but could stimulate future researchers to study all groups of employees and to study other organisations, such as truly public and private organisations which have not yet undergone any organisational substantial changes. Comparisons could be made with the present results.

4. Methodology

This study lacked the inclusion of a control group and the use of a longitudinal study. It could therefore not be concluded that privatisation caused the changes found in the result of this study as there may have been trends towards the results regarding pay, benefits, promotion, training and development regardless of privatisation.

5. Analysis

Limited statistical analysis was carried out in this study (regression analysis and percentage of variance, coefficient of determination). The limitation of regression is that one can never be sure about a possible underlying causal relationship (Statsoft, 1998). This study could have been beneficially used factor analysis and canonical analysis, but these were not carried out owing to the technical limitations of the researcher.

Despite these limitations, the current research has added to the existing body of knowledge concerning organisational commitment by examining affective, continuance and normative commitment, and job satisfaction and their relationships as consequences of HRM practices before and after privatisation.

10.5 Suggestions for Future Research

The methodology used in this research may stimulate further research in the field, in particular whether:

1. HRM practices change over time in similar organisations but without any major organisational change.
2. HRM practices has any impact on affective, continuance and normative commitment and on intrinsic and extrinsic satisfaction in well-established public sector and private organisations.

Organisational commitment and job satisfaction were treated as two separate set of organisational attitudes in this study (refer to Chapter 4). Future studies could examine the possibility of using organisational commitment and job satisfaction as antecedents of each other. Investigations could also extend to other privatised sectors which were not investigated in this study and organisations which will be privatised under the Seventh Malaysian Development Plan.

A suggestion for future research would be to do the study longitudinally, from approximately a year before the implementation of the privatisation policy and up to three years after privatisation. This is because most privatised organisations take about three years to be reorganised and make many changes regarding their HRM practices.

10.6 Conclusion

Privatisation is the turning over of government assets and services to private enterprise in order to increase private sector involvement, increase market-place competitiveness and at the same time reduce the financial and administrative burden on the government. But there are other problems associated with privatisation which may include quality control, monopoly and profit taking and price rise. Employees' organisational commitment and job satisfaction may be affected in different ways as job security may be lessened and, in the case of the two companies in this study, pensions are no longer provided as a benefit; yet employees may receive pay bonuses and greater training and development opportunities after privatisation.

A distinction needs to be made between "good" and "bad" HRM practices. What is important is not "HRM" but the way people are actually managed, e.g not the fact that people are trained and developed but how they are trained and developed. This is what leads to organizational commitment and job satisfaction.

The Malaysian government's privatisation policy has been developing since 1983. More than 203 organisations have been privatised since that time. Therefore, with an expanding privatised policy, more employees are being affected by organisational change. Hence, it is necessary for the government to look at the implications on employees because employees form the core and strength of an organisation. Their welfare and motivation need to be taken into consideration in order for HRM policies and practices to be developed which encourage them to stay in the organisation with commitment and job satisfaction.

Because privatisation programmes are implemented, it is timely to examine the implication of the changes in human resource management practices which occur in organisations after they have been privatised. This research analyses the changes before and after privatisation, as well as looking at the similarities and differences of the antecedents in affective, continuance and normative commitment and the intrinsic and extrinsic job satisfaction of non-executive employees of the privatised organisations. Privatisation, as a stimulus for organisational change, affects the internal and external environment of organisations.

The conclusions drawn from this research suggest that training and development is the key antecedent of affective and normative commitment and intrinsic and extrinsic satisfaction. It may be concluded that, irrespective of the type of organisation, training and development practices have a close relationship with affective commitment and normative commitment and also intrinsic and extrinsic job satisfaction.

The result of this research raises the question of whether the changes which came as a result of privatisation could have actually happened if these organisations had remained public organisations. It seems that change in ownership does not necessarily bring organisational change directly. Rather, it is the increased competition, deregulation of the market and leaders' new values which are the factors which trigger change in the organisation.

The main contribution of this research is that it suggests the type of human resource management practices which change after privatisation and how they as antecedents of training and development influence employees attitudes' after privatisation. These findings may give managers in the organisations which were studied information on the practices which their employees associate with their commitment to the organisation and satisfaction with their job, and they could use these findings to consider appropriate future policies and practices.

Organisational change is the key issue facing managers today. This is especially so with the drive to privatise many companies through out the world. This research was conducted in Malaysia which has a unique culture and political context. It is hoped however, that the findings will encourage managers give greater emphasis to the practices which may influence employees' commitment and satisfaction working in organisations.

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Peninsular Malaysia

Malaysia's Economic Structure

	1980-1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999-2003
Population (m)	13.8	17.8	18.2	18.6	19.2	19.6	20.1	20.5	21.0	21.4	23.9 ^a
% change	2.6	2.1	2.2	2.2	2.1	2.3	2.3	2.3	2.2	2.2	2.2
Nominal GDP per head (M\$)	4,810 ^a	6,507	7,070	7,882	8,648	8,826	8,981	9,122	9,282	9,464	14,368
Real GDP per head (M\$) (1978 prices)	3,668 ^a	4,457	4,625	4,899	5,197	5,505	5,777	6,117	6,459	6,771	8,416 ^b
% change	n/a	n/a	3.8	5.9	6.1	6.0	4.8	5.9	5.6	4.8	4.4
Real GDP growth % per year	5.7	9.7	8.7	7.8	8.5	8.4	7.3	8.3	7.9	7.1	6.7
Private Consumption	5.1	13.1	9.9	2.4	3.8	6.3	6.1	8.3	6.5	6.0	7.0
Public Consumption	5.8	5.5	12.4	4.0	7.4	10.0	8.5	6.9	7.0	4.2	3.5
Gross Fixed Investment	7.7	22.0	20.8	8.0	10.3	11.5	10.7	8.0	8.2	7.7	6.0
Exports of Goods & Services	9.4	18.3	15.3	5.0	11.8	12.5	12.0	13.2	13.0	12.0	10.0
Imports of Goods & Services	9.5	25.7	27.6	-1.0	8.8	14.5	13.2	12.0	12.0	11.5	9.5
Change in Stocks	n/a	-0.4	1.4	-0.3	-0.9	0.3	0.5	0.4	0.1	0.3	0.7
Sectoral Growth (% per year)											
Agriculture	3.9	0.4	0.0	4.3	3.9	1.5	2.5	2.7	2.3	2.3	2.5
Manufacturing	8.7	15.7	13.9	10.5	13.0	13.0	10.0	9.0	9.2	9.2	8.5
Services	5.6	10.5	14.8	8.7	9.1	8.5	9.0	8.5	8.2	8.0	8.0

Source : Economist Intelligent Unit (EIU) (1996). *Country Profile : Malaysia Brunei 1996/97*.

London : The E.I.U. Ltd.

a- 1980; b- 2003 (forecasted)

MALAYSIA: PRIVATISATION OF MAJOR INFRASTRUCTURE PROJECTS

Sector	Status	Method
<i>Roads</i>		
North Klang Straits Bypass	Privatised (1984)	B-O-T
Jln.Kuching/Kepong Interchange	Privatised (1985)	B-O-T
K.L.Interchange	Privatised (1987)	B-O-T
North-South Expressway	Privatised (1988)	B-O-T
Seremban-Port Dickson Highway	Privatised (1993)	B-O-T
Shah Alam Highway	Privatised (1993)	B-O-T
Second Link to Singapore	Privatised (1994)	B-O-T
<i>Ports</i>		
Klang Container Terminal	Privatised (1986)	Divestiture
Rest of Port Klang	Privatised (1992)	Divestiture
Johor Port	Privatised (1993)	Corporatisation
Bintulu Port	Privatised (1993)	Corporatisation
Penang Port	Privatised (1994)	Corporatisation
West Port, Port Klang	Privatised (1994)	Divestiture
<i>Water Supply</i>		
Labuan Water Supply	Privatised (1987)	B-O-T
Ipoh Water Supply	Privatised (1989)	B-O-T
Larut Matang Water Supply	Privatised (1989)	B-O-T
Semenyih Dam	Privatised (1987)	Management Contract
Maintenance of Tube Wells, Labuan	Privatised (1988)	Management Contract
Johor Water Authority	Privatised (1994)	Corporatisation
Pulau Pinang Water Authority	Privatised (1994)	Corporatisation
<i>Utilities and Others</i>		
Syarikat Telekom Malaysia Berhad	Privatised (1990)	Divestiture
Tenaga Nasional Berhad	Privatised (1992)	Divestiture
KTM Berhad (Malayan Railway)	Privatised (1992)	Corporatisation
Malaysian Airports Berhad	Privatised (1992)	Corporatisation
Light Rail Transit	Privatised (1992)	B-O-O
National Sewerage System	Privatised (1993)	B-O-T

B-O-T= Build-Operate-Transfer; B-O-O= Built-Own-Operate

Source : Naidu, G (1992); Jomo, K.S (1995)

Number of Privatised Projects By Sector And Mode, 1991-95

Sector	Modes of Privatisation									TOTAL	%
	SOE	SOA	BOT	BOO	COR	MC	LOA	MBO	BT		
Agriculture and Forestry	13	0	0	0	3	0	0	0	0	16	7.8
Mining and Quarrying	6	3	0	0	0	1	0	0	0	10	4.9
Manufacturing	27	0	0	0	0	0	0	4	0	31	15.2
Construction	1	23	13	2	0	1	1	0	5	46	22.5
Electricity, Gas and Water	3	0	0	8	1	0	2	0	0	14	6.9
Transport, Storage and Communication	6	3	4	4	5	0	0	0	0	22	10.8
Wholesale and Retail Trade, Hotel and Restaurant	13	1	2	0	0	5	2	0	0	23	11.3
Finance, Real Estate and Business Services	13	0	0	0	0	0	0	0	0	13	6.4
Government Services	0	3	1	2	4	0	0	1	0	11	5.4
Other Services	12	0	1	2	0	2	1	0	0	18	8.8
Total	94	33	21	18	13	9	6	5	5	204	100

Notes :

SOE = Sale of Equity

SOA = Sale of Asset

BOT = Build-Operate-Transfer

BOO = Build-Own-Operate

COR = Corporatisation

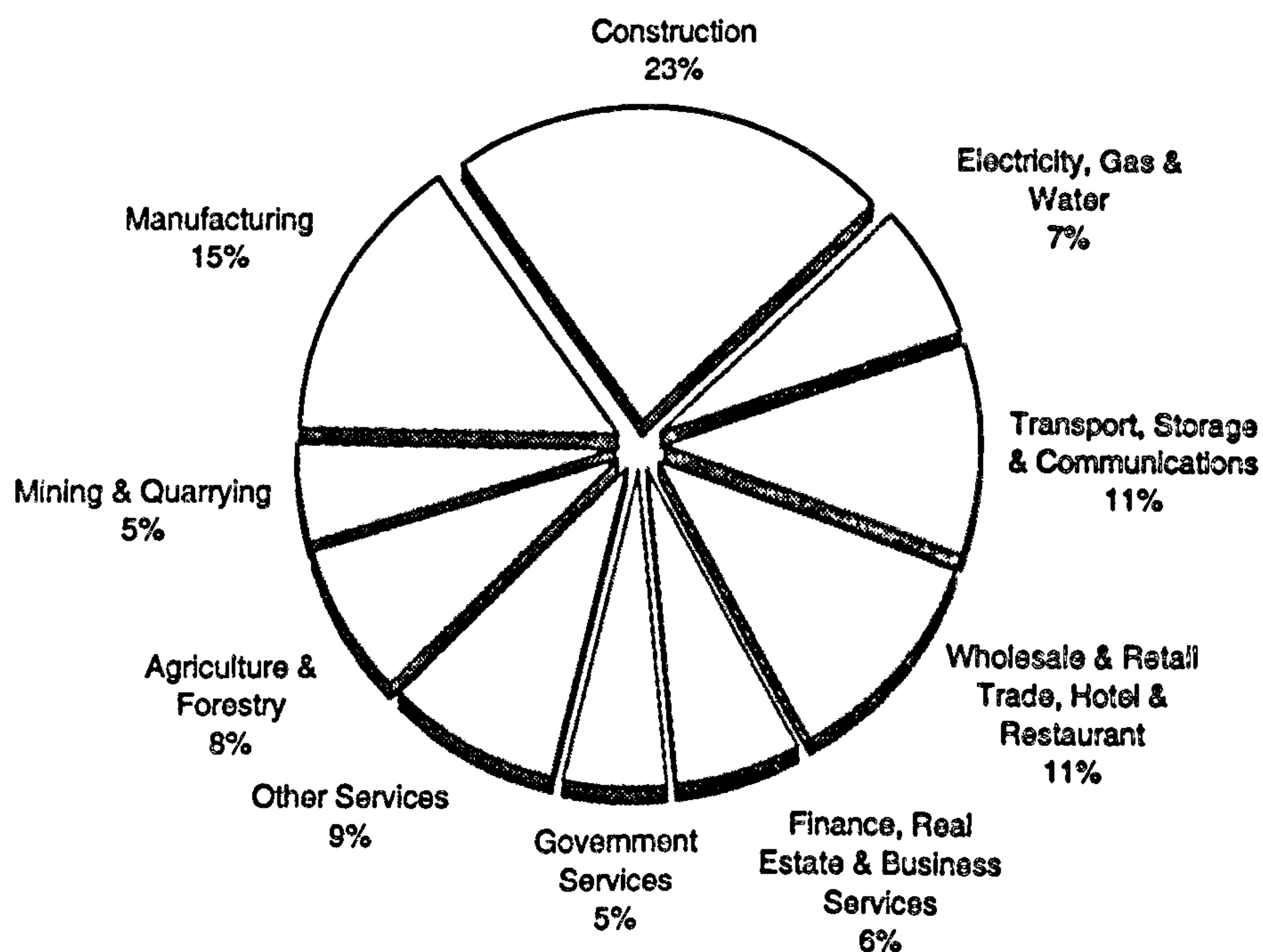
MC = Management Contract

LOA = Lease of Asset

MBO = Management-Buy-Out

BT = Build-Transfer

Sectoral Distribution of Privatised Projects, 1991-95

Source : Malaysia (1996). *Seventh Malaysia Plan 1996-2000*. Kuala Lumpur : Government Press

Cover Letter

Dear respondent,

A Study on the Effects of Privatisation on Human Resource Management Practices

I am conducting research at the Strathclyde Graduate Business School, in Glasgow, United Kingdom into the effects of privatisation on human resource management practices. This is part of my studies towards a PhD. Public organisations in Malaysia have faced changes in recent years. These changes have included the implementation of privatisation policies to enhance organisational performance and to boost productivity. This survey intends to look at the changes after the implementation of privatisation policy in recently privatised organisations, in relation to the effects it has on human resource management practices, and on employees job satisfaction and commitment.

I am writing to invite you to take part in this research by completing the enclosed questionnaire. This questionnaire is meant for non-executive employees who had been working in the organisation before privatisation and now. "Before privatisation" in this context refers to the years before your organisation was privatised.

All the questions refer to various aspects of your job in relation to the organisation. The answers will be solely used for the purpose of my research. As you are not asked to give your name, nothing you say can have any negative effects on you in your present job. Your help in completing the attached questionnaire is vital to building up-to-date picture of the privatised organisations in Malaysia.

Please be assured that your responses will be treated by me in strict confidence. I would be most grateful if you could spare me some of your time to fill out the attached questionnaire and return it to me. A prepaid envelope is provided for this. The questionnaire takes only about 20-25 minutes to complete.

Your participation in this research is voluntary but I hope you will feel able to help. Please return the completed questionnaire by July 15, 1996.

Thanking you in advance for your co-operation.

Yours sincerely,

Khulida Kirana Yahya.

QUESTIONNAIRE

Section 1

Different people tend to want different things from their jobs. Please tick each of the items below from one to five, in order of their importance to you.

	1	2	3	4	5			
	Not important	Slightly important	Important	Very important	Extremely important			
				1	2	3	4	5
a.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

On the basis of what you know about the job and the organisation, please state your personal opinion on the following statements, before and after privatisation, using the following scale :

1	2	3	4	5
Strongly disagree	Disagree	Not sure	Agree	Strongly agree

Before Privatisation

1	2	3	4	5							
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1.	The pay offered by this organisation is good compared to other organisation..	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.	There are lots of opportunities for promotion in this organisation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3.	The benefit package offered by this organisation is good in terms of meeting my needs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4.	Performance appraisal helps to develop a better understanding between superiors and subordinates.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Now

1	2	3	4	5
---	---	---	---	---

1 Strongly disagree					2 Disagree	3 Not sure	4 Agree	5 Strongly agree					
Before Privatisation								Now					
1	2	3	4	5					1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5.	I feel secure in my employment.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6.	The physical surroundings in this organisation are pleasant.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7.	My job provides opportunities for personal development for the future.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8.	The pay I receive is commensurate to the work I do.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9.	The promotion system in this organisation ensures the best people to rise to the top.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10.	The value of the benefits I obtain is better than in other similar organisations.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11.	Performance appraisal makes a useful contribution to the organisation by encouraging employees to perform more productively in their job.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12.	I feel my employment in the organisation is permanent.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13.	The working environment in my organisation is safe and clean.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14.	The training I receive in this organisation helps to enhance my work performance.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15.	The main reason I stay in this organisation is because of the pay.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16.	There are many opportunities for transfers to different jobs in this organisation.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

					1	2	3	4	5						
					Strongly	Disagree	Not sure	Agree	Strongly						
					disagree				agree						
Before Privatisation															
1	2	3	4	5						Now					
					1	2	3	4	5	1	2	3	4	5	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17.	Leaving this organisation would incur loss of pension and other benefits.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18.	Employees are rewarded according to their work performance.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19.	The working hours in this organisation are good.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	20.	My job allows me to develop a variety of skills and experience.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	21.	The pay I receive is adequate compared to the amount that I need to spent					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	22.	I consider my career aspirations are most likely to be realised by staying in this organisation.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	23.	The range of benefits that I receive exceeded my initial expectations.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	24.	Performance appraisal is based largely on the immediate boss's ratings of employee performance.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	25.	I am happy with the working conditions in this organisation (space, equipment, lighting, air-conditioning, etc.)					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	26.	There are lots of training opportunities offered by this organisation to help me perform better.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	27.	The appraisal has made me discover the areas and skills I need to develop.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1 Strongly disagree					2 Disagree	3 Not sure	4 Agree	5 Strongly agree					
Before Privatisation								Now					
1	2	3	4	5					1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	28.	This organisation is very supportive in	developing the careers of its employees.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section 2:

Please indicate the degree of your agreement or disagreement with each of the following statements by ticking (/) the appropriate number. Use the following scale :

1 Strongly disagree					2 Disagree	3 Neither agree nor disagree	4 Agree	5 Strongly agree					
Before Privatisation								Now					
1	2	3	4	5					1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1.	I would be happy to spend the rest of my	career with this organisation.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.	I enjoy discussing my organisation with	people outside it.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3.	I feel as if this organisation's problems are my	own.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4.	I do not think I could become as attached to	another organisation as I am to this one.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5.	I feel "like part of the family" at my	organisation.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6.	I am emotionally attached to this organisation.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7.	This organisation has personal meaning for	me.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8.	I feel a strong sense of belonging to my	organisation.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

					1	2	3	4	5			
					Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree			
Before Privatisation												
1	2	3	4	5					Now			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9.	It would be hard for me to leave my organisation right now, even if I wanted to.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10.	My life would be disrupted if I decided to leave my organisation now.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11.	I am afraid of what might happen if I quit my job without having another lined up.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12.	It would be costly to leave my organisation now.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13.	Right now, staying with my organisation is a matter of necessity as much as desire.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14.	I feel that I have few options to consider leaving this organisation			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15.	One of the serious consequences of leaving this organisation would be the scarcity of available alternatives			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16.	One of the major reasons I continue to work for this organisation is that leaving would require personal sacrifice - another organisation may not match the overall benefits I have here			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17.	I think that people these days move from organisation to organisation too often			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18.	I feel that a person must always be loyal to his/her organisation			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19.	Jumping from organisation to organisation seems unethical to me			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

					1	2	3	4	5						
					Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree						
Before Privatisation										Now					
1	2	3	4	5						1	2	3	4	5	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	20.	I believe that loyalty is important, and therefore I feel strong sense of moral obligation to remain				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	21.	If I got another offer for a better job elsewhere I would not feel it was right for me to leave my organisation				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	22.	I was taught to believe in the value of remaining loyal to one organisation				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	23.	Things were better in the days when people stayed with one organisation for most of their careers				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	24.	I do not think that wanting to be a "company man/woman" is sensible anymore				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Section 3:

Listed below are statements about how people feel about their jobs. Please indicate the extent to which you are satisfied with the following aspects of your job before privatisation and now using the scale given below :

					1	2	3	4	5						
					Very dissatisfied	Dissatisfied	Undecided	Satisfied	Very satisfied						
Before Privatisation										Now					
1	2	3	4	5						1	2	3	4	5	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1.	The chance to do different things from time to time.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.	The chance to work independently and use my own judgement with little supervision.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

1
Very
dissatisfied

2
Dissatisfied

3
Undecided

4
Satisfied

5
Very satisfied

Before Privatisation

1 2 3 4 5

3. The opportunity for participation in determining the methods, procedures, and goals in your job

Now
1 2 3 4 5

4. The ability to do things that do not go against your conscience.

5. The chance to do things for other people.

6. The chance to tell people what to do.

7. The work in this organisation keeps me busy all the time.

8. The feeling of worthwhile accomplishment I get from the work in the organisation.

9. The opportunity to perform up to my abilities

10. The extent to which my job gives me a definite place in the community.

11. The opportunity to work alone on my job.

12. The freedom to use my own judgement at work..

13. The feeling that my salary is fair for the kind of job you perform.

14. The way the job provides for steady employment.

15. My feelings about working conditions in the organisation (air-conditioning., lighting, ventilation, etc.)

1 2 3 4 5
 Very Dissatisfied Undecided Satisfied Very satisfied
 dissatisfied

Before Privatisation

1 2 3 4 5

Now

1 2 3 4 5

- | | | | |
|--|-----|--|--|
| <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | 16. | The way my supervisor helps make my job more pleasant. | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |
| <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | 17. | The way my supervisor feels each employee is important. | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |
| <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | 18. | The recognition I get for a job well done. | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |
| <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | 19. | The chance for advancement in this organisation. | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |
| <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | 20. | The way my peers get along with one another | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |
| <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | 21. | The feeling that I am working in an organisation with a good public image. | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |
| <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | 22. | The way work policies in this organisation are put into practice. | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |

Section 4:

This section contain some general information regarding the organisation and yourself.

1. Please indicate the organisation you work for :

2. How long have you been working in this organisation :
 less than 5 years
 6-10 years
 11-15 years
 more than 16 years
3. Please state your current department : _____
4. Please state your current job title : _____

5. **Your job title when you started working in this organisation :**

6. **Number of times you have been promoted since starting in this organisation**
 0 1-3 times 4-5 times more than 5 times
7. **Number of times you are have been promoted since privatisation :**
 0 1-3 times 4-5 times more than 5 times
8. **Duration in your current job? Please tick**
 less than 1 year
 more than 1 but less than 5 years
 more than 5 but less than 10 years
 more than 10 years
9. **Have you received training specific to your current job?**
 Yes No
10. **Number of times you attended training on average per year**
 a) **Before privatisation :**
 0 1-3 times 4-5 times more than 5 times
 b) **After privatisation :**
 0 1-3 times 4-5 times more than 5 times
11. **Since starting with this organisation, has any time or support been made a to you for pursuing further education leading to additional qualifications?**
 Yes No
12. **Benefits : (Please tick where appropriate)**
- | Before Privatisation | | | Now | |
|-----------------------------|--------------------------|---------------------------------------|--------------------------|--------------------------|
| Yes | No | | Yes | No |
| <input type="checkbox"/> | <input type="checkbox"/> | a) Vehicle loan | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | b) Housing loan | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | c) Bonus | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | d) Medical (Panel Doctors) | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | e) Sick Leave | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | f) Shares options | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | g) Study leave | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | h) Holidays/leave | <input type="checkbox"/> | <input type="checkbox"/> |

Before Privatisation

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

- i) EPF
- j) Pensions
- k) Scholarship

Now

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

Others please list : Before privatisation : _____

Now : _____

13. Was your performance appraised?

a) Before privatisation :

Yes No

b) After privatisation :

Yes No

14. How often have you been appraised?

Before Privatisation

- a) More often than every 6 months
- b) Every 6 months
- c) Every year
- d) Less than yearly

Now

Others please list : Before privatisation : _____

Now : _____

15. Who does your appraisal?

Before Privatisation

- a) Peers
- b) Supervisor
- c) Senior management

Now

16. Please tick your monthly salary :

Before Privatisation

less than RM 500

RM 501-750

RM 751-1000

RM1001-1250

RM1251-1500

RM1501-1750

RM1751-2000

Now

less than RM 500

RM 501-750

RM 751-1000

RM1001-1250

RM1251-1500

RM1501-1750

RM1751-2000

Before Privatisation

greater than RM2001

Now

greater than RM2001

17. Average hours of work per day :

a) Before privatisation :

- less than 8 hours 8 hours 9 hours
 10 hours more than 10 hours

b) After privatisation :

- less than 8 hours 8 hours 9 hours
 10 hours more than 10 hours

18. Highest academic achievement :

- SRP / SPM STPM SRP / SPM
 Diploma or equivalent Degree or equivalent
 Others (please specify) : _____

19. Sex :

- Male Female

20. Please indicate your age group :

- under 25 years
 25-29 years
 30-34 years
 35-39 years
 40-44 years
 over 45 years

21. Marital status :

- Single Married Divorced

Thank you for your co-operation and taking the time to complete this questionnaire. Your reply will be treated in strictest confidence. Individual replies will be known only to the researcher.

TRANSLATED QUESTIONNAIRE

BAHAGIAN 1 :

Setiap orang mempunyai keinginannya sendiri terhadap kerjaya yang dicoburi . Sila tandakan item di bawah dengan menandakan (/) berdasarkan kepentingannya pada anda dengan menggunakan skala yang disediakan :

	1 Tidak penting	2 Sederhana penting	3 Penting	4 Amat penting	5 Tersangat penting			
				1	2	3	4	5
a) Gaji				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Kenaikan pangkat				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Faedah pekerjaan (bonos, doktor panel, pinjaman perumahan dll.)				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Penilaian prestasi				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Jaminan pekerjaan				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Keadaan sekitaran tempat kerja (peralatan, kebersihan, hawa dingin dll.)				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Latihan dan pembangunan				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Berdasarkan kepada pengetahuan anda tentang tugas dan organisasi di mana anda berkerja, sila nyatakan pandangan anda dengan menandakan (/) terhadap kenyataan-kenyataan di bawah, sebelum dan selepas pengswastan, dengan menggunakan skala yang disediakan :

	1 Amat tidak setuju	2 Tidak setuju	3 Tidak pasti	4 Setuju	5 Amat setuju								
Sebelum Pengswastan	1	2	3	4	5								
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1.	Berbanding dengan organisasi lain, gaji yang ditawarkan di organisasi ini adalah baik.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.	Terdapat banyak peluang kenaikan pangkat di organisasi ini.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3.	Pakej jaminan pekerjaan yang ditawarkan oleh organisasi ini adalah baik dari segi memenuhi kehendak saya.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
								Sekarang	1	2	3	4	5

					1	2	3	4	5					
					Amat tidak setuju	Tidak setuju	Tidak pasti	Setuju	Amat setuju					
Sebelum Pengswastaan										Sekarang				
1	2	3	4	5						1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4.	Penilaian prestasi membantu membentuk persefahaman yang baik di antara pekerja bawahan dan pekerja atasan.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5.	Saya rasa pekerjaan saya adalah terjamin.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6.	Persekitaran fizikal di organisasi ini adalah selesa.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7.	Pekerjaan saya menyediakan peluang untuk pembangunan sendiri untuk masa depan.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8.	Gaji yang saya terima adalah setimpal dengan kerja yang saya lakukan.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9.	Sistem kenaikan pangkat di organisasi ini memastikan pekerja yang terbaik mendapat kenaikan.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10.	Nilai faedah pekerjaan yang saya terima adalah lebih baik berbanding dengan organisasi lain.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11.	Penilaian prestasi memberikan sumbangan yang bermakna kepada organisasi bagi menggalakkan pekerja berkerja dengan lebih produktif.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12.	Saya rasa pekerjaan saya di organisasi ini adalah tetap.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13.	Suasana tempat kerja di organisasi ini adalah selamat dan bersih.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14.	Latihan yang saya terima di organisasi ini membantu meningkatkan prestasi kerja saya.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15.	Gaji merupakan sebab utama saya masih kekal di organisasi ini.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

					1	2	3	4	5					
					Amat tidak setuju	Tidak setuju	Tidak pasti	Setuju	Amat setuju					
Sebelum Pengswastaan										Sekarang				
1	2	3	4	5						1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16.	Terdapat banyak peluang untuk bertukar ke jawatan lain di dalam organisasi ini.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17.	Meninggalkan organisasi ini akan mengakibatkan saya akan kehilangan pencen dan faedah pekerjaan lain.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18.	Para pekerja diberikan ganjaran mengikut prestasi kerja mereka.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18.	Para pekerja diberikan ganjaran mengikut prestasi kerja mereka.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19.	Masa berkerja di organisasi ini adalah memuaskan.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	20.	Pekerjaan yang saya lakukan memberikan saya peluang untuk menimba pengalaman dan pelbagai jenis kemahiran.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	21.	Gaji yang saya terima adalah mencukupi berbanding dengan perbelanjaan saya.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	22.	Saya beranggapan bahawa aspirasi kerjaya saya akan tercapai jika saya kekal di organisasi ini.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	23.	Jumlah faedah pekerjaan yang diterima melebihi dari apa yang saya jangka.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	24.	Ketua menilai seseorang pekerja berdasarkan prestasi kerja mereka.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	25.	Saya rasa senang hati dengan suasana tempat kerja (ruang, peralatan, lampu, hawa-dingin dll.) di organisasi ini.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	26.	Terdapat banyak peluang latihan yang ditawarkan oleh organisasi ini untuk membantu saya berkerja dengan lebih baik.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1	2	3	4	5
Amat tidak setuju	Tidak setuju	Tidak pasti	Setuju	Amat setuju

Sebelum Pengswastaan

1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Sekarang

1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

27. Penilaian prestasi menyedarkan saya tentang bidang dan kemahiran yang perlu saya tingkatkan,

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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28. Organisasi ini menggalakkan pekerjanya mempertingkatkan kerjaya mereka.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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BAHAGIAN 2 :

Sila nyatakan tahap persetujuan anda terhadap kenyataan-kenyataan berikut sebelum dan selepas pengswastaan, dengan menandakan (/) pada nombor-nombor yang berkenaan dengan menggunakan skala yang berikut :

1	2	3	4	5
Amat tidak setuju	Tidak setuju	Tidak pasti	Setuju	Amat setuju

Sebelum Pengswastaan

1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Sekarang

1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Saya berasa senang dan seronok untuk menghabiskan tempoh kerjaya saya dengan organisasi ini.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

2. Saya suka bercakap tentang organisasi ini dengan orang luar.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

3. Saya merasakan segala masalah organisasi ini adalah sebahagian dari masalah saya juga.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

4. Saya tidak fikir bahawa saya akan menjadi begitu rapat dengan organisasi lain sepertimana rapatnya saya dengan organisasi ini.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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5. Saya rasa diri saya adalah sebahagian dari keluarga organisasi ini.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

6. Saya rasa diri saya amat rapat dengan organisasi ini.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

1 Amat tidak setuju					2 Tidak setuju	3 Tidak pasti	4 Setuju	5 Amat setuju					
Sebelum Pengswastaan													
1	2	3	4	5					Sekarang				
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7.	Organisasi ini sangat bermakna bagi diri saya.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8.	Saya rasa mempunyai pertalian yang kuat dan bermakna terhadap organisasi ini.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9.	Agak sukar bagi saya meninggalkan organisasi ini meskipun saya ingin berbuat demikian.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10.	Kehidupan saya akan berubah sekiranya saya meninggalkan organisasi ini.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11.	Saya bimbang tentang kemungkinan - kemungkinan yang akan berlaku sekiranya saya meninggalkan organisasi ini tanpa pekerjaan lain yang menunggu.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12.	Saya akan kehilangan sesuatu yang berharga sekiranya saya meninggalkan organisasi ini.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13.	Pada masa ini, kehadiran saya di organisasi ini adalah disebabkan oleh keperluan lebih dari keinginan.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14.	Saya rasa saya mempunyai beberapa peluang pekerjaan lain jika saya meninggalkan organisasi ini.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15.	Salah satu kesan dan akibat yang akan dihadapi oleh seseorang pekerja jika meninggalkan organisasi ini adalah kekurangan peluang-peluang pekerjaan yang lain.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16.	Salah satu sebab utama saya masih berkerja di organisasi ini adalah kerana jika saya berhenti, saya perlu membuat pengorbankan peribadi (organisasi lain mungkin tidak mampu menyaingi faedah pekerjaan yang saya perolehi di organisasi ini).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

1 Amat tidak setuju					2 Tidak setuju	3 Tidak pasti	4 Setuju	5 Amat setuju							
Sebelum Pengswastaan										Sekarang					
1	2	3	4	5						1	2	3	4	5	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17.	Saya rasa ramai pekerja kerap berpindah dari sebuah organisasi ke organisasi lain pada masa kini.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18.	Saya beranggapan seseorang itu mestilah setia dengan organisasi di mana dia berkerja.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19.	Pada pandangan saya, berpindah dari sebuah organisasi ke organisasi lain adalah tidak beretika.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	20.	Saya percaya kesetiaan amat penting dan saya rasa terdapat desakan moral yang kuat mendorong saya kekal di sini.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	21.	Jika saya menerima tawaran pekerjaan yang lebih baik di tempat lain, saya rasa adalah tidak wajar untuk saya meninggalkan organisasi ini.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	22.	Saya diasuh agar percaya dengan nilai kesetiaan pada organisasi.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	23.	Keadaan adalah lebih baik pada ketika dulu bila seseorang pekerja itu kekal berkerja dengan satu organisasi disepanjang jangkahayat pekerjaannya.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	24.	Saya tidak fikir keinginan untuk menjadi "company man" adalah sesuatu yang wajar.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

BAHAGIAN 3 :

Kenyataan-kenyataan berikut adalah mengenai kepuasan kerja. Sila nyatakan kepuasan anda terhadap kenyataan-kenyataan sebelum pengswastaaan dan sekarang dengan menggunakan skala yang disediakan :

1	2	3	4	5
Amat tidak puashati	Tidak puashati	Tidak pasti	Puashati	Amat puashati

Sebelum Pengswastaaan	Sekarang
1 2 3 4 5	1 2 3 4 5
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
1.	Berpeluang melakukan berbagai kerja dari masa ke semasa.

1	2	3	4	5
Amat tidak puashati	Tidak puashati	Tidak pasti	Puashati	Amat puashati

Sebelum Pengswastaaan	Sekarang
1 2 3 4 5	1 2 3 4 5
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
2.	Berpeluang melakukan kerja secara bersendirian dan menggunakan budibicara sendiri dengan sedikit penyeliaan.
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3.	Berpeluang mengambil bahagian bagi menentukan kaedah, prosedur dan matlamat kerja yang dilakukan.
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
4.	Kesanggupan untuk melakukan kerja yang tidak bercanggah dengan pendirian anda.
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
5.	Berpeluang membuat sesuatu untuk orang lain.
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
6.	Berpeluang memberitahu orang lain apa yang harus dilakukan.
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
7.	Kerja-kerja di organisasi ini membuatkan saya sentiasa sibuk.
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
8.	Perasaan puas dari kerja-kerja yang saya sempurnakan di organisasi ini.
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
9.	Berpeluang melakukan kerja mengikut kemampuan saya.
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

1 Amat tidak puashati					2 Tidak puashati	3 Tidak pasti	4 Puashati	5 Amat puashati												
Sebelum Pengswastaan															Sekarang					
1	2	3	4	5											1	2	3	4	5	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10.	Kerja yang saya lakukan membantu saya dikenali di kalangan masyarakat.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11.	Berpeluang melakukan sesuatu kerja secara bersendirian.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12.	Kebebasan untuk menggunakan budibicara saya semasa bekerja.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13.	Perasaan saya dengan gaji yang diterima adalah setimpal dengan kerja yang dilakukan.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14.	Kerja ini menjanjikan jaminan pekerjaan untuk masa depan.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15.	Perasaan saya terhadap suasana kerja di organisasi ini (hawa-dingin, lampu, kebersihan ruang udara dll.)					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16.	Cara penyelia saya memberikan bantuan/tunjuk ajar agar kerja yang saya lakukan menjadi lebih senang.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17.	Cara penyelia saya menganggap setiap pekerja di bawahnya adalah penting.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18.	Pengiktirafan/pujian yang anda terima dari hasil kerja yang sempurna dilakukan.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19.	Peluang untuk kenaikan pangkat di organisasi ini.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	20.	Hubungan rakan-rakan sekerja saya dengan pekerja seksyen/unit lain.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	21.	Perasaan saya terhadap organisasi ini yang mempunyai imej yang baik di kalangan masyarakat.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	22.	Cara polisi kerja yang dipraktikkan di organisasi ini.					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

BAHAGIAN 4 :

Bahagian ini mengandungi beberapa maklumat umum mengenai organisasi dan diri anda.

1. Sila nyatakan nama organisasi di mana anda berkerja :

2. Jangkamasa anda berkerja di organisasi ini :
 kurang dari 5 tahun
 6-10 tahun
 11-15 tahun
 lebih dari 16 tahun

3. Jabatan / cawangan sekarang : _____

4. Sila nyatakan nama jawatan yang disandang : _____

5. Jawatan yang disandang semasa mula-mula berkerja di organisasi ini :

6. Jumlah kenaikan pangkat sejak berkerja di organisasi ini :
 0 1 - 3 kali 4 - 5 kali lebih dari 5 kali

7. Jumlah kenaikan pangkat sejak pengswastaaan :
 0 1 - 3 kali 4 - 5 kali lebih dari 5 kali

8. Jangkamasa anda menyandang jawatan sekarang?
 kurang dari 1 tahun
 lebih dari 1 tahun tetapi kurang dari 5 tahun
 lebih dari 5 tahun tetapi kurang dari 10 tahun
 lebih dari 10 tahun

9. Adakah anda menerima latihan tertentu untuk jawatan anda sekarang?
 Ya Tidak

10. Purata jumlah kursus yang dihadiri dalam setahun.
a) Sebelum pengswastaaan :
 0 1 - 3 kali 4 - 5 kali lebih dari 5 kali
b) Sekarang :
 0 1 - 3 kali 4 - 5 kali lebih dari 5 kali

11. Sejak berkerja di organisasi ini, pernahkah anda diberi peluang untuk melanjutkan pelajaran/kemahiran bagi meningkatkan kelayakan?

- Ya Tidak

12. Faedah-faedah pekerjaan : (Tanda pada kotak-kotak yang berkenaan)

Sebelum Pengswastaan

Sekarang

Ya	Tidak		Ya	Tidak
<input type="checkbox"/>	<input type="checkbox"/>	a) Pinjaman kenderaan	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	b) Pinjaman perumahan	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	c) Bonos	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	d) Perubatan (Doktor panel)	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	e) Cuti sakit	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	f) Saham opsyen	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	g) Cuti belajar	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	h) Cuti tahunan	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	i) KWSP	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	j) Pencen	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	k) Biasiswa	<input type="checkbox"/>	<input type="checkbox"/>

Lain-lain (sila nyatakan)

Sebelum pengswastaan : _____

Sekarang : _____

13. Adakah prestasi anda pernah dinilai?

a) Sebelum Pengswastaan :

- Ya Tidak

b) Sekarang :

- Ya Tidak

14. Berapa kerapkah anda dinilai?

Sebelum Pengswastaan

Sekarang

Ya		Ya
<input type="checkbox"/>	Setiap 6 bulan	<input type="checkbox"/>
<input type="checkbox"/>	Lebih dari setiap 6 bulan	<input type="checkbox"/>
<input type="checkbox"/>	Setiap tahun	<input type="checkbox"/>
<input type="checkbox"/>	Kurang dari setahun sekali	<input type="checkbox"/>

Lain-lain (sila nyatakan)

Sebelum pengswastaan : _____

Sekarang : _____

15. Slapakah yang menilai anda?

Sebelum Pengswastaan

Ya

Sekarang

Ya

Rakan sejawat

Penyelia

Pihak atasan

16. Gaji bulanan :

Sebelum Pengswastaan

kurang dari RM 500

RM 501-750

RM 751-1000

RM 1001-1250

RM 1251-1500

RM 1501-1750

RM 1751-2000

Lebih dari RM2001

Sekarang

kurang dari RM 500

RM 501-750

RM 751-1000

RM 1001-1250

RM 1251-1500

RM 1501-1750

RM 1751-2000

Lebih dari RM2001

17. Jangkamasa jam berkerja sehari :

a) Sebelum Pengswastaan :

kurang dari 8 jam 8 jam 9 jam 10 jam lebih dari 10 jam

b) Selepas Pengswastaan :

kurang dari 8 jam 8 jam 9 jam 10 jam lebih dari 10 jam

18. Kelayakan akademik yang tertinggi :

SRP / SPM

STPM

Diploma atau yang setaraf dengannya

Ijazah atau yang setaraf dengannya

Lain-lain (sila nyatakan) : _____

19. Jantina :

Lelaki

Perempuan

20. Umur :

di bawah 25 tahun

25-29 tahun

30-34 tahun

35-39 tahun

40-44 tahun

lebih dari 45 tahun

21. **Taraf perkahwinan :**

- Belum berkahwin Berkahwin Bercerai

Terima kasih di atas kerjasama dan masa yang diluangkan untuk menyempurnakan soalselidik ini. Segala jawapan yang diterima adalah untuk pengetahuan penyelidik sahaja. Sila hantar soalselidik yang telah diisi menggunakan sampul surat berselem yang disediakan.

A. Pay Before and After Privatisation (To support Table 7.2)

Table 1a: Chi-square Test for Pay in Telekom Malaysia

Pay	Time 1			Time 2			Column Total
	f	fe	χ^2	f	fe	χ^2	
RM<1000	137	93.5	20.23	50	93.5	20.23	187
RM1001-1250	8	34.5	20.35	61	34.5	20.35	69
RM>1250	15	32	9.03	49	32	9.03	64
Row Total	160			160			320

f = Frequency

fe = Expected Value

$$\chi^2 = \frac{\sum(f - fe)^2}{fe}$$

Calculated $\chi^2 = 99.22$

df = (R-1) (C-1)

= (3-1) (2-1)

= (2) (1)

= 2

From χ^2 table, $\chi_{0.1}^2 = 10.6$ If $\chi^2 < 10.6$, accept H_0 If $\chi^2 \geq 10.6$, reject H_0

\therefore reject H_0 because χ^2 is greater than 10.6. There are differences between Pay at Time 1 and Time 2 in Telekom Malaysia.

T-test for Pay at Time 1 and Time 2 in Telekom Malaysia

Salary	Time 1	Time 2
Mean	2.1813	4.2938
Standard Deviation	1.212	1.448
T-value	-31.84***	

*p<0.05, ** p<0.01, *** p<0.001

Table 1b: Chi-square Test for Pay in Tenaga Nasional

Pay	Time1			Time 2			Column Total
	f	fe	X^2	f	fe	X^2	
RM<750	125	65.5	54.0	6	65.5	54.0	131
RM751-1000	21	31	10	41	31	10	62
RM>1000	13	62.5	39.2	112	62.5	29.2	125
Row Total	159			159			318

f = Frequency

fe = Expected Value

$$X^2 = \frac{\sum(f - fe)^2}{fe}$$

Calculated $X^2 = 206.4$

$$\begin{aligned} df &= (R-1)(C-1) \\ &= (3-1)(2-1) \\ &= (2)(1) \\ &= 2 \end{aligned}$$

From X^2 table, $X_{0.1}^2 = 9.210$

If $X^2 < 9.210$, accept H_0

If $X^2 \geq 9.210$, reject H_0

\therefore reject H_0 because X^2 is greater than 9.210. There are significant differences between Pay at Time 1 and Time 2 in Tenaga Nasional.

T-test for Pay at Time 1 and Time 2 in Tenaga Nasional

Salary	Time 1	Time 2
Mean	1.9748	4.2013
Standard Deviation	.993	1.195
T-value	-30.97***	

*p<0.05, ** p<0.01, *** p<0.001

B. Benefits Before and After Privatisation (To support Table 7.2.1)**1. Vehicle Loan****Table 1a: Chi-square Test for Vehicle Loan in Telekom Malaysia**

Vehicle Loan	Time1			Time 2			Column Total
	f	fe	X^2	f	fe	X^2	
Yes	71	83	1.73	95	83	1.73	166
No	89	77	1.87	65	77	1.87	154
Row Total	160						320

f = Frequency

fe = Expected Value

$$X^2 = \frac{\sum(f - fe)^2}{fe}$$

Calculated $X^2 = 7.2$

df = (R-1) (C-1)

= (2-1) (2-1)

= (1) (1)

= 1

From X^2 table, $X_{0.1}^2 = 6.64$ If $X^2 < 6.64$, accept H_0 If $X^2 \geq 6.64$, reject H_0

\therefore reject H_0 because X^2 is greater than 7.2. There are significant differences between Vehicle Loan at Time 1 and Time 2 in Telekom Malaysia.

T-test for Vehicle Loan at Time 1 and Time 2 in Telekom Malaysia

Vehicle Loan	Time 1	Time 2
Mean	1.5563	1.4063
Standard Deviation	.498	.493
T-value	4.08 ***	

*p<0.05, ** p<0.01, *** p<0.001

Table 1b: Chi-square Test for Vehicle Loan in Tenaga Nasional

Vehicle Loan	Time 1			Time 2			Column Total
	f	fe	X^2	f	fe	X^2	
Yes	69	80	1.51	91	80	1.51	160
No	90	79	1.53	68	79	1.53	158
Row Total	159			159			318

f = Frequency

fe = Expected Value

$$X^2 = \frac{\Sigma(f - fe)^2}{fe}$$

Calculated $X^2 = 6.08$

$$\begin{aligned} df &= (R-1)(C-1) \\ &= (2-1)(2-1) \\ &= (1)(1) \\ &= 1 \end{aligned}$$

From X^2 table, $X_{0.5}^2 = 3.84$ If $X^2 < 3.84$, accept H_0 If $X^2 \geq 3.84$, reject H_0

\therefore reject H_0 because calculated X^2 is greater than 6.08. There are significant differences between Vehicle Loan at Time 1 and Time 2 in Tenaga Nasional.

T-test for Vehicle Loan at Time 1 and Time 2 in Tenaga Nasional

Vehicle Loan	Time 1	Time 2
Mean	1.5660	1.4277
Standard Deviation	.497	.496
T-value	5.04 ***	

*p<0.05, ** p<0.01, *** p<0.001

2. Housing Loan.

Table 2a: T-test for Housing Loan at Time 1 and Time 2 in Telekom Malaysia

Housing Loan	Time 1	Time 2
Mean	1.0563	1.0250
Standard Deviation	.231	.157
T-value	1.68	

*p<0.05, ** p<0.01, *** p<0.001

Table 2b: T-test for Housing Loan at Time 1 and Time 2 in Tenaga Nasional

Housing Loan	Time 1	Time 2
Mean	1.0755	1.0252
Standard Deviation	.265	.157
T-value	2.57	

*p<0.05, ** p<0.01, *** p<0.001

3. Bonus

Table 3a: T-test for Bonus at Time 1 and Time 2 in Telekom Malaysia

Bonus	Time 1	Time 2
Mean	1.8500	1.0063
Standard Deviation	.358	.079
T-value	29.30***	

*p<0.05, ** p<0.01, *** p<0.001

Table 3b: T-test for Bonus at Time 1 and Time 2 in Tenaga Nasional

Bonus	Time 1	Time 2
Mean	1.8742	1.0126
Standard Deviation	.333	.112
T-value	31.37***	

*p<0.05, ** p<0.01, *** p<0.001

4. Medical Benefits

Table 4a: T-test for Medical at Time 1 and Time 2 in Telekom Malaysia

Medical	Time 1	Time 2
Mean	1.6313	1.0000
Standard Deviation	2.349	.000
T-value	3.40***	

*p<0.05, ** p<0.01, *** p<0.001

Table 4b: T-test for Medical at Time 1 and Time 2 in Tenaga Nasional

Medical	Time 1	Time 2
Mean	1.2767	1.0000
Standard Deviation	1.691	.000
T-value	2.06*	

*p<0.05, ** p<0.01, *** p<0.001

5. Sick Leave

Table 5a: T-test for Sick Leave at Time 1 and Time 2 in Telekom Malaysia

Sick Leave	Time 1	Time 2
Mean	1.0125	1.0250
Standard Deviation	.111	.157
T-value	-.82	

*p<0.05, ** p<0.01, *** p<0.001

Table 5b: T-test for Sick Leave at Time 1 and Time 2 in Tenaga Nasional

Sick Leave	Time 1	Time 2
Mean	1.0063	1.0063
Standard Deviation	.079	.079
T-value	.00	

*p<0.05, ** p<0.01, *** p<0.001

6. Share Option

Table 6a: T-test for Shares Option at Time 1 and Time 2 in Telekom Malaysia

Shares Option	Time 1	Time 2
Mean	1.9625	1.0000
Standard Deviation	.191	.000
T-value	63.88***	

*p<0.05, ** p<0.01, *** p<0.001

Table 6b: T-test for Shares Option at Time 1 and Time 2 in Tenaga Nasional

Shares Option	Time 1	Time 2
Mean	1.9937	1.0000
Standard Deviation	.079	.000
T-value	158.00***	

*p<0.05, ** p<0.01, *** p<0.001

7. Study Leave

Table 7a: Chi-square Test for Study Leave in Telekom Malaysia

Study Leave	Time1			Time 2			Column Total
	f	fe	χ^2	f	fe	χ^2	
Yes	102	105.5	0.116	109	105.5	0.116	211
No	58	54.4	0.224	51	54.4	0.224	109
Row Total	160			160			320

f = Frequency

fe = Expected Value

$$\chi^2 = \frac{\sum (f - fe)^2}{fe}$$

Calculated $\chi^2 = 0.68$

$$\begin{aligned} df &= (R-1)(C-1) \\ &= (2-1)(2-1) \\ &= (1)(1) \\ &= 1 \end{aligned}$$

From χ^2 table, $\chi_{0.5}^2 = 3.84$ If $\chi^2 < 3.84$, accept H_0 If $\chi^2 \geq 3.84$, reject H_0

\therefore accept H_0 because χ^2 is less than 3.83. There are no significant differences between Study Leave at Time 1 and Time 2 in Telekom Malaysia.

Table 7b: Chi-square Test for Study Leave in Tenaga Nasional

Study Leave	Time1			Time 2			Column Total
	f	fe	χ^2	f	fe	χ^2	
Yes	107	108.5	0.02	110	108.5	0.02	217
No	52	50.5	0.04	49	50.5	0.04	101
Row Total	159			159			318

f = Frequency

fe = Expected Value

$$\chi^2 = \frac{\sum (f - fe)^2}{fe}$$

Calculated $\chi^2 = 0.12$

$$\begin{aligned} df &= (R-1)(C-1) \\ &= (2-1)(2-1) \\ &= (1)(1) \\ &= 1 \end{aligned}$$

From χ^2 table, $\chi_{0.5}^2 = 3.84$

If $\chi^2 < 3.84$, accept H_0

If $\chi^2 \geq 3.84$, reject H_0

\therefore accept H_0 because χ^2 is less than 3.83. There are no significant differences between Study Leave at Time 1 and Time 2 in Tenaga Malaysia.

8. Pensions

Table 8a: T-test for Pensions at Time 1 and Time 2 in Telekom Malaysia

Pensions	Time 1	Time 2
Mean	1.0188	1.9563
Standard Deviation	.136	.205
T-value	-.48.84***	

*p<0.05, ** p<0.01, *** p<0.001

Table 8b: T-test for Pensions at Time 1 and Time 2 in Tenaga Nasional

Pensions	Time 1	Time 2
Mean	1.0000	1.9434
Standard Deviation	.000	.232
T-value	-51.32***	

*p<0.05, ** p<0.01, *** p<0.001

9. Scholarships:

Table 9a: Chi-square Test for Scholarship in Telekom Malaysia

Scholarship	Time1			Time 2			Column Total
	f	fe	X^2	f	fe	X^2	
Yes	79	88	0.92	97	88	0.92	176
No	81	72	1.125	63	72	1.125	144
Row Total	160			160			320

f = Frequency

fe = Expected Value

$$X^2 = \frac{\Sigma(f - fe)^2}{fe}$$

Calculated $X^2 = 4.09$

$$\begin{aligned} df &= (R-1)(C-1) \\ &= (2-1)(2-1) \\ &= (1)(1) \\ &= 1 \end{aligned}$$

From X^2 table, $X_{0.5}^2 = 3.84$ If $X^2 < 3.84$, accept H_0 If $X^2 \geq 3.84$, reject H_0

\therefore accept H_0 because X^2 is greater than 3.83. There are significant differences between Scholarship at Time 1 and Time 2 in Telekom Malaysia.

T-test for Scholarship at Time 1 and Time 2 in Telekom Malaysia

Scholarship	Time 1	Time 2
Mean	1.5063	.502
Standard Deviation	1.3938	.490
T-value	4.23***	

*p<0.05, ** p<0.01, *** p<0.001

Table 9b: Chi-square Test for Scholarship in Tenaga Nasional

Scholarship	Time1			Time 2			Column Total
	f	fe	X^2	f	fe	X^2	
Yes	91	92.5	0.02	94	92.5	0.02	185
No	68	66.5	0.03	65	66.5	0.03	133
Row Total	159			159			318

f = Frequency

fe = Expected Value

$$X^2 = \frac{\sum(f - fe)^2}{fe}$$

Calculated $X^2 = 0.10$

$$df = (R-1)(C-1)$$

$$= (2-1)(2-1)$$

$$= (1)(1)$$

$$= 1$$

From X^2 table, $X_{0.5}^2 = 3.84$

If $X^2 < 3.84$, accept H_0

If $X^2 \geq 3.84$, reject H_0

\therefore accept H_0 because X^2 is less than 3.84. There are no significant differences between Scholarship at Time 1 and Time 2 in Tenaga Malaysia.

T-test for Scholarship at Time 1 and Time 2 in Tenaga Nasional

Scholarship	Time 1	Time 2
Mean	1.4277	1.4088
Standard Deviation	.496	.493
T-value	.83	

*p<0.05, ** p<0.01, *** p<0.001

C: Training Before and After Privatisation (To support Table 7.2.2)**Table 1a : Chi-square Test for Training in Telekom Malaysia**

Training	Time 1			Time 2			Column Total
	f	fe	X^2	f	fe	X^2	
No Training	33	25	2.56	17	25	2.56	50
1-3 times	104	107.5	0.114	111	107.5	0.114	215
4-5 times	15	17.5	0.35	20	17.5	0.35	35
More than 5 times	8	10	0.4	12	10	0.4	20
Row Total	160			160			320

f = Frequency

fe = Expected Value

$$X^2 = \frac{\sum (f - fe)^2}{fe}$$

Calculated $X^2 = 6.848$

$$\begin{aligned} df &= (R-1)(C-1) \\ &= (4-1)(2-1) \\ &= (3)(1) \\ &= 3 \end{aligned}$$

From X^2 table, $X_{0.5}^2 = 7.82$ If $X^2 < 7.82$, accept H_0 If $X^2 \geq 7.82$, reject H_0

\therefore accept H_0 because X^2 is less than 7.82. There are no significant differences between Training at Time 1 and Time 2 in Telekom Malaysia.

T-test for Training and Development at Time 1 and Time 2 in Telekom Malaysia

Training and Development	Time 1	Time 2
Mean	1.9875	2.1750
Standard Deviation	.709	.732
T-value	-2.49*	

*p<0.05, ** p<0.01, *** p<0.001

Table 1b : Chi-square Test for Training in Tenaga Nasional

Training	Time1			Time 2			Column Total
	f	fe	χ^2	f	fe	χ^2	
No Training	45	32.5	4.80	20	32.5	4.80	65
1-3 times	87	92.5	0.32	98	92.5	0.32	185
4-5 times	16	21	1.19	26	21	1.19	42
More than 5 times	11	13	0.30	15	13	0.3	26
Row Total	159			159			318

f = Frequency

fe = Expected Value

$$\chi^2 = \frac{\sum (f - fe)^2}{fe}$$

Calculated $\chi^2 = 13.22$

$$\begin{aligned} df &= (R-1) (C-1) \\ &= (4-1) (2-1) \\ &= (3) (1) \\ &= 3 \end{aligned}$$

From χ^2 table, $\chi_{0.5}^2 = 7.82$

If $\chi^2 < 7.82$, accept H_0

If $\chi^2 \geq 7.82$, reject H_0

\therefore accept H_0 because χ^2 is less than 7.82. There are no significant differences between Training at Time 1 and Time 2 in Tenaga Nasional.

T-test for Training and Development at Time 1 and Time 2 in Tenaga Nasional

Training and Development	Time 1	Time 2
Mean	1.9560	2.2264
Standard Deviation	.814	.787
T-value	-3.89***	

*p<0.05, ** p<0.01, *** p<0.001

D: Performance Appraisal Before and After Privatisation (To support Table 7.2.3)

Table 1a: T-test for Performance Appraisal at Time 1 and Time 2 in Telekom Malaysia

Performance Appraisal	Time 1	Time 2
Mean	1.3938	1.0000
Standard Deviation	.490	.000
T-value	10.16***	

*p<0.05, ** p<0.01, *** p<0.001

Table 1b: T-test for Performance Appraisal at Time 1 and Time 2 in Tenaga Nasional

Performance Appraisal	Time 1	Time 2
Mean	1.6792	1.0000
Standard Deviation	.468	.000
T-value	18.29 ***	

*p<0.05, ** p<0.01, *** p<0.001

E. Working Hours Before and After Privatisation (To support Table 7.2.4)

Table 1a : Chi-square Test for Working Hours in Telekom Malaysia

Working Hours	Time 1			Time 2			Column Total
	f	fe	χ^2	f	fe	χ^2	
< 8 hours	18	11.5	3.67	5	11.5	3.67	23
8 hours	132	128	0.125	124	128	0.125	256
>8 hours	10	20.5	5.37	31	20.5	5.37	41
Row Total	160			160			320

f = Frequency

fe = Expected Value

$$\chi^2 = \frac{\sum (f - fe)^2}{fe}$$

Calculated $\chi^2 = 18.33$

$$\begin{aligned} df &= (R-1)(C-1) \\ &= (3-1)(2-1) \\ &= (2)(1) \\ &= 2 \end{aligned}$$

From χ^2 table, $\chi_{0.1}^2 = 9.21$

If $\chi^2 < 9.21$, accept H_0

If $\chi^2 \geq 9.21$, reject H_0

\therefore accept H_0 because χ^2 is less than 9.21. There are no significant differences between Working Hours at Time 1 and Time 2 in Telekom Malaysia.

Table 1b : Chi-square Test for Working Hours in Tenaga Nasional

Working Hours	Time 1			Time 2			Column Total
	f	fe	χ^2	f	fe	χ^2	
8 hours	150	137	1.23	124	137	1.23	274
>8 hours	9	22	7.68	35	22	7.68	44
Row Total	159			159			318

f = Frequency

fe = Expected Value

$$\chi^2 = \frac{\sum (f - fe)^2}{fe}$$

Calculated $\chi^2 = 17.82$

$$\begin{aligned} df &= (R-1)(C-1) \\ &= (2-1)(2-1) \\ &= (1)(1) \\ &= 1 \end{aligned}$$

From table $\chi_{0.1}^2 = 6.64$

If $\chi^2 < 6.64$, accept H_0

If $\chi^2 \geq 6.64$, reject H_0

\therefore accept H_0 because χ^2 is less than 6.64. There are no significant differences between Working Hours at Time 1 and Time 2 in Tenaga Nasional.

F: Promotions Before and After Privatisation (To support Table 7.2.5)**Table 1a : Chi-square Test for Promotions in Telekom Malaysia**

Promotions	Time1			Time 2			Column Total
	f	fe	X^2	f	fe	X^2	
No Promotion	86	89.5	0.136	93	89.5	0.136	179
More than 1 Promotion	74	70.5	0.17	67	70.5	0.17	141
Row Total	160			160			320

f = Frequency

fe = Expected Value

$$X^2 = \frac{\sum(f - fe)^2}{fe}$$

Calculated $X^2 = 0.612$

$$\begin{aligned} df &= (R-1)(C-1) \\ &= (2-1)(2-1) \\ &= (1)(1) \\ &= 1 \end{aligned}$$

From X^2 table, $X_{0.1}^2 = 6.64$ If $X^2 < 6.64$, accept H_0 If $X^2 \geq 6.64$, reject H_0

\therefore accept H_0 because X^2 is less than 6.64. There are no significant differences between Promotions at Time 1 and Time 2 in Telekom Malaysia.

Table 1b : Chi-square Test for Promotions in Tenaga Nasional

Promotions	Time 1			Time 2			Column Total
	f	fe	X^2	f	fe	X^2	
No Promotion	78	85.5	0.65	93	85.5	0.65	171
More than 1 Promotion	81	73.5	0.76	66	73.5	0.76	147
Row Total	159			159			318

f = Frequency

fe = Expected Value

$$X^2 = \frac{\sum(f - fe)^2}{fe}$$

Calculated $X^2 = 2.82$

$$\begin{aligned} df &= (R-1)(C-1) \\ &= (2-1)(2-1) \\ &= (1)(1) \\ &= 1 \end{aligned}$$

From X^2 table, $X_{0.1}^2 = 6.64$

If $X^2 < 6.64$, accept H_0

If $X^2 \geq 6.64$, reject H_0

\therefore accept H_0 because X^2 is less than 6.64. There are no significant differences between Promotions at Time 1 and Time 2 in Tenaga Nasional.