The effects of the performance management system and the organisational culture on the employees attitude in Malaysian government statutory bodies: a case study of Majlis Amanah Rakyat (MARA)

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Southern Cross University
The Effects of the Performance Management System and the Organisational Culture on the Employees Attitude in Malaysian Government Statutory Bodies: A Case Study of Majlis Amanah Rakyat (MARA)

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BBA (OHIO), MBA (CSU)

THIS THESIS IS SUBMITTED FOR THE DEGREE OF DOCTOR IN BUSINESS ADMINISTRATION
SOUTHERN CROSS UNIVERSITY
JANUARY 2014
DECLARATION

I certify that the substance of this Thesis has not been already submitted for any degree and is not currently being submitted for any other degree or degrees. I certify that to the best of my knowledge any help received in preparing this work, and all sources used, have been acknowledged in this Thesis.

Mohd Haizam bin Mohd Saudi
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Secondly, I wish to record my deepest appreciation to all members of my family for their enduring support. Special admiration goes to my wife, Maslizai, my son Firdhaus, Farhan, Fahmi and my daughter Farah, for their tolerance and patience.

I wish to acknowledge support of the academic staff of the Southern Cross University and City University especially Associate Professor Dr Ilham and Professor Dr Selvanathan who have been helpful during the course of this work.

Lastly, this thesis is dedicated to my mother, Fatimah and my late father, Dr Mohd Saudi for being excellent role models.
This research focuses on the effects of the attitude on the employees in one of the biggest statutory bodies in Malaysia, Majlis Amanah Rakyat known as MARA. Using a quantitative approach, this research was largely descriptive in nature. The structured questionnaire survey used for data collection was distributed to MARA employees throughout Malaysia.

The objectives of this research were to investigate the impact of the employee attitude derived from the usage of Balanced Scorecard (BSC) as the performance management system in MARA as well as investigating the implications on its organisational culture. Other important objectives were to offer recommendations for good Performance Management System (PMS) practices and to identify issues meriting further research.

The key findings of this research are as follows; first, the Malaysian government should review its policies on MARA’s functions in developing the indigenous or the Malay community in the area of business and education. Second, MARA should appoint top management through open recruitment system. Thus, in this way, the key professional personnel will not only be able to lead this public agency but also to act as a change agent.

Third, using the Balanced Scorecard as the strategic management system will enable the management’s strategy and vision to be translated into realistic and achievable goals. Fourth, from the hypotheses, the findings also found through BSC Learning and Growth perspective, the lack of training and development program has caused dissatisfaction among the MARA employees.

Fifth, the emphasis on Organisational Development (OD) was found to be critical which would enable MARA to engage in performance-based culture as well as to integrate training and motivation. Sixth, the findings also revealed that the current practice of promoting employees solely based on seniority should be abolished and must be based solely on merit.

Seventh, this research has found that MARA should act as a learning organisation to absorb the rapid changes in the business environment as well as to cater the needs of the Malay community in Malaysia.
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<td>BNM</td>
<td>Bank Negara Malaysia</td>
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<td>CEO</td>
<td>Chief Executive Officer</td>
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<td>Employees’ Attitude</td>
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<td>Economic Delivery Unit</td>
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CHAPTER ONE

1.1 INTRODUCTION

This chapter introduces the research and provides an overview of the thesis on the ‘Effects of Performance Management System and Organisational Culture on Employee Attitudes of Malaysian Government Statutory Body: A case study of Majlis Amanah Rakyat (MARA)’. In line with Perry (2002), the Chapter is organised into 11 Sections as presented in Figure 1.1.

Section 1.2 presents a background of the research. It illustrates the significance of Malaysian Government Statutory Bodies in the Malaysian economy and the challenges they face in achieving their socially responsible corporate objectives. The discussion leads on in Section 1.3 to the identification of the research problem, research questions and research hypotheses. The justification for the research, its contributions and its objectives are presented in Section 1.4. The unit of analysis is presented in Section 1.5 with Section 1.6 providing an overview of the research design and methodology.

Since the research concerned three parties, namely Southern Cross University, respondents and the researcher, this interaction required the address of ethical issues which is presented in Section 1.7. The definitions of the key terms are given in Section 1.8 and are followed by the limitations in Section 1.9.

Section 1.10 depicts the structure of the thesis and outlines each of the five chapters. The final section presents the conclusion of this chapter.
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1.2 Background of the Research
1.3 The Research Problem
1.4 The Rationale for the Research
1.5 Unit Of Analysis
1.6 Research Methodology
1.7 Ethical Considerations
1.8 Definition of Key Terms
1.9 Limitations
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1.11 Conclusion

Source: Developed For This Research
1.2 Background of the Research

Governments worldwide are under pressure to improve their service and to control their costs. ‘National, state, county, municipal and public agencies in almost all the countries in the world are encountering some sort of fiscal squeeze’ (Cokins 2002, pp.1-2). The rise of public voices towards accountable and efficient government has influenced most government in the world to implement Performance Management System (PMS) that cater to the needs of the citizens. Nevertheless, the lack of comprehensiveness in terms of implementation and its practices have caused the failure of the system (Niven, 2002).

This research examined the perception and attitude of the employees of a Malaysian government statutory body on the performance management system and its effectiveness on the organisation. This research was also focused on the influence of the organisational culture towards the implementation of performance management system and the effects on the employees’ attitude in Majlis Amanah Rakyat or well known as MARA.

Organisations which still apply traditional methods in managing its employees are losing their relevancy in the new and enhanced information era (Kaplan & Norton, 2002). Public organisation such as MARA is now focusing on performance management systems to improve their performance and productivity. However, the adoption of the PMS has resulted in chaotic situations in many public organisations around the world because these organisations were incapable of addressing some drastic changes that have occurred in the workplace (Johnson & Kaplan 1987).

Hence, organisations are continuously challenged with new technologies and this compels them to change in order to compete effectively in the business world. Organisations have to fully equip themselves with sufficient knowledge and skilful workers due to the new changes in the external and internal environments in the business. The globalization and the dynamic market place contribute to the need for these changes (Atkinson et al., 1997; Burns & Vaivio, 2001; Gunasekaran, Williams, & McGaughey, 2005; Lukka & Shields, 2001, Schermerhorn 2001).

Empirical studies have observed that organisational culture has a direct relationship with the human resource practices (Hofstede 2001). Furthermore, the relationship between human
resource practices and organisational culture towards organisational commitment and job satisfaction has been established (Platonova 2005; Gardner, Moynihan & Wright 2007). The empirical evidence indicates that the Malaysian Government is aware of these challenges and is committed to improve the performance of Malaysian Statutory Bodies (MSB) in this country including MARA and to change its organisational culture. This was reflected by the launch of Government Transformation Programme (GTP) directed at MSBs in becoming high performance companies (Najib, 2009). The Programme sets guidelines to upgrade the effectiveness of boards and reinforce the corporate governance of MSB, to adopt corporate best practices within MSBs and to drive a performance-based culture through the use of key performance indicators (KPIs) (MOF, 2009).

The implementation of GTP in Malaysian Government Statutory Bodies requires them to have good governance, and effective leadership. They should develop knowledge resources, integrate social responsibility into strategy, hire knowledge workers, emphasize good corporate culture and establish knowledge based professional management structures (Tan, 2008). Malaysian Statutory Bodies benefit from preferential treatment but they often register poor business performance and in some cases even tolerate corrupt practices (Hitam, cited in The Star, 16 May 2009).

It was therefore, necessary for the government to introduce reform measures or new performance management system to improve the public sector's practices especially in MSB. A notable development was the usage of Balanced Scorecard in the Government Transformation Programme (GTP). The Performance Management System (PMS) has been found critical to act as a tool to produce accurate and fast results in order to enhance the decision making processes by the organisation worldwide (Otley 1999).

The increasing attention emerged among scholars during the last decade on the performance management system for reducing the problem in the agency. Initiatives and concerted efforts have been performed to identify the right employee attitude that could drive the management objectives, goals and mission and correlate positively with the level of performance of the firm (Misener et al. 1996; Moorhead & Griffin 1992; Aldag & Kuzuhara 2002).
Furthermore, empirical evidence from previous studies has found that self-descriptions play a vital role in determining the impact of accountability and managerial behaviour in Malaysia (Trezzini 2001). MARA, the studied agency in this research, has been reckoned as the biggest statutory body in Malaysia with branches worldwide. MARA’s main objective is to aid the Indigenous people or the Malay in the area of education and business and therefore, make a major impact to the Malaysian economy (Salleh Osman-Rani 1990). The rationale of choosing MARA will be discussed in Chapter 2.3.8

1.3 Research Problem

A research starts with a research problem and is normally presented by a management question (Cooper & Schindler 2003). Accordingly, the problem statement of this research is stated as, ‘what are the challenges and effects of the Performance Management System and the organisational culture on the employees’ attitude in MARA?’

1.3.1 Research Questions and Hypotheses

The following research questions and hypotheses have been framed for the current research:

**Research Area 1: Do the four perspectives of the Balanced Scorecard (BSC) affect the employees’ attitude in MARA?**

The first research area is addressed by four hypotheses.

H1: There is evidence of a positive significant relationship between the BSC Customer Perspective and the Employees’ Attitude in MARA.

H2: There is evidence of a positive significant relationship between the BSC Finance Perspective and the Employees’ Attitude in MARA.

H3: There is evidence of a positive significant relationship between the BSC Internal Process and the Employees’ Attitude in MARA.

H4: There is evidence of a positive significant relationship between the BSC Learning and Growth Perspective and the Employees’ Attitude in MARA.
Research Area 2: Does the organisational culture moderate the relationship between the BSC and the employees’ attitude in MARA?

The second research area is addressed by the fifth hypothesis.

H5: There is evidence of organisational culture does moderate the relationship between the four BSC perspectives and the Employees’ Attitude in MARA

1.3.2 Research Objectives

Based on the research questions and hypotheses, this research has five objectives:

i) To identify the effects of the implementation of Performance Management System on employees’ attitude in MARA in pursuit of better performance.

ii) To investigate the pervasiveness of balanced scorecard approach in the development of performance management in the MARA

iii) To examine the problems faced by MARA in using BSC as their performance management system

iv) To gain a better understanding of the relationship between the PMS and the organisational culture on employees’ attitude in MARA.

v) To analyze the factors influencing the effectiveness of the performance management systems.

1.4 The Rationale for the Research

- Firstly, the main contribution of the research was the outcome of the implementation of PMS towards the employees’ attitude in MARA, within the existence of an organisational culture. The role of employee attitude has been found to be critical in determining the success of an organisation’s performance. Previous research has been silent on the effect of PMS towards the attitude of employees. Thus, this research has focussed on and measured the work attitude that has been a great influence in the effectiveness of the job performance.
• This research is in line with the statement made by Morehead and Griffin (1992), which suggested that employee attitude plays a vital role in determining organisational performance in the long run - because it could lead to the desired employee behaviour required to achieve the mission and objective of a firm.

• Secondly, this research has also contributed to relevant knowledge by investigating the Government Transformation programme (GTP), which was launched in 2009. One of the missions of GTP was to improve the level of services in the government statutory body - such as MARA. BSC, a factor of the performance management system (PMS), was expected to increase the level of productivity and service quality in MARA. However, the result showed that the performance management system was not the sole factor to increase the level of performance of an organisation. The attitude and behaviour of the workers was found to be the determinant factor in achieving the desired results. This statement was supported by previous research made by Kennedy in 2002, which found that lack of participation and low morale occurred due to the hierarchical structure and culture in the Malaysian public sector. Thus, this research continued to investigate the effect of PMS implementation towards the work attitude in MARA, which had a very hierarchical structure and bureaucratic organisational culture.

• Thirdly, according to Allameh, Shahriari and Mansoori (2012), scholars around the globe have shown great interest in understanding the antecedents of workplace motivation and the causes of engaged behaviour, which led to spontaneous actions that improved productivity and performance of firms. Mayfield and Taber (2010) suggested that management should be involved in creating a favourable climate or culture in an organisation, stimulating organizational improvement, and then self-training for additional organisational responsibility, were crucial in improving the performance of an organisation. Furthermore, Taipale et al. (2011) and Cole et al. (2011) suggested that employee attitudes such as company dedication signalled that an individual found the work inspiring and therefore experienced a sense of enthusiasm, significance, pride and challenge in completing tasks.

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• Thus, this research assumes that what directly influences spontaneous and innovative behaviour are elements in employee attitude, such as job satisfaction and organisational commitment, which have not been analysed in previous research – despite the effect being significant.

• Fourthly, this research also observed that the changes needed in MARA were to transform the existence of a bureaucratic style, command and control processes to a more matrix based system, which is used and implemented in BSC. In this research, the resistance to change has been found to influence the attitude of the employees in MARA. Moreover, research on attitudes in this study found the pattern of behaviour and the related factors that cause the resistance to making changes in an organisation. This is vital to ensure that the employees would be able to follow instructions without dissatisfaction. Thus, it is critical, in this research, to analyse the attitude of employees - especially in the area of job satisfaction - because it clearly has a great impact on the organisation of employed people (Rowden & Connine 2005; Smith, Kendal & Hulin 1969; Misener, Haddock, Gleaton & Ajamieh 1996).

• Fifthly, the aim of this research is to confirm the dimensionality of the organisational culture in the context of Malaysian Statutory Bodies (MSB) specifically in MARA. Further to this, other aim would be to discover the relationship between the four perspectives in the Balanced Scorecard as well as organisational culture on employee attitude.

• Sixthly, the association or relationship between the dimensions of organisational culture and employee attitude namely job satisfaction and job commitment will be explored as well. The result from the current studies will hopefully add to the lack of existing literature on government statutory bodies in Malaysia.
Seventhly, the mandates and the role of Malaysian Statutory Bodies such as MARA require them to discharge their obligations in line with national interests. As there is a shortage of prior research on the progress made by MARA in achieving the goal, the findings of this research should extend the existing body of knowledge on this important issue. The Government Transformation Programme (GTP) introduced by the Malaysian Government to improve MARA performance. Furthermore, there is an absence of research on the adequacy of the Programme and the challenges that MARA face in using BSC for measuring and managing performance.

Eighthly, for this research is the public service culture of earlier studies affecting the implementation of performance management system (PMS) in the public sectors and Malaysian Statutory Bodies (MSB). Malaysian public service culture especially in the statutory bodies was not ready to implement the new Performance Management System (PMS) such as the Balance Scorecard (BSC) (Kennedy 2002). Hence, the intention of this research has been to analyze the level of acceptance of the public employees towards the BSC in the PMS in improving the productivity by way of analyzing the employees’ attitude (EA).

Ninthly, empirical evidence from previous studies suggested that the PMS such as Balanced Scorecard failed to deliver the expected results in terms of improving the communication of strategy throughout the firm under research (Krause, 2003). Performance management has been used to reinforce the desired attitude and behaviour of the employees as well as the integration of the processes for better organisational outcomes for the past few years (Mohrman, Mohrman & Worley 1990). Furthermore, large amounts of money and time have been spent to engage in these exercises which would focus on one single important variable, namely the people or their employees (Yancey & Austin 2000).
Finally, for managerial contribution, this research will provide insights to the local public agencies and will provide an understanding of the effectiveness of the current performance management system with useful information for measuring performance. For policy makers and legislators, this research will provide information for the need of curbing the unethical attitude of employees in the workplace. Thus, it may be important for organisations to recruit managers and employees who have been appropriately introduced to the standards provided by the PMS. This might result in a greater emphasis on customers’ satisfaction within the organisation itself. By associating the organisational culture with the performance management system, firms, particularly those identified as having strong record that treat their employees fairly may strike a positive chord with customers. Furthermore, projecting a positive attitude towards employees might lead these workers to view positive attitude favourably and they will less likely to have a negative attitude.

1.4.1 Research Gaps

Previous research has been silent on the implementation of performance management systems and how the influence of organisational culture can affect the performance of an organisation. Thus, by way of examining the employee attitude, this research would find the internal factors that affect the performance of an organisation. Past literature on the effects of organisational culture and the implementation of performance management systems on employee attitudes was missing, and thus, this research wants to fill this gap.

This research specifies the gaps in performance management systems and organisational culture in the studied organisation. This research also observes the situational constraints and influences that affect the performance management process in the government’s organization, including the challenges faced by MARA -especially organisational culture and the workers’ attitude by using the Noe, Hollenbeck, Gerhart and Wright model, in order to clarify the gap between PMS and Organisational Culture.
Noe, Hollenbeck, Gerhart & Wright’s model of performance management (1997)

According to this model, the link between performance management and organizational strategies and goals are often neglected. The model shows the situational constraints faced by an organization within the performance management system. The constraints could be the organizational culture, work group norms or economic conditions and these discourage employees from doing things efficiently. The model explains that to gain a competitive advantage, the attributes, behaviour and results must be tied to the organizational strategy - and the constraints existing within the work environment often prevent employees from performing well (Yusof, A 2003). As suggested by Noe, Hollenbeck, Gerhart and Wright (1997), individual behaviour and attitude have been found to be critical factors in the success of PMS processes. Hence, the attitude of employees will also be affected by other external factors such as organisational culture, economic conditions and situational constraints faced by the organisation. So, this research investigates the effect of implementing BSC on the attitude of the employees, and takes into account the organisational culture that influences the behaviour of people in an organisation.
1.5 Unit of Analysis

The unit of analysis refers to ‘the level of aggregation of the data collected during the subsequent data analysis stage’ (Cavana, Delahaye & Sekaran, 2001, p. 119). Guided by the research problem, time and resource constraints, it was only possible to investigate fourteen MARA branches including their headquarters, located in the Federal Territory of Kuala Lumpur, Malaysia.

The literature review revealed limited prior research on the adequacy and effectiveness of the Malaysian government policies and programs. The literature was silent on the progress made by Malaysian Statutory Bodies particularly in MARA, to operate as efficient government entities by discharging their obligations under the national economic and social agenda.

1.6 Methodology

This Section provides an overview of the research design and methodology for this research. This is detailed in Chapter 3.

1.6.1 Research Approach

The usage of the positive paradigm in this research has been found to be suitable, because it is capable of explaining the association or relationship between the organisational culture, the work-related attitude and the performance management system in the organisation. Furthermore, hypotheses testing will be able to evaluate the relationship between the variables and thus, if the relationship has found to have existed, any changes in one variable would affect or influence another variable (Cavana, Delahaye & Sekaran 2001).

1.6.2 Primary Data Collection

The primary data collection techniques for this research are detailed in Chapter 3. The questionnaire survey was conducted to obtain pertinent quantifiable data that could support the descriptive statistic in order to generalize the research findings.
The survey methodology such as mail survey was used in this research because some empirical studies have suggested that it was the most efficient and practical way in performing work-related attitude measurement (Saunders, Lewis & Thornhill 1997). Mail survey has been viewed as the most cost effective method, targeting specific respondents in an organisation. Furthermore, the most commonly used survey method in researching behaviour and attitude of the respondents has been through mail survey (Kieffer 2004; Salgado 2003 & Nikolaou 2003).

The time constraint and the unknown probability of selecting elements of the population had caused convenience sampling to be used in most research studies especially in the social sciences (Cavana et al. 2001). In this research, a total of 14 branches of MARA and their headquarters in the capital city for Malaysia, Kuala Lumpur, were involved in the mail survey. A total of 1000 sets of questionnaires were distributed by the researcher.

1.6.3 Research Design

Hypothesis testing was applicable in this thesis in order to research the association between the organisational culture, the performance management system and their impact towards the attitude of employees in the organisation. This research used a quantitative methodology and a survey method both of which use statistical techniques.

Statistical techniques require accuracy and the control of extraneous variables (Gill & Johnson 2002). The perception, belief and attitude of the 1000 MARA respondents were evaluated throughout this research. The research of employee attitude was used to evaluate the situation similar to other behavioural studies (Lindell & Whitney 2001). The hypothesis testing was performed in this research because the information available on the variables enabled the researcher to carry out the hypothesis formulation.

The five-point Likert’s Scales was used for all of the items of the variables: the organisational culture, the Balanced Scorecard and the employee attitude. The questionnaire of this research was adapted from Hofstede’s (2001) six dimensions of organisational culture, Job Descriptive Index (JDI) Smith, Kendall and Hulin (1969), US Government Accounting Standard Board (2002) as well as Meyer and Allen’s (1990) affective organisational commitment measure.
1.6.4 Data Analysis
The quantitative data analysis process involved the stages of checking, editing, handling blank questionnaires, coding, categorizing, transcribing and data cleaning (Malhotra 1999). These are detailed in Section 3.6.2. The collected data was keyed into the SPSS version 17 for Windows for analysis. Guided by Manning and Munro (2004), descriptive analysis techniques were used to produce the following outputs:

- A Case Processing Summary;
- Frequency Tables;
- Comparison of Mean Responses for each Hypothesis;
- Standard Deviations for each Hypothesis.

The Likert’s Scale was used in the questionnaire to collect internal scaled data for each variable in the research.

The construct validity must be tested by the Factor Analysis (Scwab 1980; Cavana et al. 2001). Thus, throughout this research, the structure of the organisational culture and the BSC measures were tested for validity.

The Regression Analysis was performed to justify the validity of the five hypotheses. Internal reliability was evaluated by using the Cronbach’s Alpha in order to prove the correlation between one variable to another. A scale of 0.5 to 0.7 in the Cronbach’s Alpha coefficient is adequate for initial investigation in any social science research (Nunally 1978).

1.7 Ethical Considerations
The participants were allowed to freely withdraw from the research without any obligation. The respondents were guaranteed of confidentiality and anonymity by the researcher. This is to ensure that completed questionnaires and data files would only be used by the researcher for academic purposes. Pre-addressed stamped envelopes were made available to the 1000 respondents.
The respondents were not subjected to any mental or physical stress. Moreover, demeaning questions were not asked in the research. Discussions on ethnic issues that could generate racial tension which are prohibited under the Malaysian Law were not presented in the research questionnaire. Hence, the questions on the racial and ethnic issues were avoided completely (See Appendix IV). The primary data collection exercise commenced only after approval was obtained from Southern Cross University, Human Ethics Committee, with ethics approval number ECN-11-085.

1.8 Definitions of Key Terms
This Section provides the working definitions that have been sourced or developed for this research.

**Malaysian Government Statutory Bodies (MSB)**
Malaysian Government Statutory Bodies are formed by an Act of Parliament as a separate body from the central government. They are formed to achieve specific objectives of government and to work within well-defined structures, where the policy, budget, specific targets and results are established by the Malaysian Government (Othman 2005).

**Balanced Scorecard (BSC)**
Balanced Scorecard (BSC) is ‘the articulation of the links between leading inputs (human and physical), processes, and lagging outcomes and focuses on the importance of managing these components to achieve the organisation's strategic priorities’(Abernethy et al. 2005, p. 136)

**Key Performance Indicators (KPI)**
Key Performance Indicators are ‘a set of measures focusing on those aspects of the organisational performance that are the most critical for the current and future success of the organisation’ (Parmenter, 2007, p.2).

**Performance Management (PM)**
Performance Management is ‘the process that unites goal setting, performance appraisal and development into a single common system’ (Dessler 2008, p. 289)
Performance Management System (PMS)

PMS has been defined as ‘an integrated set of planning and review procedures which cascade down through the organisation to provide a link between each individual and the overall strategy of the organisation’ (Smith & Goddard 2002, p. 248).

1.9 Limitations

There are several limitations for this research.

- First, the important limitation of this thesis is that Malaysian Statutory Bodies (MSB) including MARA is operated under regulations and rules that are peculiar to Malaysia. Thus, the findings of this research may not be generalized or applied to other countries.
- Second, social prejudice, bias and discriminating behaviour have been found to be unavoidable in any social science research (Hogan & Roberts 1996). This can be seen as one of the limitation of this research.
- Third, the stability of employee attitude as a construct might not be valid because of the influence of job satisfaction (Thoresen et al. 2004). The organisational hygiene, motivation level and role clarity might also influence the employee attitude as well as work performance (Kieffer 2004).

1.10 Structure of the Thesis

This thesis adopted a unified structure (Perry 2002) and is organized into five Chapters as shown in Figure 1.2.
Chapter 1 has set the scene for the research. Starting with an introduction, it then describes the research background, research problem, research questions and the research Hypotheses of the research. The justification for the research, its contributions to the existing body of knowledge, the methodology, limitations and the definitions adopted for the research have been briefly examined.
Chapter 2 starts with an overview of the Malaysian economy and then the researcher has built a theoretical framework for the research by reviewing the relevant literature on the parent theories and the research problem theories. The research studies focused on MARA and their performance. It then presents the functions of Balanced Scorecard of the Performance Management System and the effect of the organisational culture of the employees’ attitude in MARA.

Chapter 3 details the methodology for this research. It introduces the available paradigms and explains the choice of a selected approach. It then sets out and justifies the use of a survey method for data collection and details of the data analysis processes. The issues of reliability and validity related to this research are also examined and addressed. It details the measures taken to address any ethical issue that has arisen in this research.

Chapter 4 presents the analysis of the collected primary data for each of the five research hypothesis. The questionnaires survey including responses on the significant research issues. The descriptive analysis and the parametric analysis such as Regression analysis were performed to validate the hypotheses testing.

Chapter 5 summarizes the conclusions, based on the research results for each research hypothesis and the research problem. It then discusses the impact of the findings towards professional practices, their contributions to policy formulation and the new theory development as well as suggestions for further research.

1.11 Conclusion

The foundation basis of this research has been laid by this Chapter. It introduced the research problem, research questions and hypotheses. All these have been addressed in this chapter. It outlined the methodology, definition of the key terms and presented the limitations of the thesis and its structure. On these foundations, the report can proceed with a detailed description of the research. The next chapter of this thesis reviews the literature related to the parent and research problem theories.
CHAPTER 2

Literature Review

2.1 Introduction and Country Context

A literature review drives the research (Berg, 2004) and is an essential first step when undertaking a research project (Neuman, 2006). This chapter builds a theoretical foundation for the research through a thorough review of the existing literature on the effects of performance management system and organisational culture of Malaysian government-statutory bodies.

This literature review has four important aims. First, to gain a full insight of the existing literature on the research area; second, to identify the key research issues and emerging themes to place the research into its proper context; third, to fully understand the theoretical concepts and models relating to the research topic in developing and producing a suitable theoretical framework for the research and fourth to establish and rationalized the significance of the research problem statement (Baker 2000; Cavana, Delahaye & Sekaran 2001; Leedy 2001; Perry 2002). The literature review of this research has included the ‘Parent Theories’ and the ‘Research Problem Theories’ (Perry 2002). These, therefore, have formed the basis for establishing the conceptual framework for this research.

The framework which brings together the key variables and issues pertinent to the research has four primary purposes (Neck 2008):

1) To establish the research domain;

2) To identify gaps in the existing body of knowledge on the research problems;

3) To develop the research questions and hypotheses to guide the research;

4) To assist with the formulation of the chapter structure as shown in Figure 2.3.
Figure 2.1 Conceptual Framework of This Research

2.1 Introduction
   The Contextual Setting
      The Malaysian Economy

Parent Theories

Parent Theory 1:
   2.3 Malaysian Statutory Bodies
      Majlis Amanah Rakyat (MARA)

Parent Theory 2:
   2.4 Performance Management
      Performance Management System (PMS)

Research Problem Theories

- Organisational culture (OC)
  Analysis and preparedness

- Balanced Scorecard (BSC)
  Analysis and adequacy

- Employees’ Attitude (EA)
  Analysis and Preparedness

Theoretical Framework, research question and research hypotheses

Conclusion

Framework designed by Mohd Haizam bin Mohd Saudi (2013)
Statutory Bodies are in the essence of government entities. They have to strategically manage their growth for good business performance and measure progress using BSC. Since good Performance Management System (PMS) is a critical issue for sound government-sector performance in Malaysian Statutory Bodies (MSB) such as MARA in meeting the social agenda of the Malaysian Government, both PMS and MSB are treated as parent theories and the relevant literature is reviewed in section 2.3.

The review of the parent theories served as the backdrop for the discussion on the research problem theories. Detailed in sections 2.6, 2.7 and 2.8 respectively, the research problem theories are the Organisational Culture, Balanced Scorecard and the Employee Attitude. Section 2.9 identifies the gaps in the literature for developing the research questions, objectives and the research hypotheses. Section 2.10 concludes the literature review.

Figure 2.2 Structure of Chapter 2

2.1 Introduction

2.2 Contextual Setting: The Malaysian Economy

2.3 Parent Theory 1: Malaysian Government Statutory Bodies: Majlis Amanah Rakyat (MARA)

2.4 Parent Theory 2: Performance Management: Performance Management System

2.5 Pertinent Theories To This Research

2.6 Research Problem Theory 1: Organizational Culture

2.7 Research Problem Theory 2: Balance Scorecard (BSC)

2.8 Research Problem Theory 3: Employees’ Attitude

2.9 Hypotheses

2.10 Chapter Summary

Source: Developed For This Research
2.2 The Contextual Setting: The Malaysian Economy

This section introduces the Malaysian economic overview in order to provide the contextual setting for the review (Perry 2002). This is considered necessary in view of the special characteristics of the Malaysian economy, national policy framework and ethnic composition. The 10th Malaysia Plan (2010 – 2015) currently in force has five key thrusts as shown in Figure 2.3. The emphasis is on building the capacity for knowledge, talent and innovation to enable the economy to move up the value chain (EPU 2010).

Figure 2.3 Five Key Thrust of Tenth Malaysia Plan (2010-2015)

1. Designing Government Philosophy and approach to transform Malaysia using NKRA methodology
2. Creating a condusive environment for unleashing economic growth
3. Moving towards inclusive socio-economic development
4. Developing and retaining a first-world talent base
5. Building and environment that enhances quality of life

Source: Economic Planning Unit 2010
2.2.1 Malaysia’s Economic Transformation

The Malaysian economy is in the innovation era which is comprised of knowledge-based goods and services. The paradigm shift has made an impact on the economy and has resulted as the fastest growing sector, in the service sector which grew by 4.6% in 2007 (Ministry of Finance 2009).

2.2.2 The Developmental Setting for the Malaysian Public Sector

Malaysia gained its independence in 1957 from England. Its population is made up of a pluralistic society divided by 3 main races, income levels and occupational classifications. The influence of the custodial nature inherited from the British has been found to be undeniable and it has continued until the 1960s (Joon-Chien 1981; Sanusi 1997; Abdul Karim 1995). Goh (2009) stated that an estimated 4.5 million or two thirds of the population were living below the poverty line in 1957 with the large majority of them being Malays or well known as Bumiputeras. The Malays, relying on subsistence farming, were concentrated in the less developed states of Pahang, Kedah, Perlis, Kelantan and Terengganu.
The first Malay or Bumiputra economic convention in 1965 forced the Malaysian Government to play a more aggressive and active role in favour of the rural poor and the general Malay or Bumiputra community. This has led the Government to give substantial support to the development of public enterprises (PEs) such as Majlis Amanah Rakyat (MARA), Rubber Industry Smallholder Development Authority (RISDA) and other government statutory bodies focusing on the provision of basic amenities, infrastructure, agriculture and industrial development as well as education to majority race, the Malays or Bumiputeras (Ching, Jomo & Fay 2005).

The Malaysian public sector has consisted mainly of public agencies including the state government and statutory bodies. The government subsequently has developed several programmes and has engaged the implementation of the performance management system (PMS) since the 1970s in order to improve the level of services in the public sector (Sanusi 1997). However, according to a research by Kennedy (2002), the highly bureaucratic and low participation from the public service employees has hampered the organisational performance in recent years.

Thus, in 2009, during the innovation era, the government launched the Government Transformation Programme (GTP) to improve the service quality and productivity through the implementation of the Balanced Scorecard (BSC) of the performance management system to be used in all government agencies including statutory bodies in order to monitor and improve their services. Moreover, the welfare of the citizen has also been improved by way of controlling the use of the public sector resources in order to fulfil certain economic roles in the country (Jones & Pendlebury 1992; Musgrave & Musgrave 1984).
2.3 Parent Theory 1: Malaysian Statutory Bodies

2.3.1 The Nature of the Malaysian Statutory Bodies (MSBs)

The Malaysian Government needs to achieve satisfactory economic growth for the development of the nation. Therefore, the freedom from the government bureaucracy and the professionally managed entity would become the main reason why the government has taken the initiative to set-up federal statutory bodies (Othman 2005). The establishment of these statutory bodies has been to carry out various activities with diverse sectors in line with the government’s objectives and mission. Furthermore, the government has spent a huge amount of money in order to finance the operations of the MSBs in the form of grants, equities, loans and guarantees (Azis 2008).

MSBs were incorporated to implement the government policies and objectives in the economy, social reforms were formed to assist the government to deliver good services to the public and at the same time enhance the growth of the Malaysian economy (Azis 2008). In addition, the MSBs are responsible to the respective ministries under the federal government, for example the Bank Negara Malaysia is under the purview of the Ministry of Finance and National Electricity Board under the Ministry of Energy and Resources.

MSBs have been operating for the purpose of social activities, research, development and supervision. Most of the MSBs have been financed through the provision of grants by the federal government at the initial stage of their incorporation. However, later their expenses and activities were funded from the money generated by their own funds (Othman 2002).

Statutory bodies are governed by the Law of Malaysia Act 240 (2006) and the Statutory Body Act 1980 which requires all MSBs to submit their financial statement to the Auditor-General to be audited within 6 months at the end of the financial year. The traditional PMS has been unable to measure the quality of output and the external uses of services given and focuses only on the international measures (Beeton, 1988; Carter 1991). Thus, the enhanced accountability exercised under the New Public Management (NPM) has necessitated the manager to be responsible for the impact of public sector activities (Schacter 2002). In other words, additional factors such as the quality of services, customer satisfaction and productivity need to be considered in managing the public sector performance (Carter 1991).
The Malaysian government launched the New Public Management (NPM) in 1981 (EPU 2008). However, the government would not be able to judge the performance of MSB particularly MARA solely based on profit. This is because not all MSBs have been commercially operated and those that have been engaged in social activities, development of the nation and research have been viable for income generated (Mohamad 2004). Thus, the ideas from the New Public Management (NPM) such as performance based on pay might not be a suitable method of evaluation to be imposed in the public sector (Azis 2008; Mohamad 2004).

In 2005, Malaysian Statutory Bodies (MSBs) work within well-defined structures, where the policy, budget, specific targets and results have been established and properly determined (Othman 2005). Generally, a statutory body is a component in an economy that consists of various entities that is controlled by the nation or government. The structure of the Malaysian government consists of the federal, state, local authorities, statutory bodies and government agencies (Othman 2005).

However, statutory bodies have been bodies or agencies incorporated under a federal or state Act. The objective of the incorporation has been to enable these statutory bodies to have the autonomous power to move forward, carrying out the programmes that are usually performed by the Government (Othman 2005; Salleh & Osman-Rani 1990; Kennedy 2002).

2.3.2 MARA as a Malaysian Statutory Body

In Malaysia, MARA is one of the statutory bodies which considered as part of the public sector because it resembles the Public Service (PS) in many aspects especially in the adoption of the procedures of the PS pertaining to the remuneration system, appointment as well as the terms and condition of the services (Mohamad 2004).

Statutory body such as MARA has been given the freedom by the government to set their own policies and procedures in conjunction with the implementation of the New Remuneration System (NRS), which took effect in 1993. Statutory Bodies are allowed to decide their own policies and procedures only if they are in good financial standings and whose activities are akin to business (Yusuf 2003).
The freedom to operate independently by the management of MARA has been granted by the Malaysian Government. MARA, however, was required to follow all the direct guidelines and instructions from the government pertaining to government policies and procedures (Ibrahim & Nawi 2007). In this thesis, the researcher only focuses on MARA because it is the biggest MSB in Malaysia with 10,000 employees and its critical function to the development of the Malay community in the field of education and business.

2.3.3 Developmental Setting of MARA as Malaysian Statutory Body (MSB)

Malaysia is a plural society consisting of three major races namely the Malays, Chinese and Indians. The Malays are also known as the Indigenous people. Public enterprises including MARA have been established in order to provide goods and services needed by the education, plantation, tin mining agriculture and international commerce sectors (Salleh & Osman-Rani1990).

In 1960 there were 23 public enterprises. Nevertheless, the number has grown rapidly. By 1985, there were 1010 public enterprises in this country (Doraisamy 2005). This is due to the support provided by two major policies imposed on the government namely the New Economic Policy (NEP) and Privatization Policy in the 1970s and 1980s respectively.

In 1993, the Malaysian Government passed an Act of Parliament to set-up Government Statutory Bodies to assist the government to carry out specific objectives and functions and to provide them with autonomy. As a result, several Statutory Bodies such as MARA have been set-up to achieve the specified objectives and functions of these organisations (Ibrahim & Nawi 2007).

2.3.4 The New Economic Policy

The economic and gross income gaps of job segmentation and wealth between the Indigenous people which refers to the Malays and other ethnic groups such as the Chinese and Indians forced the government to establish the New Economic Policy (NEP). It was launched in 1971 in order to find a solution to close the gaps of income between the three races (Mohamad 2004). Dixon (1991) proposed that the NEP has the major objective to increase the Malay’s ownership of economic assets from 2.4 percent in 1970 to 30 percent in 1990 and hence, government corporations, new statutory bodies including MARA were formed to achieve this objective.
Empirical studies have suggested that during the last four decades, the economic standard of the nation has been fulfilled by the Malaysian government (Alhabshi 1996; Siti-Nabiha 2008; Mohamad 2004; Siddique 2006). The maintenance of law and order since the mid-1900s by the British administration through engaging in a custodial role has played a limited role in developing the Malaysian economy. After Independence in 1957, the Malaysian government took full responsibility of the public sector whose role has changed dramatically since the launch of the NEP in 1971. The involvement by the Malaysian Government in the economy has purposely led to an equitable balance in the gross income of all races and ethnic groups in the country (Economic Planning Unit 2007). It has required the statutory bodies such as MARA to be the key developmental agent because the changes have drastically taken place in Malaysia. The changes have not only occurred in the public sector but in the private sector and the Malaysian society as a whole. The reforms have not been alien to the Malaysian public sector context because sustained economic efforts have been made especially in the mid-1980s by the government through the strategic implementation of the privatization policy (Siddique 2006).

The Malaysian government launched the New Public Management (NPM) in 1981 in order to enhance the service quality of the public services especially in MARA. Empirical studies over the last three decades have found that the role of the NPM in managing the public organisation and the adoption of management practices similar to those of private enterprises could not be denied (Hood 1995; Lapsley & Pallot 2000; Nor-Aziah & Scapens 2007).

The privatization policy has had to be implemented due to the lack of efficiency and low productivity among the government servants in Malaysia. Previous studies have suggested that the government was no longer capable of handling the public services professionally, efficiently and cost effectively (Alhabshi 1996; Economic Planning Unit 2008; Syn 2002).

In the early 1980s, the adoption of the NPM produced unexpected results towards the accountability and performance measurement practices in the public sector in Malaysia. At that point in time, economic development in Malaysia was slow due to the lack of capital, advanced technology and knowledgeable workers. The establishment of public enterprises such as MARA has improved the government services in the field of entrepreneurship and education in Malaysia (Mahathir 1988).
Scholars have suggested that during the 1980s, although the government was involved in business activities, profits were not to the expectation and business failures were rampant (Alhabshi 1996; Mahathir 1988; Siti-Nabiha 2008). The current problems of the public sector such as bureaucracy, red-tape, inefficiency, transparency and accountability have awakened the Malaysian government to realise that the level of public efficiency and productivity has to be improved. The Malaysian public service needs drastic changes in order to provide better service delivery and quality to the Malaysian citizen.

However, scholars through their empirical studies have suggested that the public sector under the NPM could face problems because performance management appears to be more complex and difficult to implement. This has been due to several factors such as the absence of bottom-line profit, vagueness of the objectives and conflicting objectives among the public sector agencies (Othman et al. 2006; Hoque & Moll 2001, Siti-Nabiha 2008).

Empirical studies found that the transformations of the mindset and PMS instruments in the private sector in Malaysia have been successfully transferred into the public sector through the NPM (Mokhtar 2008; Siti Nabiha 2008). The main objective of the NPM has been to change the mindset or attitude of the government servants and to prioritize the products and services which could lead to a performance based culture. In other words, the function of the NPM has been to transfer the mindset of the private sector to the public sector to enhance the organisational performance of the government departments (Siti Nabiha 2008).

Hence, the change of the government’s role from being the sole administrator to that of a regulator of economic activities has led to the implementation of the privatisation programme which was launched in 1983 and subsequently the creation of Master Plan for Privatization in 1991 (Economic Planning Unit 2008).

2.3.5 The Privatization Policy

In the 1980s, Malaysia experienced a recession. The earlier rapid growth of public enterprises had, therefore, caused financial and administrative burden to the government. Moreover, the mismanagement of the industries, economic inefficiencies, incompetence and limited innovation has caused the changing attitude and perception of the government towards the public enterprises (Jomo 1995).
The improvement in productivity and the higher level of efficiency have been the main objectives of the privatization policy. Hence, the next step was to maintain the cost of production or increasing the production capacity at a slower rate and at the same time, improve productivity. Thus, charging higher prices to consumers could be avoided (Mahathir 1988). In 1983, the privatization policy was launched by the government of Malaysia to make privatized entities a vehicle to achieve the 30% target of Malay participation in the Malaysian economy (EPU 2009). The establishment of MARA in 1966 was to assist the Malays in the field of business and education. Thus, the role of MARA in building the Malay private ownership was undeniable (Adam, Samuri & Fadzil 2004).

‘However, despite the privatization policy, the early generation of privatization concession agreements was heavily in favour of concessionaries. Consequently, they have extracted a heavy financial and political toll on successive governments’ (The Star, 29 July, 2009, p.23). Empirical studies have suggested that the main objective of privatization was to reduce the financial and administrative burden of the government (Alhabshi 1996; Syn 2002; Siddique 2006). Thus, the government was able to give more attention to other projects or programmes which could be critical to the Malaysian public such as health care and education (Hood 1995). Furthermore, the implementation of the NPM in the public sector was deemed to be necessary to increase the level of the service quality and productivity of the agency similar to their counterparts in the private sector (Nor Aziah & Scapens 2007; Lapsley & Pallot 2000).

Generally, developing countries such as Malaysia have been influenced greatly by the NPM in reforms or reviving the change process in the public sector or agencies under the control of the government (Mwita 2000). New Public Management (NPM) has also been adopted by the private sector in Malaysia. The management concepts, styles and it rapid changes occurred in the administration procedures and thus, increase the quality of services delivery to the public (Othman 2005).
The NPM changes affected the Malaysian public sector including in MARA. The changes known as ‘reforms’, which is one of the attempts to change the management of public sector organisations to become more accountable in terms of efficient and effective deployment of public resources. There are four NPM models namely the efficiency drive, secondly, downsizing and decentralization, thirdly, in search of excellence and finally the public service orientation (Ferlie, 1996 cited in Mohamad, 2004).

Leeuw (1996) stated that the implementation of the NPM has become more popular, because it would further improved the governmental organisation, policy instruments and policy programmes. Furthermore, the NPM has been found to strive for a greater quality of services and delivery, where it has not only the traditional performance measurement of input and output, but also the innovative performance measurement of efficiency and outcomes (Mwita 2000). Thus, with a proper plan and budget, the Malaysian government was able to allocate huge funding for the benefit of the people especially in the areas of education and social development (Effendi 2006). The enhanced accountability exercised under the NPM has made the managers to be more responsible for the impact and result derived from public sector activities (Schacter 2002).

The current Prime Minister of Malaysia, Dato Seri Mohd Najib Tun Razak assumed the office of Prime Minister on April 3rd, 2009 has proposed a system called the Government Transformation Programme (GTP) that could strengthen the government agencies performance level and at the same time to be aware of the global environment which is highly competitive (The Star 29 July, 2009).

2.3.6 The Tenth Malaysia Plan (2011-2015): The Government Transformation Programme

The increasing demands in the public services and the tightening of the fiscal position have forced the government to launch a programme that could increase the level of services in the public sector (Effendi 2006). Hence, the global competition in the new era and the higher expectation from the Malaysian community has encouraged the government to transform public agencies such as statutory bodies to become more competitive corporations (Siddique 2006).
The government transformation programme (GTP) has been implemented in order to transform Malaysia into a developed country by the year 2020 (Tenth Malaysia Plan 2011). Thus, the Malaysian government should transform the MSBs based on the following four principles as shown below:

Figure 2.5 Principles of the Government Transformation Programmes (GTP)

<table>
<thead>
<tr>
<th>Principle</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>Delivers through creativity and innovation</strong></td>
</tr>
<tr>
<td>The public sector is developing a creative and innovative method that think outside the box within the government’s processes, system and policies to deliver solution. This aspect is crucial for response to a dynamic global environment.</td>
</tr>
<tr>
<td>2. <strong>Emphasizes speed and decision-making and execution</strong></td>
</tr>
<tr>
<td>The streamlining on the traditional decision-making and implementation processes and findings innovate ways to quickly respond to the changing public demands.</td>
</tr>
<tr>
<td>3. <strong>Delivers value-for-money</strong></td>
</tr>
<tr>
<td>Wastage and mismanagement of public finances will be eliminated. The planning and evaluation of projects through a value-management approach will ensure that every project takes into account the holistic life-cycle cost and benefits to ensure every dollar is well spent.</td>
</tr>
<tr>
<td>4. <strong>Upholds the highest level of integrity.</strong></td>
</tr>
<tr>
<td>As a custodian of the public’s interest, the government will embody the highest standards of ethical conduct and good governance to gain the public’s confidence and trust.</td>
</tr>
</tbody>
</table>

Source: Tenth Malaysia Plan, 2011-2015

The GTP has occurred as a result of the Asian financial crisis (Azman 2004). Furthermore, the survival of the MSBs has been the main priority in the globalized economy. In the case of statutory bodies, the management is expected to show greater transparency, better performance and accountability (Othman 2005). However, the majority of the Malaysian Statutory Bodies are big in size but have suffered from problems such as ineffective PMS which has caused low morale that has affected the productivity of their employees and thus, a loss of internal control (Azman 2004).
2.3.7 Establishment of the High Performance Monitoring Unit

The Malaysian government has established performance monitoring units to monitor the outcomes in order to allow for increased feedback and decision making from the agencies especially statutory bodies. The Implementation Coordination Unit (ICU), the Economic Delivery Unit (EDU) and the Project Management Unit (PEMANDU) are within the Prime Minister’s department and act as the custodian of implementation of performance management in Malaysia. SPP II is a shared repository of data systems related to all projects performed by all the government agencies including the statutory bodies and provide comprehensive, transparent and updated information on the status of current projects (10th Malaysia Plan Report 2011).
2.3.7 Majlis Amanah Rakyat (MARA)

The Majlis Amanah Rakyat (MARA) also known as The Council for Indigenous People is one of the Malaysian public agencies and the biggest statutory body in Malaysia with 10,000 employees. MARA was established in 1966 for the purpose of assisting the Indigenous or Malay in the field of education, industry and business (Adam R, Samuri, AH & Fadzil, M 2004).

In the case of MARA, Abdullah, Mustafa and Matmarjani (1991, p. 108) mentioned that, ‘One of the missions of MARA is to promote the participation of the Malay or the Indigenous people particularly in rural areas, in commercial and industrial activities and provide the Malays with commercial or industrial assistance and training’. MARA is a statutory body which operates in 13 states in Malaysia and reports their activities to the Ministry of Entrepreneurial and Cooperative Development of Malaysia. In addition, MARA has offices in London, Egypt and Washington DC which monitors Malaysian students researching in those countries (Majlis Amanah Rakyat 2010).

MARA started conducting programmes for new entrepreneurs in 1976. Several MARA entrepreneur guidance officers were sent for courses (Training the Trainers) to enable them to conduct entrepreneurial courses, the business and enterprises preparation courses (Adam, Samuri & Fadzil 2004).

Among the actions taken to improve the quality of entrepreneurship training programmes is to introduce the ‘New Entrepreneur Development’ training programme (LPEJ) in 1992 in order to produce entrepreneurs who could be productive, motivated, creative, innovative, having the potential and quality for success (Majlis Amanah Rakyat 2010).

The ‘New Entrepreneur Development’ training programme has aimed at producing entrepreneurs with self vision, mission and having the quality of an entrepreneur and be able to gather all resources to start and expand their economic projects. This would enable them to find, assess and choose business opportunities that have the potential to succeed (Adam, Samuri & Fadzil 2004).
2.3.7.1 Entrepreneurship Aid

MARA’s main function has been to provide business loans to Malay entrepreneurs as well as providing marketing assistance, entrepreneurship courses, vocational training and consultancy services for Malay entrepreneurs. Moreover, MARA has also been involved in construction works such as building shop lots and factories, which are later rented to Malay entrepreneurs at a subsidized rate (Abdullah M & Yahaya M 1991).

2.3.7.2 Education

MARA has been providing scholarship and assistance in education for the Malay community since its inception in 1966 and has set up the MARA College which has become Universiti Teknologi MARA (UITM). Its aim has been to educate Malay students who have the potential in the area of science and technology. Parallel to the setting up of UITM in every state in Malaysia, the establishment of the Junior Science Colleges such as MRSM (Maktab Rendah Sains MARA) which have given the opportunity for young and talented Bumiputera students to further their studies abroad (Adam, Samuri & Fadzil 2004).

Furthermore, preference has been given to Malay students from poor families living in the rural areas and from those who are living as squatters in the city. The Malaysian government has given the opportunity to non-Malays to enter these colleges by allowing a 10% allocation for them to study in MRSM (Pua T 2005).

The Malaysian youngsters especially the Malays have been given educational aid such as scholarships to further their studies in professional areas such as medicine and accounting. The existence of MARA has stimulated the growth and has created a large number of educated Malays in the Malaysian community. Moreover, Malay students who were unable to attend university were given vocational courses. For that purpose, MARA has established the Institut Kemahiran MARA and Pusat Giat MARA to cater to them. Hence, these students would later have the potential to further their studies in the technical engineering knowledge-based courses locally or abroad (Abdullah M & Yahaya M 1991).
2.3.7.3 The Role and Function of MARA

The role of MARA has been to provide research and business loans to Malay students and entrepreneurs respectively. They oversee the construct of infrastructures, such as factories and shop lots for Malay businesses. These facilities have often been constructed and rented out to Malay entrepreneurs at a subsidized rate in order to stimulate business growth in the Malaysian community. In other words, these commercial infrastructures have been providing job opportunities to the Malay business community in order to compete with the other races with the assistance of MARA including business capital and marketing (Adam, Samuri & Fadzil 2004). In the education sector, MARA has been granting scholarship to the Malay community since its inception in 1966 to increase the education level of the Malays in order to close the income gap between the other races in Malaysia.

2.3.8 MARA as the Studied Agency for This Research

MARA agency was chosen to be studied in this research due to its critical function in generating the entrepreneurship among the Malays. The agency has changed the socio-economic landscape in the Malaysian society. The entrepreneurial environment has been developed by MARA for the Malay entrepreneurs and thus, the survival of the Malays in the business sector depends heavily on this agency in order to compete with other races in the business community in Malaysia. MARA, as one of the biggest statutory bodies in Malaysia, is able to provide the best insight on the current scenario on the effective implementation of the Balanced Scorecard of the Performance Management System in Malaysia.

2.4 Parent Theory 2: Performance Management (PM)

2.4.1 Definition of Performance Management

The work on the Performance Management definition is abundant. Harvey and Bowin (1996) have referred to performance management as the total system of gathering information, cascaded down to the employees in order to gain the feedback for the benefit and improvement in the organisation. Neely (1999) has defined ‘Performance Management’ as ‘the sets of indicator used to measure the level of efficiency and effectiveness of the action made by the employees in the firm’. Here again, there is still room for the definition to be improved.
Dessler (2008, p. 289) has defined performance management as ‘the process that unites goal setting, performance appraisal and development into a single common system’ whose aim was to ensure that the strategic aim of the firm be fully supported by the employees’ performance. Glendinning (2002, p. 161) proposed the definition of PM as ‘the distinguishing feature of performance management is that it explicitly measures the employees’ training, standard setting, appraisal and feedback relative to how his or her performance should be and their contribution to achieving the company’s goal’.

2.4.2 Performance Management

The traditional management control systems have been obsolete because of the inability to provide the relevant information for decision-making (Johnson & Kaplan 1987). Hence, a new performance management system which could be relevant, timely and able to produce the necessary information has been found to be critical in this information era (Otley 1999). However, Otley (1999) proposed that there are two major roles for the PM as follows:

- Firstly, Performance Management (PM) must ensure that the employees usually follow the policies and procedures at all times in order to protect the interests of the organisation all the time.
- Secondly, the new PM must have the ability to motivate the employees to act in accordance with the organisational goal.

Furthermore, some scholars have claimed that performance management has been found to involve some processes of quantifying action that should lead to performance (Neely, Gregory & Platts 1995). The limitation of the top down approach was discovered and suggested that the PM should include conscious reflection of the strategy, objective and the organisational culture (Smith & Goddard 2002). However, Bitticci et al. (1997) have commented that the PM should provide an insight on the review and planning procedures that have been linked to the overall objectives and mission of the organisation with the individuals. Performance management has constituted a process of linking corporate strategies and objectives with the desired performance required by an organisation (Nani, Dixon & Vollman 1992). Furthermore, efficiency would measure the utilization of resources by the agency while effectiveness measures the customer’s requirement and needs which needed to be fulfilled by the organisation (Neely 1995).
Despite the increasing attention among scholars on Performance Management, the inclusion of both effectiveness and efficiency have found to be important because they would provide a greater insight on the performance level (Slack 1991). Prior research indicates the usage of the traditional Performance Management would not allow the firm to progress effectively due to the lack of useful information. Therefore, a decision could not be made effectively resulting in an ineffective mechanism to govern an organisation (Johnson & Kaplan 1987).

The private sector however, has responded much earlier than the public organisations by adopting the Total Quality Management (TQM), Six sigma and the Balanced Scorecard measures. Nevertheless, some empirical studies have suggested that the new PM has successfully acted as the correct tool for the reformation in the government sector for the past decade (Hood 1995; Lapsley & Pallot 2000).

Later, Johnson and Scholes (1997) proposed that the use of the Balanced Scorecard (BSC) model by Kaplan and Norton in 1992 had been the most comprehensive because the BSC could combine both quantitative and qualitative measures and could also acknowledge the expectations of the stakeholders in the public sector. However, the usage of PM in the public sector has not been thoroughly evaluated. Thus, it still remains as a gap in the literature on how the BSC which acts as a tool of the PM could be effectively used as a performance benchmark. The system is expected to change the mindset and work related attitude that will eventually enhance the level of productivity and service quality of the public employees in the Malaysian public sector (Chan 2002).

2.4.3 Background of the Performance Management: Malaysian Statutory Bodies

Context

In the Malaysian government statutory body context, performance management among employees of statutory bodies has been implemented in three stages. The Cabinet Committee in 1976 was the first system followed by the New Remuneration Scheme (NRS) in 1992. The purpose of the NRS was to evaluate the performance of civil servants’ work performance. It was used until 1st November 2002.
Furthermore, at that point of time, the government announced that the NRS was in support of the new PMS objectives because it has caused the elimination of levels through combination of various grades, salary and service groups (Siddique 2006). However, Yusof (2003) proposed that the NRS has caused frustration among the employees and greatly influenced by bias and unfairness that caused dissatisfaction.

The implementation of the latest system, the Malaysian Remuneration Scheme (MRS) which commenced on 1st November 2002, has advantages to be offered to the civil servants; it is still in use. The MRS has been a comprehensive remuneration package that was designed to meet the public service requirements in the K-economy (Embi, MA 2005). Embi (2005) stated that it consisted of four core components;

- First, it has introduced improvements to the service conditions;
- Second, assessment of the competency level through the Key Performance Indicators (KPI);
- Third, modification of the salary structure and allowances and;
- Fourth, the improvement of career development.

In the case of government agencies, the results of the evaluation could cause their salary movement or progression into four directions that could be static, horizontal, vertical and diagonal. As such, before MRS implementation, the evaluations were made mainly at the discretion of their immediate superior and thus, employees have feared that the salary movement would not be consistent with their actual performance (Yusof 2003). Thus, the actual performance could have been totally neglected in the evaluation and the attitude, as well as the morale of the employees would consequently be affected. Therefore, performance appraisal was one of the four core points in the implementation of the MRS and the KPI could evaluate the MRS system in terms of all aspects including the salary, allowance structure, career advancement and service conditions. Herzlinger and Regina (2000) proposed that the major difference between the public and private sectors is that there has been more emphasis placed on the financial returns of a business such as returns on investment (ROI) by the private sector whereas the public sector has put a major priority on the welfare of the people in the community. Furthermore, both private and public sector served and needs to be financially accountable and reliable (Randor & Lovell 2003).
Furthermore, Ho and Chan (2002) observed that public sector management tools were introduced and used by government administrators all around the world in their organisation in order to deliver better services to the community who are the stakeholders.

In Malaysia, the past decade has seen a proliferation of the performance appraisal system such as the Malaysian Remuneration System (MRS) by MARA and other statutory bodies in the 1990s in order to improve the performance level in the public sector. Hence, the public service should continue to enhance its mindset, attitude, culture and practices in order to be service delivery-oriented and to enhance the service effectiveness (10th Malaysia Plan Report 2010).

However, Yusof (2003) commented that the main thrust of the MRS is not to adjust the salary systems but to enhance the previous system (NRS). The main reason that the government opted for this new system (MRS) is to increase the work motivation among civil servants. The MRS offers more advantages and gives benefit to employees in the public sector. In other words, the Malaysian government should be able to manage and implement a new system in order to improve on the existing ones.

The failure of the existing performance evaluation system has brought about a lot of wastage of human resources and has also incurred huge costs to the government (Siddique 2006). Thus, the MRS has been perceived as the system designed with motivation factors in order to enhance the level of service and improve the employee attitude in the public sector.

In Malaysia, the motivation factor has still proved to be inadequate in enhancing the level of productivity in the public sector. The accuracy and the validity factors in any performance appraisal system have always been questioned by the employees (Othman 2002). Thus, a Performance Management System (PMS) found to be critical in order to ensure accountability for outcomes and to drive improved performance universally. According to 10th Malaysia Plan Report (2010), rewards, such as accelerated career tracks, higher performance bonuses and high profile recognition have been accorded for outstanding performance in this country.
Therefore, the Malaysian government has been trying to attract the best talents in order to ensure that the public sector such as MARA continues to have the best and the brightest employees. Furthermore, according to the 10th Malaysia Plan Report, the government has been reviewing the exit policies and its mechanism. Hence, the present appraisal system of the civil services has indicated that its impact towards the civil servants has been modest. Therefore, the introduction of PMS reforms should be in the right direction. This is what this research is trying to advocate.

‘The work performance of civil servants in Malaysia especially in MARA has started to be measured in 2009 through new Performance Management System (PMS), the Balanced Scorecard, which includes Key Performance Indicators (KPIs) and each of the six target areas has National Key Results Areas (NKRA) with delivery plans for each of the NKRA’s’ (The Star, 28 July 2009, p. 6).

Furthermore, a special Delivery Task Force (DTF) has been established to monitor its implementation and to ensure that each NKRA could achieve its objectives. Hence, the introduction of a much improved MRS by the Prime Minister in 2012 would hopefully enable government servants to enjoy better salary and benefits as incentives in order to promote better services to the Malaysian public (The Sun, 9 March 2012).

Saeed and Hassan (2000) in their research found that there was a positive relationship between the Organisational Culture (OC) and Job performance in Malaysia. Another research on telecommunication companies in engaging the BSC in Malaysia by Othman et al. (2006) found that the PMS has failed to be implemented due to the resistance to change by the management. Furthermore, employees have felt uncomfortable about the Key Performance Indicators (KPI) that has been imposed on them. Malaysian managers were still sceptical of the newly implemented PMS due to the fact that the Malaysian system especially the statutory bodies are still being influenced by the hierarchical culture which prefers a non-participative mode and status differences (Kennedy 2002).
2.4.3.1 Definition of Performance Management System (PMS)

For the past few years, there were few work related with PMS definition such as Simons (1991), the Performance Management System (PMS) is defined as ‘the formal, information based-routines and procedures managers use to maintain or alter patterns in organisational activities’. De Walle (2007) has proposed PMS definition as the financial and non-financial information to the management that has led to the managerial action and decision making.

PMS has been defined as ‘an integrated set of planning and review procedures which cascade down through the organisation to provide a link between each individual and the overall strategy of the organisation’ (Smith & Goddard 2002, p. 248). Thus, this definition will be adopted in this research.

2.4.4 Performance Management System (PMS): A Global Perspective

The differences in national cultures would contribute to the differences in the ways the PMS has been implemented in public sector (DeNisi, Budhwar & Varma 2008). Moreover, Van de Walle (2007) stated that the major problem of evaluating the work performance of the government bodies around the world has been to determine the performance criteria in relation to the objective set by their agencies.

Boyle (2007) proposed that it was justifiable to generalize or make assumption that PMS measures for productivity would suit in all organisations worldwide. This was because the decision-makers might have not been aware of the implication of the objectives until considerable and careful examination was performed. The problems could be further worsened with intensification that has gone beyond the civil servants’ control and because of difficulties in finding as well as establishing the stumbling block (Quade 1980).

‘Most governments around the world have adopted some sort of performance management in the light of the weakening economy and the rise of public voices towards transparent and accountable government’ (Niven, 2002, p.143).
Therefore, most governments in the world have been trying to improve the level of service to the community and the attitude of their employees. The adoption of certain performance appraisals to improve performance of the service in the public organisation has been given top priority. Performance indicators or the Performance Management System (PMS) has been found to be the means of displaying accountability within the public sector.

Niven (2002) proposed that the PMS has been an incentive for the government to take stock of how well services have been provided. Davies (2006) proposed that the creation of benchmarks for year-to-year improvement has contributed to better service provisions as they are a way of informing the public, via published performance indicators, on how government funds have been spent. This, however, has required reforms in supervision and management, reliable and timely information, and adequate skills to supervise political will (Shirley & Walsh 2000). Nevertheless, the techniques in the PMS might be applied to one setting but might be difficult to implement in another setting (Hofstede 1993). For instance, the 360 degrees performance review that has sought feedback on one’s performance may be viewed appropriate and desirable in the United States of America but such behaviour could not be applied in a collectivist culture such as China (Bailey, Chen & Dou 1997). In conclusion, the application of the PMS might vary from one setting or culture to another.

2.4.5 Challenges of PMS from Literature

- First, in the case of public sector, the challenges on the management style of entrepreneurship, market orientation, learning orientation and organisational flexibility have existed (Barrett, Balloun & Weinstein 2005). In the case of the Malaysian statutory bodies, the organisational flexibility especially leadership commitment would be one of the critical major issues in order to implement the BSC in the organisation.

- Second, almost all the literature reviewed support the fact that top management commitment or leadership has been one of the challenges that has been found to be critical for successful implementation of performance metrics. Top management involvement would help to promote the restructuring of the business organisation and to expedite the management of change that would also occur in the organisation (Chakrabarty & Tan 2007).
Third, another element of challenges in performance metrics implementation has been training and awareness, because not all employees accept the changes that have occurred in their workplace. Thus, communication between managers and subordinates must be good in order to enable the organisation to materialize the desired mission. Hence, training and awareness have been found to play a vital role in ensuring the success in the PMS implementation (Johnson & Swisher 2003).

Fourth, the cultural change aspect has also been another major element that has required attention from the management of the organisations. Most literature reviews have stated that cultural changes could have major impact on any implementation of performance metrics (Coronado & Anthony 2002). The organisational understanding of the work processes has been another major characteristic in the Balance Score Card (BSC) implementation, and the ultimately customer satisfaction has been the main priority for the public organisation. Thus, the PMS used should be capable of tracking the customer wants and needs (Hensley & Dobie 2005). Moreover, Henderson and Evans (2000) stated that organisations should attach the success of any performance metrics implementation to the financial benefits because it has been one of the four critical perspectives in the BSC framework. However, Sehwall and DeYong (2003) proposed that a clear performance metrics is another important characteristic because oftentimes, the difficulty and problems in identifying what to measure has created problems in implementing the performance metrics.

Fifth, management and employees would depend heavily on the agreement of the performance metrics to be used and thus, it has been found to be critical for the employees especially at the managerial level in organisations to understand it clearly before involving themselves in the implementation processes.

Sixth, according to Coronado and Anthony (2002), one of the critical success factors in the performance metrics implementation has to be the satisfaction of the customers and the quality characteristics have been found to be emphasized upon. Hence, government agencies should give priority to the Malaysian citizen by way of increasing the level of service quality and improving work related attitude among the government servant.

According to Sparrow and Hiltrop (1994), there are a number of reasons for the failure of performance management systems, including the following:
• The system is not used and supported by top management
• Line managers view the system as an administrative burden and do not see the benefits of energy invested in making the system work.
• Performance objectives are written so subjectively that measurement is not possible.
• Performance objectives set at the beginning of the year seem less important by end of the year if linked to certain projects that were not deemed critical success factors.
• Managers are unable to give feedback and deal effectively and constructively with the conflict generated by the assessment of employees’ performance.

Accordingly, during the last two decades, an increasing number of companies have implemented Performance Management Systems (PMS) that are based on Critical Success Factors (CSF) and Balanced Scorecards (BSC). Lingle and Schiemann (1996), describe the results of a study that confirms that companies who balance financial and non-financial measurements, but also link strategic measures to operational ones, update their strategic scorecard regularly and clearly communicate measures and progress to all employees, are better performers.

Smith (2002) stated that, ‘Performance management is not static. It will change as performance issues vary, as marketing strategy changes, technologies and the means to measure and record performance change over time.’ Thus, the statement asserts that the knowledge of BSC needs to be disseminated to MARA’s top management because they are responsible for planning and organizing the company’s strategy. Hence, once the top management is familiar with the BSC concept, only then are they able to utilize the company’s financial and operational information to link its mission, vision, objectives and goals to develop the organization’s KPIs (Azhar 2009; Khan 2009). This is one of the practical problems that has been raised in this research.

Another important aspect of this research was finding the effects of PMS towards the attitude of the MARA employees. According to Lawler’s model (1976), individual differences and organizational characteristics were combined and filtered. The process of incorporating goals into a performance appraisal has a positive effect on the credibility and acceptability of the entire performance management system.
The ultimate value of performance information does not depend solely on the physical characteristics of the evaluation instruments, but it is also affected by the evaluation process (Yusuf, A 2003). A large number of organisations have implemented the Performance Management Systems based on the key performance indicators and critical success factors. Thus, the PMS has been successfully engaged with and trusted to improve employee attitude which would enhance the level of performance both in the private as well as the public sector (Azhar 2009).

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<th>Figure 2.7 Challenges of the Performance Management System</th>
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Source: Review of Literature

2.4.6 Pressures for Changes on the Performance Management System (PMS)

Organisations worldwide have been forced to change their existing PMS because of the pressure from the public and suggestions from major shareholders (Brignall & Modell 2000; Abdullah 2004; Phang & Whitley 2006). In the case of the MARA, the government has to act as the major shareholder due to the fact that it has been the government who has provided the capital.

- First, many organisations have realized that one of the hidden benefits of matching strategies and measures has been to increase the level of efficiencies. Neely (1999) has suggested that the PMS has encouraged behaviour that should be in line with the strategy undertaken by the agencies not merely as the information provider. Hence, any PMS adopted by the organisations should have measures that have been linked to the management strategy.
• Second, Neely (1999) proposed on the increasing competition that has also led to the tendency for organisations to downsize. Such downsizing has involved the elimination of the middle management and empowering the remaining employees. Empowering employees could assist an organisation to achieve its objectives provided that employees know the overall direction of the organisation. Hence, organisations such as statutory bodies should need new ways of communicating with their employees where the business is heading toward a new performance management system, namely the Balanced Score Card (BSC).

• Third, many organisations should actively seek to strategically differentiate themselves from the competitors. They have been forced to compete in terms of creativity, flexibility, quality and response time because the business value has become the primary factor (Neely 1999). Thus, if organisations have based their strategy around their ability to customize products, they should need a system that could give information on their product which has really been customized cheaply and rapidly (Amiruddin 2004). Hence, organisations have been forced to change their performance measures due to the change in their strategies.

• Fourth, some empirical studies suggest that both the internal and external changes faced by an organisation have put massive pressure on their organisational members (Neely 1999; Amiruddin 2004; Abdullah 2004; Sorenson 2002). Hence, the traditional role of the management accountant has changed from providing information for external reporting towards providing information relating to the work-related attitude among the employees inside the organisation for running and governing the business (Burns & Scapens 2000a, Burns & Baldvinsdottir 2005). Other professional groups such as human resource departments are expected to take an active role in the performance management systems (Neely 1999). It was found that the issues related to performance management such as goal setting, measurement, feedback and reward and the link of those measures to the reward system have fallen within the pursuit of the HR management (Amiruddin 2004).
Fifth, in today’s business environment, the pressure to perform and be effective has not only been an issue for organisations in the private sector, but also for the public sector such as MARA because the changing technological economics and cultural strength have been shaping the future of the public sector globally. Thus, empirical studies have also found that there has been a gradual change from the traditional forms of accounting to accounting for sustainable performance especially in the government and public service agencies (Common 1998; Funnel & Cooper 1998; Ryan & Walsh 2004). Hence, the link or association between strong culture and performance of an individual has not been totally justified (Sorenson 2002). This is because the reliability or variability of firms’ performance has not been proven to be affected by the strong consequences of culture, one of which being the enhancement of behavioural consistency among the individuals in the firm (Sorenson 2002).

Sixth, Fletcher (2001) proposed that the distribution of reward and the work evaluation process would depend heavily on the performance management which will determine the standard of assigned task. Furthermore, the PMS such as the BSC has contributed significantly in implementing the business planning and strategy of the firm (Schuler & Jackson 1987). For instance, Bernthal, Rogers and Smith (2003) have found that almost 50 percent of the companies that have used the BSC of the PMS in the U.S. have outperformed their competitors on financial and non-financial measures which have used other types of performance management systems.

Seventh, governments around the world have been striving and struggling to provide the best services to the community because of the rise of public concern for a transparent and reliable government (Niven 2002; Neely 1999). The pressure has kept on mounting and the government would need to reinforce certain strategies and programmes to enable the changes to take place. In the case of Malaysia, the government has already launched the Government Transformation Programme (GTP) in order to curb this situation and hopefully adapt to the new environment in the face of globalization (Yusof 2003; Amiruddin 2004).
• Eighth, it has been found to be important for the government to concentrate on customer satisfaction as compared to the returns on investment (ROI) (Herlinger 2000). However, the elements of accountability and transparency in using resources could not be ignored by the government and must be clearly justified (Randor & Lovell 2003). Furthermore, in the light of the weakening economy, the government should be ready to implement changes and to overcome the resistant factor in the work-related attitude that could exist among employees in the public sector (Ho & Chan 2002).

• Ninth, the government and the private sector should organize functions differently due to the fact that regulatory, accountability regimes and processes have been found to be different (Dixon 1996). Consequently, Kaplan and Norton (2002) mentioned that even though the bottom line in the private sector was profit making, it should not be applied to the government and non-profit organisations including statutory bodies and other government agencies.

• Tenth, the traditional conceptualization of the PMS has emphasized the individual employees as the main focus (Smith & Goddard 2002). The organisational strategy has been followed and the main priority has been the mechanism available to increase the performance level and thus has focused on organisational control within an established set of objectives. However, Otley (1999) has argued that the PMS should be viewed as an overall system that could go beyond the simple measurement of performance. He has concluded that the PMS should be redefined and placed within the traditional Management Control System (MCS). MCS has widened its focus from providing financially quantifiable information for decision making to include a much broader scope of information.
Eleventh, Johnson and Kaplan (1987) proposed that the traditional control system was found to be obsolete and the information provided could no longer be relevant in this information age. Thus, it was found to be critical for organisations to engage in the comprehensive PMS such as the BSC which could provide better insight or information about the organisations such as MARA for the long-term business or political survival. Furthermore, the employee attitude, such as their mindset and the corporate culture of the employees, in public agencies such as MARA was found not to be healthy due to the existence of the bureaucratic elements.

Twelveth, De Walle (2007) commented that the conceptual problem was the major stumbling block in measuring the performance of employees in the public sector. This has been found to be so mainly in order to measure the government performance. The definition and the objectives must be clearly defined and understood. According to De Walle (2007), the objectives of public agencies might not have been clearly stated and contradictory. The policy makers might not know the exact main objectives. Empirical studies have suggested that the PMS could be acting as an agent of change in the organisation and when the conflicting objectives occur, it will become a political exercise (Andon et al. 2007; Hoque, Arends & Alexander 2004; Hussain & Hoque 2002; Modell 2001; Siti-Nabiha & Scapens 2005; Othman et al. 2006; Vaivio 1999).

Thirteenth, the new way of looking at business which has traditionally been emphasizing on accountability and profit in the public sector in Malaysia has changed the whole perception of the system. Thus, the implementation of the PMS which needs to look into the relationship of the organisation with the stakeholders has been found to be the alternative way to enhance the productivity and service quality of the organisation (Dent 1991; Nor Aziah & Scapens 2007; Hassan 2005; Ogden 1995). Scholars and practitioners who have performed empirical studies for the past few years have constantly argued that organisational performance should be determined by both financial and non-financial measures (Harold & Darlene 2004; Kaplan & Norton 1992; Rajendar & Jun Ma 2005). PMS is related to a broader indicator which could include quality, productivity and service quality.
2.5 The Pertinent Theories to This Research

The researcher has identified several theories that have been pertinent to the Malaysian Government Statutory Bodies including MARA, based on their functionality and flexibility. These theories include the Competency Model Theory, the Customer Relationship Management Theory (CRM), the Behavioural Theory, the Humanistic Theory, the Cost Minimization Theory, Hofstede’s Six Dimensions of Organisational Culture (OC) and the Institutional Theory.

2.5.1 The Competency Model Theory

The Leadership Competency Model by Pulakos (2009) in figure 2.8 exists to assist the organisations and their leaders to create well-oiled and strong performing organisations. The relevance of Leadership Competency Model Theory to this research is from the perspective of the attitude of the employees in MARA. Furthermore, according to Hamel & Prahalad (1989), the theory behind competency model would improve the firm’s performance by identifying the needs and competencies as well as the ability of the members in organisations.

Figure 2.8 Leadership Competency Model (2009)

Source: Adapted from Pulakos, 2009, p.16
In the 1990s, agencies adopted competency-based human capital systems, including the use of competency models as the basis of performance management (Spencer, L & Spencer, S 1993).

The performance management system has given the employees the opportunity to re-evaluate the main intention and the mission of the organisation (Othman 2002). Thus, by knowing clearly the mission and the vision of the organisation one could pursue his interest and his career path in accordance with the objectives and goals of the organisation.

Pulakos (2009, p.15) commented that competency is defined as ‘the knowledge, skills, abilities and other personal characteristic that contribute to organisational success’. Moreover, according to Drucker (1993), the dependence on the performance of knowledge workers emerged as an important asset in every nation in the world especially in developed countries. In view of these, Malaysian government has formulated the Government Transformation Programme (GTP). Lau, Chan and Man (1998) identified the required abilities, knowledge and skills of employees in order for them to become more competitive and marketable. These factors such as skills, knowledge and attributes are shown in figure 2.9.

Figure 2.9 Competencies Required by New Economy Workers

Source: Adapted from Lau, Chan and Man, 1998
2.5.2 The Behavioural Theory

The relevance of Behavioural Theory to this research is from the perspective of the attitude and behaviour of the employees in MARA. Furthermore, Behavioural Theory has been developed based on the evaluation of the behaviour and attitude of the employees.

Sluijs and Kluijtmans (1998) proposed that PMS should act as a tool or device to control the attitude and behaviour of the members in the organisation. Hence, employee attitude has been viewed as a mechanism to evaluate and predict their capabilities in performing the task (Hogan et al. 1996). The behavioural perspective has focused on the role of employees’ behaviours which could mediate the relationship between the performance management system and the firm performance which is relevant to this research.

Plomin (1989) proposed that attitude or behaviour could be modified through the learning process and thus, the human beings’ act has been considered as behaviour. However, in the field of this research, behaviour has been referred to as any activity of a human being which is influenced by the environment and heredity. Furthermore, motivation has been considered as the pillar of the behavioural aspect of the human being (Mitchell 1982; Cesare & Sadre 2003). Additionally, behaviour was found to have been greatly influenced by motivation and the actions were a good reflection of performance (Mitchell 1982). In 2000, Vkachopoulos, Karageorghis and Terry in their research found that there were three main motivational forces that influenced behaviour namely intrinsic motivation, extrinsic motivation and amotivation.

However, Pincus (2004) commented that people who try to gain personal recognition and reward through involvement in the activity were known to have had extrinsic motivation whereas intrinsic motivation was a pleasure derived from participation in activities or involvement in the task. Hence, with regards to cultural differences, Maslow’s hierarchy of needs was used in all situations or scenarios. The same fundamental needs were found to be the major motivation factors for people across the world.

Cesari and Sadri (2003) reiterated that the similarity did not exist between individualistic and collectivistic culture from the self-actualization point of view. This is because the satisfaction of needs might vary from one to another.
However, in the light of the observation, Osteraker (1999) mentioned about the needs were changing constantly among the individuals. Maslow’s Hierarchy of Needs Theory however, claims that the ultimate goal of self-actualization is led by the advocates, the dynamic processes of need satisfaction. For instance, Chung (1969) proposed that Maslow’s theory is dynamic because it realizes that human being is constantly searching to fulfil needs and claimed that motivation only represents a part of social aspects of human behaviour.

Wiley (1997) claimed that biological, cultural and situational factors could be the determinant factors that could influence behaviour and attitude. However, behaviour or attitude has to be studied holistically because needs were found in a variety of combinations instead of in isolation (Chung 1969).

The behavioural perspective or matching model as introduced by Beer, Spector and Lawrence (1984) has been criticised because the perspective assumed a degree of freedom on the part of the employees. In reality, the changes have been normally rejected by the workforce because they are reluctant to learn new things but they were forced to follow the new measurement as their key performance indicators (KPI) were imposed on them by the management (McKeena & Beech 2002). A number of studies were identified to correspond with the behavioural approach (Miles & Snow 1984; Schuler & Jackson 1987; Paauwe 1996).

2.5.3 Humanistic Theory

The humanistic theory is relevant to this research due to the analysis on the employee attitude towards their work, their commitment and their relationship with the supervisors. Mele (2003) suggested that humanistic psychologists recognized past experiences to be important in determining one’s self-potential and self-actualization. Self-actualization was defined as ‘a process of learning, growing and becoming a better person’ (Franken 1998). The humanistic theory assumes that peoples’ life is their own responsibility and believe in themselves as well as they are motivated to actualize their potential (Franken 1998).

Kaufman (1976) suggested that Maslow’s theory of needs emphasizes on the human basic needs which apparently do not change genetically in instinct or origin. Lombardo and Foschi (2002) emphasize that the concept of self-actualization has been strongly influenced by needs.
The Mayo-Hawthorne studies (1933) proved that economic reward had not been the sole motivator for employees (Gallagher & Einhorn 1976). The hygiene factors introduced by Herzberg (1964) had distinguished the reward that facilitates the career growth and factors that ease annoyance or irritation among the employees. Almost all humanistic psychologists believe that human behaviour or attitude is greatly influenced by needs.

2.5.4 Hofstede’s Theory of Organisational Culture (OC)

This theory is critical to this research in terms of evaluating the organisational culture (OC) in the studied agency. Hence, it is critically important to analyse the dimensions of OC introduced by Hofstede in 2001.

Hofstede (1991) conducted a research in Denmark and Holland to differentiate or to discover the difference between the national and organisational cultures. Thus, the research has revealed a considerable difference between these two nations whereby people who held the same values might practice and behave differently in same situations. ‘Using the word “culture” in reference to both nations and organisations suggests that the two kinds of culture are identical phenomena. This is incorrect: A nation is not an organisation, and the two types of culture are of different kinds’ (Hofstede 2001, p.393). This statement has been supported by the remark made by Wilkins and Ouchi (1983, p.479) who have stated that the learning of the organisational culture typically ‘occurs in childhood and the members of contemporary organisations rarely live in total institution’. Thus, it can be assumed that the social understanding in the organisation has been influenced deeply by one’s perception and view that have occurred from the time of the upbringing rather than what has been created by the organisation (Hofstede, 2001). Moreover, Collin and Porras (1994) mentioned that long-term performance in successful organisation had been influenced by the OC.

2.5.4.1 The Six Dimensions of Organisational Culture (OC)

Hofstede (2001) in his research found that the organisational culture consisted of six dimensions, Figure 2.8. The relevance of Hofstede six dimensions of organisational culture in Figure 2.8 in this research is from the perspective of the MARA, the studied agency.
Hofstede (2001) mentioned that the six dimensions were explained as follows:

**a) Process oriented versus result oriented**

In a result oriented culture, employees face new challenges every day and are able to put in maximum effort as well as face the risks in performing the task. On the other hand, the process oriented culture would emphasize on the process and employees tend to avoid any risk and spend only minimal effort in performing the task. Result-oriented culture emphasizes on goal achievement while process-oriented culture emphasizes on the means in performing the task.
b) Employee oriented versus job oriented

In employee oriented culture, the welfare of the employees is being fully administered and taken care of by the employer including their personal matters. On the other hand, in job oriented culture, the employer is only concerned with the job performance without considering any personal problem faced by the employees. In job oriented culture, most decisions are made by the individuals or employees whereas in employee oriented culture, most decisions are determined by the employer.

c) Parochial versus professional

In parochial culture, the firm takes into account the family background of the future employees before they enter the organisation. In other words, the family background is being taken into consideration as much as the job competence shown by the employees. Employees in parochial culture strongly believe that the company will take care of their future without having to prove their capabilities in performing the task.

On the other hand, professional culture only emphasizes on the job competence, skills and knowledge. The employees are not depending on the firm to take care of their future particularly their promotion but they are dependent on their own competence in performing the task in order to get the rewards.

d) Open versus closed system

In open culture, the newcomers are capable of getting fit in the organisation in a short period of time, because people tend to open to outsiders in performing the ways of doing the job more efficiently. The newcomer feels free to give ideas and suggestion in upgrading the quality in performing the task. On the other hand, the closed culture would not consider any ideas or suggestion from the newcomers and they require a long period of time to blend with the people in the organisation. Thus, the organisations with closed culture are not capable of changing the way of doing things and subsequently improvement is very slow due to the lack of new ideas given by the newcomers.
c) **Loose versus tight control culture**

The people in loose control culture are not so disciplined in appreciating the cost, meeting time, deadlines and urgency in making vital decision. In other words, they are not cost-conscious. On the other hand, the people in tight control culture appreciate the urgency and time management as it will affect the cost of running the business. The tight control culture promotes a higher level of efficiency and thus, the task could be performed effectively, with minimal cost and within a stipulated period of time.

f) **Normative versus pragmatic**

In normative culture, the organisation procedures are more important than the end results. In other words, the procedures must be adhered to by the employees although these might not be the most efficient way to perform the task. Hence, major emphasis has been given in justifying the use of organisational procedures. On the other hand, in pragmatic culture, end-results are the bottom-line and thus, the firm gives priority in meeting the needs of the customers although it might breach certain procedures of the firm.

Hofstede (1994) has stated that the employees’ perception of organisational policies and procedures has been the best ways to understand organisational culture. It has been a matter of practices when a person has to learn upon joining a new firm. Thus, this research has used Hofstede’s six dimensions of organisational culture to gauge better understanding of the organisational culture in MARA.

**2.5.5 The Institutional Theory**

The Institutional Theory is relevant to this research from the perspective of MARA as a public agency and a statutory body in Malaysia. Scott (2001) stated that members in the organisation were to act rationally because the PMS only acted as a tool to enhance the productivity of the organisation. Thus, the management in the organisation must make rational choices in focusing on the explicit goals.
However, the Institutional Theory has shaped the organisational structure of an organisation through internal and external constituents (Brignall & Modell 2000). Hence, the legitimacy and long term survival have been secured through the adoption of the rationalized institutional myths (Meyer & Rowan 1991).

Powell and DiMaggio (1991) in their research stated that the institutional theory focused on the way in which societal bodies accorded social legitimacy to the organisation and thus, contributed to the achievement of organisational survival and success. Hence, the idea that organisations were highly embedded with the institutional environment suggested that organisational practices especially in public agencies and statutory bodies were often a direct reflection or response to rules and structures built into their larger pictures (Powell & DiMaggio, 1991). Thus, in the case of MARA, this situation applied and therefore, is pertinent to this research.

The isomorphic forces from the external environment might influence the adoption of the PMS processes. Deephouse (1996) saw isomorphism as the replication of a focal organisation to other organisations in its environment. Some empirical evidences have found that organisations might be pressured to imitate other organisations under conditions of environmental uncertainty (Carruthers 1995; Galaskiewicz and Wasserman, 1989). They might also claim that their actions to adopt procedures, processes, systems or structures have been justified.

However, the concept of institutionalization has been being neglected by the organisations because it has considered it normal to resemble other organisations as long as the mission and goals have been achieved (Galaskiewicz & Wasserman 1989). Powell and DiMaggio (1991) proposed that isomorphism was classified into two categories namely competitive and institutional. Competitive isomorphism emphasizes on efficiency and the forces of competition could stimulate the firm to perform the most efficient way of doing the task. On the other hand, institutional isomorphism does not concern efficiency. The practices could be adopted by the organisation because of the pressure received from the stakeholders or competitors from the same industry. Powellland DiMaggio (1991) have also proposed that cultural expectations in the community could influence the coercive isomorphism and also result in pressures exposed to the organisation, internally and externally.
Mimetic isomorphism is the second form of isomorphism in which an organisation resembles another organisation because of its uncertainty, poor knowledge of technologies or research and development as well as unclear sets of goals. Thus, organisations imitate similar organisations and mimic their practices due to uncertainty situations. Organisations would feel comfortable when following what other organisations have been doing well. Hence, organisational fads and fashions have seemed likely to spread through mimetic isomorphism (Powell & DiMaggio 1991; Granlund & Lukka 1998).

Normative isomorphism is the third form of institutional isomorphism that could occur from the influence of professions on the organisation. The training and knowledge gained from specialized classes attended by employees could influence the way the activities are performed in the organisation. In 1991, the Powell and DiMaggio research found that professionalism was vital in determining how employees undertake their activities especially in transformation processes that occurred in organisations.

2.5.6 Customer Relationship Management (CRM) Theory

This theory is relevant to the research because it acts as a basis or guidelines from the perspective of customer’s relationship with the employees of MARA. Bose (2002) proposed that one of the important customer relationship management (CRM) functions was to collect vital information regarding the customers in order to provide better services.

Furthermore, the rapid changes in technology and marketing environment would require an efficient information provider. Thus, the information received from the information provider would further enhanced understanding about the trends on the needs and wants of the customers. Moreover, Massey et al. (2001) have claimed that controlling, maintaining and retaining profitable customers have been the main priority of the CRM in order to sell goods and services more efficiently over a period of time.
Payne and Frow (2005) developed the definition for CRM by stating that CRM is vital in developing the good relationship between the companies and the individuals as well as the shareholders and all the stakeholders in the business. The other potential of the CRM is to enhance the profitability level through an enhanced technology in building a long-term relationship with the customers.

Boulding (2005) mentioned that the use of data information provided integration of people and process as well as enhancing the marketing strategy of the company in the long run. Hence, the understanding on the customer needs could create a business value that enhanced the business rapport with the stakeholders.

Payne, Holt and Frow (2001) proposed that customers, employees and shareholders should be the main priority or the pillar of the value creation in CRM. However, Bentum and Merlin (2005) found that the Service Profit Chain (SPC) Model in CRM. Figure 2.11 could facilitate senior supervision leadership to bring about internal service quality, employee satisfaction which could lead to better employee productivity and employee retention and subsequently achieving employee value creation in the organisation. Besides the equality the SPC could bring about the external service value to the higher level. It could lead to customer satisfaction, customer loyalty and customer value creation and consequently could bring about revenue growth and profitability in the organisation. These two results could create shareholder value for the organisation.
2.5.6.1 History of CRM

Research on CRM is abundant (Levit 1960; Berry 1983; Gaski 1984; Dwyer, Schurr & Oh 1987; Pine 1993). Levit (1960) mentioned that a firm should focus on fulfilling the needs of the customer rather than focusing on merely selling the products. The introduction of total buying experience which emphasizes on the augmented product concept gained popularity in the 1960s. In this scenario, the customers are not only bombarded with just core products but also the values in buying the goods. In 1983, Berry, introduced the concept of relationship between customers and the company. This led to buyer-seller relationship to be established as mentioned by Dwyer, Schurr and Oh (1987) and the distribution channel which expanded the relationship between both parties (Gaski 1984).
The mass customization concept was introduced by Pine (1993) while Peppers and Rogers (1993) introduced the one-tone marketing concept which enhanced the collection of data for the analytical research in analysing the wants and needs of the customers. Some empirical studies by Kohli and Jaworski (1990) as well as Narver and Slater (1990) have introduced the market orientation concept; Vorhies and Morgan (2005) have introduced the market-based learning and Day (1994) on market focus. All of these concepts were developed to further understand the relationship between the customers and the firm. Moreover, the customer management concept introduced by Sheth (2005) and the portfolio management by Johnson and Selnes (2004) have brought about new dimensions towards the understanding of the customer and company relationship in this new era.

The deepest understanding could be found and developed in order to manage customers more efficiently and to gain confidence in managing the buyer-seller relationship. Moreover, the customer’s satisfaction would eventually develop a sense of loyalty in buying or engaging in the service (Heskett et al. 1994). Later, Payne and Frow (2005) suggested that it should be the customers who provide the opportunity for the firm to serve them better.

2.5.6.2 Critical Success Factors of the CRM Implementation

Galbreath and Rogers (1999) commented that the implementation of new technologies and effective leadership is vital in adopting CRM because it played a significant role in the changes of business processes. In this case, leaders should play an important role in implementing the changes; motivate the employees and monitor performance to ensure the successfllness of the CRM implantation (Pinto & Slevin 1987). CRM has reached into many parts and at the heart of organisations, its processes must be fully understood. The business owners can make use of the information provided to leverage the sales and marketing effort. The sales and marketing department would benefit from CRM to understand the need and wants of the customers.
Empirical studies have discovered that three elements namely process, people and technology have given the greatest impact on the success of the CRM implementation (Chen & Popovich 2003; Plakoyiannaki & Tzokas 2002). Other researches for the past decade have included the critical success factors such as the integration of activities including cross-functional processes which has been one of the predictors of CRM successes (Kale 2004; Wilson 2002; Meyer & Kolbe 2005).

2.5.7 Cost Minimization Theory

The relevance of this theory to this research is from the perspective of financial aspects in the BSC perspective that has been studied in this research. The lower cost to create more value has been the main motto or philosophy of the cost minimization theory. Thus, it has been vital for organisations because it is more than measuring the service and product costs (Selto, Michael & Hilton 2000). Selto, Michael and Hilton (2000, p.5) stated that, ‘most organisations now need cost managers with broad knowledge of the business more than they need cost accountants who just measure and report costs’.

Cost management could find ways in reducing the cost to the consumers. Selto, Michael and Hilton (2000) commented that cost management is a concept that has assisted organisations in making the correct decision in order to create customer value at a reasonable cost. Thus, the cheaper the cost, the more profit could be generated by the firm without sacrificing the service quality of providing the goods or services.

In general, a cost manager is responsible for applying the most efficient way and the most reliable cost management system that could meet decision-making and reporting needs. Hence, companies could use the cost management system to evaluate the alternative use of resources and the cost minimization theory should be applicable.
2.5.8 The Balance Scorecard

Figure 2.12 Balanced Scorecard Model (BSC)

Source: Adapted from Kaplan and Norton, 1996, p. 76

2.5.8 BSC as a Strategic Management System

Strategy and vision are situated at the core of Balanced Scorecard. The necessary action or behaviour must be taken by the employees in order to achieve the agreed goals. Kaplan and Norton (1996) have highlighted four important processes in linking BSC with the strategy as follows:
1. Overcoming the vision barriers through the translation of strategy
The usage of BSC in this research is to provide guidance to the organisation on the overall strategy that has translated nebulous declarations into measurable achievement. The mission, vision and core values of the organisation would only be established if the organisation took a necessary action or behave accordingly and thus, BSC acts as a tool to transform vision based on the management’s strategy.

2. Cascading the scorecard to overcome the people’s barriers
Norton (2002) stated that 95 percent of the workforce did not understand the organisation’s strategy. BSC elaborates on the mission and the strategy by providing “line of sight” from the director’s office to the front line (Azhar, R 2008). Thus, employees would be able to know specific functions and contributions to the overall outcome of the organisations. Hence, the employees could agree to emphasize on the performance drivers that could lead to the desired outcomes by the management.

3. Strategic resource allocation to overcome the resource barriers
The resources and processes are the two critical elements that BSC could assist in ensuring the success of managing the organisation (Kaplan & Norton 2002). The missed opportunity on recruitment and the inability of the firm to realize the processes would affect the final outcome.

4. Strategic Learning to overcome barriers
This research will identify the processes carried out in the course of implementing the performance management system by MARA. The lack of information had caused the obtained knowledge to be short term in nature and obsolete. Hence, it is critical to gain the accurate information combined by the vision, resources and people’s barriers in the organisation.
2.5.8.1 BSC as a Communication Tool

The ability of BSC to translate strategy into everyday activities of the employees and management has been proven through translated work by breaking down the components of strategy statement (Kaplan & Norton 2002). The vague and explicit direction of top management would be transformed into a clear and concise objective. Hence, it clarifies the role of every employee in a top-down movement. These activities are also known as creating a strategy map. Thus, by creating a strategy map, the employees, customers and the stakeholders would be able to know and understand the goal or the aim of the organisation.

Hence, as the organisation cascades the strategy map from the higher level management to the lower divisions and sections, employees will gain a better insight on what their specific roles and contribution in achieving the unified organisation goals. Therefore, this research will attempt to substantiate the existence of causal relationship between BSCs components that are being used in MARA.

The public sector has a major impact on the nation’s economy but there has been very little research available as to how a performance management system such as the BSC could be effectively applied in the public sector in Malaysia. Hence, according to Chan (2002), the usage and effect of BSC in the public sector as a performance management system have still left a gap in the social research literature. The following section will discuss the effects of the BSC of the PMS and OC towards the employees’ attitude of MARA which represents a statutory body in Malaysia in this research.

‘Government organisations often place their customers or constituents at the top of their strategy map’ (Kaplan & Norton 1996, p.79). However, the difference in organisations’ objectives in the public and private sector has been undeniable. Kaplan and Norton (1992) have reiterated that the theory of the Balanced Score Card (BSC) has opened a new field in the literature of management control and could be applied in both sectors. Hence, it should be a critical need for a more strategic and balanced performance management system for the public sector.
Neely (1999) mentioned that it is difficult to deny the fact that the BSC has been transforming the strategic management paradigm. However, some empirical studies in the late 1990s and early 2000s were interested only in the implementation processes of the Performance Management System rather than evaluating the reaction of the employees towards the implementation of PMS. Thus, a large number of organisations are having problems and struggling to perform this task (Boyle 2007; Bititci et al. 1997). The primary function of statutory bodies such as MARA has been to serve the people and to be accountable and transparent. Hence, its mission would be the main objective of the organisation. In other words, customer expectation has emerged as the most critical perspective in government bodies and it would determine the success of the goals made by the agency (Azhar, R 2009). However, the implementation of the BSC in the statutory bodies especially in MARA would require a deeper understanding and knowledge of itself in order to gain the desired level of productivity.

The Balanced Scorecard approach to management (Kaplan & Norton 1992, 1996) has gained prominence in performance in accounting management research this decade. Kaplan and Norton (1992) have made a revolution which has set the Balanced Scorecard (BSC) as a comprehensive set of measures which could benefit an organisation in increasing the level of service quality and production. Thus, basically, the financial perspective must be complemented by other BSC perspectives such as internal processes and learning and growth in order to increase the level of efficiency and productivity of an organisation.

However, according to Kaplan and Norton (1996, p.179), ‘the financial perspective is not the bottom-line objective for government organisations but customer perspective is’. Hence, it has been found to be critical for the PMS using the BSC to translate all the relationships which could lead to customer satisfaction as the main focus especially for the Malaysian statutory body such as MARA.

Nevertheless, Kaplan and Norton (2001), state that almost ninety-five percent of the typical workforces have not comprehended the mission and strategy of the firm. The BSC could provide the four critical perspectives that could lead to the critical decision-making by the management of the firm. However, Atkinson et al. (1997) note that the balanced scorecard deserves intensive research attention and it could be considered as the most significant development in accounting management.
The research by Norton and Kaplan (1996) has added to our knowledge of how the PMS using the BSC could provide management with a fully equipped and integrated framework in order for it to manage organisational activities better (Hoque & James 2000; Creelman 1998).

It is noted that the main intention and priority of a Malaysian statutory body such as MARA is to serve the public particularly the Malaysian community. The focal point of the perspective would be the management’s strategy and meeting the people’s demand. Hence, some authorities including Bourne and Bourne (2007), Paladino (2008) as well as Parmenter (2007) have stated that it has been difficult for managers in public enterprises to develop a set of key performance indicators which could be related to both business performance and meeting social goals. Thus, the design and structure of the PMS in MARA should be studied.
2.5.9 Theoretical Framework for This Research

Figure 2.13: The Theoretical Framework for This Research

Based on the literature review and the theoretical background in this chapter, it can be deduced that there could be a certain amount of linkage between the BSC, the organisational culture and the employees’ attitude in MARA. Therefore, the proposed theoretical framework of this research is to empirically examine and to determine the relationship between the abovementioned variables among the employees in MARA.
Figure 2.13 illustrates the theoretical framework that underpins this research. Sekaran (2000) states that a theoretical framework could provide an insight into the subject matter or the variables that needs to be investigated. The hypothesis would confirm the relationship between two or more variables and thus this research treats the BSC’s four perspectives as independent variables and the employees’ attitude which consists of job satisfaction and organisational commitment as the dependent variable. At the same time, organisational culture is treated as a moderating variable. The relationship between the five variables can be seen in Figure 2.13.

The framework of Organisational Culture (OC) is based on Hofstede’s (2001) six cultural dimensions of corporate culture. Thus, these six dimensions have been selected in most research because they could have the greatest effect on employees’ behaviour (Ricardo & Jolly 1997; Lau & Idris 2001). Furthermore, it is expected that teamwork, reward and recognition, communication as well as training and development influence performance.

The literature review and theoretical background have revealed that there has been a relationship between the four perspectives of the balanced scorecard and employees’ attitude. However, it is apparent that the integrated relationship between these variables has not been empirically investigated and thus there is a gap in the literature. Hence, this research has proposed to test and empirically examine the relationship among these variables for the public service in Malaysia specifically in MARA.

### 2.6 Research Problem Theory 1: Organisational Culture (OC)

#### 2.6.1 Definition of Organisational Culture (OC)

There has been few works related to OC definition for the past few decades. Tichy (1982, p.58) who states that, ‘organisational culture can be considered as the normative glue that holds the organisation together’. Brown (1995, p.8) defines organisational culture as ‘pattern of beliefs, values and learned ways of coping with experience that have developed during the course of an organisation’s history, and which tends to be manifested in its material arrangements and in the behaviours of its members’.
Edgar Schein (1999, p. 12), a management professor from MIT Sloan School of Management, defines organisational culture as, ‘A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way you perceive, think, and feel in relation to those problems’. Smircich (1983, p. 344) stated that ‘the symbolic cultural dimension in some way contributes to the overall systematic balance and effectiveness of an organisation’. Hofstede (2001, p.291) defines organisational culture as ‘the collective programming of the mind that distinguishes the members of one organisation from another’.

Any organisation in any culture would depend on the performance of the people in order to achieve the desired goals or objectives. Thus, monitoring the performance of subordinates has been a theme in most development programmes; right from the lowest management level upwards. Accordingly, the definition by Hofstede (2001) is adopted in this research.

2.6.2 Organisational Culture

Research on corporate culture is abundant and many literature or empirical studies have suggested that organisational culture has been proven to be one of the variables that has determined work outcome similar to other variables such as leadership (Hartog, Koopman & Muijen 1996), organisational structure (Hofstede, Neuijen, Ohavy & Sanders 1990) and organisational effectiveness (Denison 1990; Quinn & Cameron 1988). Thus, the evaluation of employees’ perception towards organisational policy and practices is another way to understand OC instead of looking at the values held by the firm.

Over the past decade, Organisational Culture (OC) has been receiving growing attentions among scholars and some empirical studies have suggested that strong-culture organisations have been capable of overcoming the weaker-culture ones (Kotter & Heskett 1992; Gordon & DiTomaso 1992; Burt 1994). The consistent behaviour within the organisations imposed by the normative order has been defined as ‘Organisational Culture’ (Sorenson 2002). In this case, many empirical studies have considered organisational culture to have played a role as a social control mechanism (O’Reilly 1989; O’Reilly & Chatman 1996).
Moreover, organisational performance has been greatly influenced by the strong organisational culture because the norms and values of the firm would influence the way the firm manages the business (O’Reily & Chatman 1996). However, some empirical studies suggested that workers who were highly motivated to achieve the firm’s goals and objectives would contribute to the organisation and at the same time enhanced performance level (Peters & Waterman 1982; Deal & Kennedy 1982; Kotter & Heskett 1992).

Fatehi (2008, p. 159) stated that, ‘corporate culture is a product of the firm’s environment and the interpersonal relationship among its members and initially, the firm’s culture is affected by the national culture of the country in which it is established’. Hence, the organisational culture has also been influenced by the social environment that occurs in the country. Furthermore, Oudhovern and Zee (2002) propose that the attributes of the cultural environment have been influencing the organisational culture and the firm’s value. Thus, the research of the organisational culture was found to be necessary in order to investigate the effects of the implementation of the performance management systems, because culture is deemed as the mechanism or tool to achieve the managerial control and effectiveness (Barley, Meyer & Dash 1988; Peters & Waterman 1982). Organisational culture (OC) was found to be formed by a group of people who have similar or different national cultures and beliefs and thus, people are the essence of organisations and as a matter of fact, organisations are built with a group of people nationally and culturally similar (Fatehi 2008).

In 1998, Lawson and Shenin found that corporate culture was associated with the value and belief of the individuals that bound the organisational group together. The bond of the individuals with specific goals, mission and vision would create a sense of synergy or belonging among the individuals in the organisation. Moreover, Schein (1992) discovered that a group was shaped by culture based on the basic assumptions developed or discovered in order to overcome the internal and external integration problems. In their studies, Peters and Waterman (1982) claimed that the right way to think, act and feel must be taught to the new members and thus, OC should play an important role in influencing the new members to follow the values in the organisation. According to Meek (1988, p.90), ‘the corporate culture approach presumes that organisational cultures can be assessed, managed, and manipulated in pursuit of enhanced organisational effectiveness’. Thus, management strategy and organisational commitment must be enhanced and supported through the organisational culture of the firm.
Many research advocates on the integration of set of belief, values and behaviour have contributed to a better organisational outcome or performance (Cameron & Quinn 1999; Deal & Kennedy 1982; Denison 1990; Kotter & Heskett 1992; Juechter & Fisher 1998). Evidence of relationship between corporate culture and performance was found in many studies (Calori & Sarnin 1991; Gordon & DiTomaso 1992; Kotter & Heskett 1992). Schneider (1989) stated that the globalization factor sparked the academic interest to research the relationship between organisational performance and culture which was found to serve as a platform for the operation of the PMS.

Organisational culture represented strategies and ways for members in organisations to perform the duties which have worked well in the past. Hence, the strength of an OC refers to the prevailing norms. Value dominance has been found to be important that could give significant contributions to the members in an organisation by influencing their feelings, thoughts, interactions and performance (Yusof & Ali 2000).

### 2.6.2.1 Organisational Culture and Performance

The association or relationship between corporate culture and organisational performance has been extensively studied and identified in business literature. Some empirical studies in the literature have also identified the connection with corporate culture towards performance in organisations (Meyer & Allen 1991; Ricardo & Jolly 1997; Lau & Idris 2001).

Empirical studies have proved that the theme of organisational or corporate culture has been the most popular in the social science or management literature especially in the early 1980s (Deal & Kennedy 1982; Peters & Waterman 1982). However the difference existing between national and corporate culture has been found to be undeniable. Hofstede (2001. p. 71) stated that, ‘If the national cultures describe the collective mental programming of other similar persons from different nations, organisational culture describes the collective mental programming of similar persons from different organisations’.
Gordon and Christensen (1993) proposed that the industry has moderated the link between corporate culture and performance. Thus, a better understanding of the effects of OC towards the productivity that has led to better performance could be obtained. However, some empirical studies have concluded that the variance and differences in the national culture might result in differences in the consequences of the OC towards the performance (Chow, Kato & Merchant 1996; Steers 1989; Lincoln & Kalleberg 1990).

Moreover, Kotter and Heskett (1992) proposed that cultural change has become tougher as organisations become more successful and established. The findings of Kotter and Heskett et al. (1992) were relatively significant to the research of corporate culture because the long-term financial performance could be significantly affected by corporate culture. Thus, a strong culture could provide a better platform for producing higher productivity. Hence, the major findings from the work of Kotter and Heskett et al. (1992) as the superior performance over long periods of time could only be achieved through the corporate culture that has stimulated the anticipation and adaptation of change management. Furthermore, Siehl and Martin (1998) concluded that the values in OC could be measured and observed. Thus, the comparison across organisations and individuals could be made in order to determine organisational and individual performance.

Hofstede’s measurement in organisational culture has opened up many areas for future research (Chow, Shield & Wu 1999; Harisson & McKinnon 1999; Pratt, Mohrweis & Beaulieu 1993). Moreover, a great deal of attention has been given by scholars to organisational culture. The majority of this attention has focused on defining organisation culture (Duncan, 1989). However, less attention has been given by Hofstede’s research to understanding the critical impacts that cultures could have in a variety of organisation issues (Denison & Mishra 1995).

Some other empirical studies have found that organisational culture is related to the performance and growth of the firm (Calori & Sarnin 1991; Denison & Mishra 1995). Denison (1990) also commented that OC should provide a platform for the system of structured behaviour and thus should serve as a tool for organisations’ future survival and adaptation which stood the test of time.
Another research by Jones and Hill (2001) found that the interaction between the firm and the stakeholders could be controlled and improvised through the occurrence of value and norms in OC. However, Schein (1999) further argued that an analysis at the level of organisation and even groups within the organisation would show that on the one hand the social activist could create, evolve and manipulate the culture, but on the other hand, the culture itself could also constrain, stabilize and provide new meanings and structures to the organisations.

Smircich (1983) described organisational culture as a variable and a measurable aspect in an organisation and it was found to be an important factor that would stimulate the change management in an organisation. Furthermore, Schein (1992) emphasized the importance of leadership in developing a corporate culture. In his definition he stated that in the first place, culture concerned critical assumptions determining how group members could perceive and feel about things, but he did not include behaviour pattern. Second, the culture could belong to the group and third, culture has to be learned (Muijen et al. 2001).

Hofstede’s ‘Business cultures’ (1994) suggested that employees’ values emerged as an important role in determining organisational culture. However, personal values were developed during childhood and in the family whereas employees’ values could only be influenced by the environment of the workplace (Hofstede 1994). Thus, this research has used the six dimensions of organisational culture introduced by Hofstede in understanding organisational culture in the Malaysian context. Hence, these scholars have proved that through the dimensions of corporate culture, four elements have been identified namely teamwork (Karia & Ahmad, 2000; Morrow 1997; Osland 1997; Karia & Ashari 2006), employees’ communication (Nehers 1997; Myers & Myers 1982), organisational training and development (Karia 1999; Karia & Ahmad 2000; Acton & Golden 2002) as well as employees’ rewards and recognition (Zigon 1997; Allen & Helms 2002). Hence, most of the results in these studies examining these dimensions have found that OC has significantly influenced organisational performance directly or indirectly.
Peters and Waterman (1982) mentioned that the characteristic of strong culture and shared values in high performance companies have also been found to be undeniable. Nevertheless, Peters and Waterman (1982) also mentioned that strong OC the essence or ingredient of successful companies around the world. This was found to be so because the norms, beliefs and guiding values were being clearly defined and justified in order to achieve the desired goals rather than solely depending on organisational rules, policies, manuals and procedures. This finding was supported by Charan, R (2011), has stated that employees could create havoc or chaos until they found guidance or face some constraint or difficulties.

The transformation in the local context was made by the Malaysian government by focusing on the customers or the people since 2004. The Government Transformation Programme (GTP) generated the biggest impact in organisational culture and at the same time, enhanced the service quality in the public sector in the country (Agus, Baker & Kandapully 2007).

Furthermore, some empirical evidence suggested that culture could affect the role of management accounting in organisations (Abdul Rahman 1993; Burns & Vaivio 2001; Busco, Riccaboni & Scapens 2006; Collier 2001; Dent 1991; Ogden 1995; Sharma & Lawrence 2007). These studies have also proved that the introduction of changes in portfolio has challenged the traditional perception of the new budgeting system among the members of the organisation (Nor Aziah & Scapens 2007).

Recently, scholars have commented on the limitation of the top down approach and have suggested that the PMS should include the reflection of objectives, strategy and organisational culture (Smith & Goddard 2002). For instance, Schein (1985) argues that the open system practice by organisations would be influenced by the external environment and thus, the shared norms and beliefs of the members could be affected.

Twenty years later Schein (2005) argued that it could be an utmost difficult task to change the corporate culture compared to other attributes of organisations such as organisational products, services, founders and leadership. Thus, the characteristics of the organisation and the communication between members in the organisation have been found to be the stumbling block in implementing change management.
Moreover, organisational culture could be manipulated in the pursuit of enhancing organisational effectiveness. Thus, the fundamental criticism has been based on the assumption that an organisation has a single culture (Mabey & Salaman 1995). The employees’ beliefs, values and norms could be changed in order for them to support the management strategy and to produce appropriate behaviour (Meek 1988).

Ogbonna and Harris (2000) found United Kingdom companies with cultures that have been externally oriented such as their capability to meet challenges and risk-taking tended to be more highly associated with organisational performance than those cultures which predominantly internally focused on the bureaucratic culture. In addition, Williams, RS (2002) stated that the importance of the organisational culture towards generating higher performance was found to be undeniable because organisational culture had cultivated the norms and behaviour needed to achieve the firm’s goals and objectives. However, Burman and Evans (2008) argued that leadership was found to have had more impact on culture than management. Hence, for any change to occur in culture, one has to keep in mind that leadership could shape the organisational culture in the organisation.

Cumming and Worley (2005) proposed that the change of culture in organisations was found to be inevitable and important. However, it led to frustration and tension for employees because their interest in their organisations especially in the areas of job security and employees control could be badly affected. Furthermore, it would lead to legal and ethical issues for organisations.

The importance of organisational culture has been featured in many models. According to William RS (2002, p. 23), ‘Two points of view may be distinguished, they are that performance management must fit the organisation’s culture and that performance is an instrument of cultural change’. The imposition of top management’s values on the rest of the organisation and that performance could be an instrument for cultural changes. However, Mabey and Salaman (1995, p.283) state that ‘employees’ norms, beliefs and values can be changed so that they can contribute to the appropriate behaviour, support management and strategy’.
Thus, this finding has found that culture could create appropriate behaviour and unite an organisation. The norms and values of members in MARA should be the important elements that need to be considered in implementing any changes especially in the PMS. Busco et al. (2006) mentioned that there could be three critical factors as suggested by Schein (1999) which were needed in order for changes to take place in an organisation.

- First, the awareness of the members of the organisation needing to engage in changes due to their failure to follow the existing policies and procedures.
- Secondly, the learning anxiety needs to be overcome and to create psychological safety among the members of a firm.
- Thirdly, certain mechanism should be imposed to address issues and to challenge the status quo in the organisation. The organisational members accepted these changes and the accounting tools were accepted as their new way of looking and doing things in the organisation.
- Fourthly, the research of organisational culture could provide better insights into understanding of the work scenario in the environment of any country in the world and it has been proven that OC influences the ability of firms to cope with and control with strategic change (Schwartz & Davis 1981).

2.6.2.2 Organisational Culture as the moderating variable

OC has been identified as the main factor stimulating and adapting the management change in an organisation (Kotter & Heskett 1992). There seems to be wide agreement that Organisational Culture (OC) refers to a system of thought that distinguishes an organization from other organizations (Robbins & Judge 2009). OC influences job satisfaction and cultural background and has a profound impact on job satisfaction (Testa & Mueller 2009). Sempane, Rieger and Roodt (2002) found that the OC values of respect for people, innovation, and stability have strong associations with job satisfaction, information sharing and affective commitment. The findings by previous studies confirmed the significant relationship between OC and job satisfaction (Lund 2003; Sempane, Rieger & Roodt 2002). In the light of these observations, it is clear that a stronger OC allows employees to realize greater job satisfaction - which ultimately leads to increased productivity, commitment and success of an organization (Belou 2010; Eskildsen, Kristensen & Antvor 2010).
Management, through positive actions, can help to create the proper environment for their employees to be motivated, resulting in high job satisfaction, which in turn can contribute to higher productivity, gaining competitive advantage for the firm and eventual success. The result of this research suggests that MARA can increase the level of job satisfaction through a strong OC. This is because an organization’s culture provides a sense of identity for its members.

This research treated OC as the moderating variable to enable comparisons between studies that could be performed (Bellou 2010; Lok & Crawford 2004). Previous studies on OC examined this variable as either independent variable (Lok & Crawford 2004; Eskildsen, Kristensen & Antvor 2010) or a moderating variable (Yiing & Ahmad 2009). However, according to Denison and Mishra (1995), less attention has been devoted to understand the critical impact that cultures could have in a variety of organisational issues, including the attitude and behaviour of the employees.

Based on past literature, the critical success factor that affects the implementation of PMS is the change management factor in organisational culture and needs to be adopted by any organization (De Jager, Peter & Futurist 2001). The changes require commitment and devotion by all parties within the organization, and it is a continuous process in the evolution and development of organizations - as they strive for the competitive edge in the global marketplace. (De Jager, Peter and Futurist, 2001). Furthermore, change implementation in the case of PMS, involves creating an environment for change in organisational culture that embraces change and the difficulties that might occur during this interim period.

In fact, the changing of the performance management system usually leads to behavioural resistance among employees. Thus, a new performance measurement such as BSC needs to be fully understood by both management and subordinates. According to Anderson & Barker (1996), resistance to change can only be overcome by education where there is a lack of information or inaccurate information, and an analysis that causes resistance due to the fear of the unknown. Hence, the leaders of an organization must able to identify the reasons and challenges that they face in order to implement PMS. Research has found that resistance by workers and management to be the major impediment to the use of quality management practices in the Australian manufacturing industry (Waddel & Sohal 1998).
An organization must undergo changes in organisational culture and the resistance to change among employees in MARA must be avoided in order to further improve the performance of agencies. Hence, a more strategic management approach is required to manage human resources in order to cope with the changes that will take place in the organization. Thus, changes in organisational culture are understood to inevitably involve changes in attitude, skills, values and significant relationships - not just changes in knowledge or intellectual rationales for actions and practices (Anderson & Barker 1996).

According to Dessler (2008), the role of today’s management has shifted from protector to planner and change agent. Thus, the responsibility of management is to be an agent of change that stimulates the growth and performance of a firm. Kotter and Schlesinger (1979) stated that the importance of leadership in the change management process is underscored by the fact that change, by definition, requires creating new systems and then institutionalizing the new approaches. Thus, the leadership role is to facilitate the change process and hence, if the leaders were unable to integrate the changes of organisational culture into the organization, the employees would not be able to adopt the new system because of the dramatic changes foreseen in the business and political environment.

The government agencies in Malaysia such as MARA have been using the same command and control method since the establishment of Malaysia in 1963 and thus, will take more time to adjust to the new system (Mohamad 2004). The role of the leadership in the public sector is to expedite changes and this research evaluates the level of commitment from the higher level of management of the public sector in performing changes through the implementation of PMS. According to Schein (1992), leadership also plays a vital role in developing OC. Thus, in the light of these observations, OC highlights norms, values and beliefs that must be clearly defined and justified - rather than depending on an organisation’s rules, policies, manuals and procedures (Peters & Waterman 1982).

This research found that the bureaucratic style in government agencies - especially in MARA - have become a barrier to implementing any improvements due to the narrowly defined tasks for individuals in the organization and its top-down communication.
The internal environment had affected the values and the organisational cultures in the organization (Mohamad 2004). The degree of hierarchy control is high and communication between superiors and subordinates is limited. Moreover, the command and control style in public agencies has prevented effective communication among the employees (Yusuf, A., 2003). However, the strength of OC was to give significant contribution to employees by influencing their feelings, thoughts, interactions and general performance (Yusof & Ali 2000).

The changes of OC from the bureaucratic, command and control style to that of the matrix management style, which is less hierarchical and involves participative decision making, would be a major element promoting changes in government agencies. (Yusuf, A 2003). The resistance to change was the biggest challenge in implementing PMS and was an unacceptable attitude for change processes. According to Lewin’s Theory, before new behaviour could be successfully adopted, the old system has to be discarded (Cummings & Worley 1999). The structure of an organization, especially in MARA, was a hierarchical, top-down system and has a large power distance between management and regular employees. These are the problems in using a command and control method. Hence, it was vital for MARA to freeze the old ways of doing things and enable changes to take place.

The management of MARA must manage the change processes via performance measurement in order to avoid resistance among employees. Thus, in order to effect changes in the organisational culture, a change should not be complex and the agency has to challenge the precedent and persevere against the habits and norms of established behaviour among the workers (Applebaum & Wohl, L2000).

Kurt Lewin’s Theory stated that the level of performance of a work group may be stable, because group norms maintaining that level, are equivalent to management pressure to change to the higher level. Lewin also suggested that by introducing information that shows discrepancies between behaviour desired by the organization members and the current behaviour, members can be motivated to engage in change activities (Cumming & Worley 1999). Lewin’s theory also emphasizes the level of involvement of employees, the focus on changes, and what the organization does well - thus leveraging on internal strength.
The organisational culture plays a vital role in determining the success of PMS implementation because it involves creating an environment for change that embraces change and any difficulty that may occur. According to Azhar (2009), organisational culture is probably the area that is most taken for granted - since management believes that by printing and then publishing plans in the organization’s website and communicating these plans during the organization’s monthly gathering is sufficient in getting people aligned and committed towards achieving the same corporate goals. Furthermore, according to Schneider (1989), the globalisation factor has sparked academics to study the relationship between performance and corporate culture - which serves as a platform for the operation of PMS.

Based on past literature, the critical success factor that affects the implementation of PMS is the management change factor in organisational culture -that needs to be adopted by the organization (De Jagger, Peter & Futurist 2001). Changes require commitment and devotion by all parties within the organization and it is a continuous process in the evolution and development of organizations as they strive for a competitive edge in the global marketplace (De Jager, Peter & Futurist 2001). Furthermore, change implementation in the case of PMS involves creating an environment for change in the organisational culture of MARA -that embraces change and difficulties that might occur during this interim period.

Invariably, the changing of the performance management system leads to the behavioural resistance. As such, new performance measurements such as those of BSC need to be fully understood by both management and subordinates. According to Anderson & Barker (1996), resistance to change can only be overcome by education. Where there is a lack of information or inaccurate information and analysis resistance arises due to the basic fear of the unknown. As such, the leadership in an organization must able to identify the reasons and challenges to be faced by them in order to implement PMS. Previous empirical studies found that resistance by workers and management were the major impediment to the use of quality management practices in the Australian manufacturing industry (Waddel & Sohal 1998).

The organization must undergo changes in organisational culture and resistance to change among the employees must be avoided in order to further improve performance in the agencies. Hence, a more strategic management approach will be required to manage the human resources in order to cope with the changes that take place in the organization.
Thus, changes in the organisational culture are understood to inevitably involve changes in attitude, skills, values and significant relationships - not just changes in knowledge or intellectual rationales for actions and practices (De Jagger, Peter & Futurist 2001).

According to Dessler (2008), the role of today’s management has shifted from protector to planner and change agent. Thus, the responsibility of the management must be to make changes that stimulate the growth and the performance of the firm. Kotter and Heskett (1992) stated that the importance of leadership in the management change process is underscored by the fact that change, by definition, requires creating new systems and then incorporating them. Thus, if the leaders in MARA were unable to integrate the changes to organisational culture in the organization, the employees in MARA would not be able to adopt the new system because of the dramatic corresponding changes necessary in the business and political environment.

In this research, it was noted that the bureaucratic style in MARA has become a barrier to implementing any improvement due to the narrowly defined task for individuals in an organization with top-down communication. In this research, it was found that the degree of hierarchical control is high, and communications between superiors and subordinates are limited. Furthermore, the command and control style in public agencies has prevented effective communication among employees(Yusuf, A. 2003). Thus, OC as the moderating variable, plays a vital role in determining the success of the implementation of change, which leads to better performance because OC has been found to be an important factor that stimulated the changes in an organisation (Smircich 1983).

According to Yusuf (2003), the changes of management style in public agencies from bureaucratic, command and control focused to the matrix management style must be adopted and accepted by people in a company. The new PMS is less hierarchical and involves participative decision making and would be the major elements that promote changes in the government agencies. The mindset and attitude of employees must be ready to adopt change. Furthermore, based on past literature, OC was found to be a critical factor in stimulating changes in an organisation (Hofstede 2001).
Government agencies in Malaysia, such as MARA, have been using the same command and control method since the establishment of Malaysia in 1963 and thus, will take more time to adjust to the new system (Mohamad 2004). The role of leadership in public sector is to expedite the changes in the OC, and this research would evaluate the level of commitment from the higher level of management of the public sector in implementing the changes of PMS.

In the light of this observation, the resistance to change was another challenge for MARA and thus, it was not an acceptable attitude for the process of change. Resistance is better viewed as feedback that the informed change agent could use to constructively modify a planned change to better fit organizational goals and situational needs (Schermerhorn 2001). The structure of the organization at this point of time, especially in MARA, was more hierarchical, practising a large power distance as well as using the described command and control method.

The research has also found that management must manage the changing processes in performance measurement and organisational culture in an orderly so to avoid resistance among employees. According to Applebaum and Wohl (2000), in order to effect changes in the organisational culture, a change should not be complex and the agency has to challenge the precedent and persevere against the habits and norms of established behaviour among the workers.

The discrepancies between desired behaviour of the organization members and that currently exhibited, can be eliminated by motivating employees to engage in change activities (Cumming & Worley, 1999). Lewin’s theory also emphasizes the level of involvement of the employees, and focuses on changes and leveraging the companies existing strengths. Thus, the involvement of MARA employees and the motivation from employers were found to be important elements in promoting change in the organisation.

In this research, the leaders or management of MARA must play their role in managing the changes in the corporate culture of the organisation. Training and education are essential in promoting changes in the workplace and are critical in order to promote the awareness of PMS throughout the organization (Carlopio, Andrewartha & Armstrong 1998).
However, in the light of research observations, it was not possible for leaders to implement or manage any changes if OC was not identified and analysed. Hence, this research found that employees in MARA must be given clear direction from management and the strength of MARA would be in the collaboration among members, the management support and a high level of commitment that provided unity and teamwork spirit.

The resistance to change in the OC of MARA has been identified here as the stumbling block in the success of PMS implementation. The organisational culture, which includes internal environment as well as the external ones, plays a vital role in determining PMS implementation because it involves creating an environment for change that embraces overall change, and difficulty often occurs. According to Azhar (2009), organisational culture is probably the area that has been most taken for-granted, since management believe that by printing, publishing in the organization’s website and communicating their big plan during the organization’s monthly gathering, the goal of getting people aligned and committed towards achieving their corporate goals is implemented.

Finally, scholars, through their empirical studies, have proven the relationship of organisational culture with the elements of teamwork, organisational training and development, employees’ communication, reward and recognition (Karia & Ahmad 2000; Morrow 1997; Osland 1997; Myers & Myers 1982; Acton & Golden 2002; Allen & Helms 2002; Zigon 1997; Nehers 1997; Karia & Ashari 2006). It was acknowledged that most of these studies found that OC has significantly influenced organisational performance, directly or indirectly, in an organisation.

Based on the past literature, and in the light of the current observations, the researcher proposed that Organisational Culture would become the moderating factor for this research.
2.7 RESEARCH PROBLEM THEORY 2: Balanced Scorecard (BSC)

2.7.1 Balanced Scorecard definition

Balanced Scorecard (BSC) is defined as ‘the articulation of the links between leading inputs (human and physical), processes, and lagging outcomes and focuses on the importance of managing these components to achieve the organisation's strategic priorities (Abernethy et al. 2005, p. 136).

2.7.2 The Balance Score Card (BSC) as the Performance Management System (PMS)

Kaplan and Norton (1992, p.71) suggest that ‘traditional financial ratios work well for the industrial era, but they are out of step with the skills and competencies companies are trying to master today’. Hence, although the traditional financial management system has played a vital role in determining the level of performance in the 1980s and 1990s, their relevance in the information age has been questionable due to borderless market today and organisations are competing for talents (Anand, Sahay & Saha 2005).

However, Eccles (1991) has stated that social science researchers could not treat financial data as the sole indicator of evaluating business performance. According to Lingle and Schiemann (1996), companies that are balanced in terms of financial and non-financial management, link strategies to goals and update their scorecard regularly have been found to be better performers.

Furthermore, an empirical research by Rigby (2003) cited in Bain and Company conducted surveys among corporate executives showed that 64 percent of companies in North America applied BSC in the operation of their firms. The research by Ittner and Lacker (2001) suggested that the financial perspective was viewed as the least important behind three other perspectives in terms of the perceived importance by the management.

Moreover, the public sectors have also been facing difficulties with performance measurement challenges (Dixon 1996). Nevertheless, the level of awareness has been increasing in public agencies in order to become more business-like. However, Pulakos (2009) states that performance management has been considered as one of the lowest-rated areas in employee surveys.
The PMS has been viewed as the paperwork drill needed by human resources due to the lack of understanding of the benefits that could be derived from the effective performance management system. Thus management has so far failed to realize that the implementation of the management strategies and communications among employees are the two major characteristics that could influence the effective implementation of PMS in public sector (Pulakos 2009).

Figure 2.14 Outcomes of the Effective Performance Management

<table>
<thead>
<tr>
<th>Outcomes of the Effective Performance Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Clarifies performance expectation and standards</td>
</tr>
<tr>
<td>2. Improves productivity at all organisational levels</td>
</tr>
<tr>
<td>3. Motivates employees to do their best</td>
</tr>
<tr>
<td>4. Aligns performance between units and levels with the organisational goals, values and strategy</td>
</tr>
<tr>
<td>5. Provides a basis for making operational human capital decision (e.g. pay)</td>
</tr>
<tr>
<td>6. Improves relationships, understanding and insight between employees and managers.</td>
</tr>
</tbody>
</table>

Source: Adapted from Pulakos, ED (2009), p.5

This research’s research problem will analyse the Critical Success Factors on the effectiveness of the measurements on the implementation of the Performance Management System (PMS) in MARA in relation to their organisational culture. Thus, according to Pulakos (2009), the most challenging part in developing the performance management system in organisations is the implementation. Thus, organisations must be able to identify the weaknesses in implementing the PMS in the workplace. The four perspectives in the BSC namely the process, learning and growth, finance as well as customer could provide a platform to evaluate the strategic measures and other outcome measures such as employee attitude. However, the mission, strategies, vision and values of the organisation could be disseminated and communicated to the employees by two ways; personal behaviour and operational behaviour (Mulyadi 2001).
2.7.3 STRATEGY AND MISSION FORMULATION

Azhar (1999) has shown that strategy and vision of the organisation should be clearly identified and the PMS should be considered as the platform for measuring the performance.

Kaplan and Norton (2001, p. 26) Figure 2.13, stated that ‘The Balanced Scorecard makes a unique contribution by describing strategy in a consistent and insightful way’. Furthermore, any organisation needs to focus on the four perspectives. They are the customers, financial, learning growth and internal business that are prescribed in the BSC because the management must be able to research the business with a comprehensive view.

Hamel and Prahalad (1989) stated that one of the critical success factors in the successful PMS would be the involvement of top management and the implementation of management strategy. Hence, the top management must be able to visualize and identify the mission and vision of the organisation. At this point in time, the goals and objectives must be crystal clear and the strategy must be in line with the requirement that has been set by the management.

‘Management strategy could be referred to as a comprehensive action plan that can identify long-term direction and can also guide resources utilization to accomplish an organisation’s objectives and missions’ (Hamel, G & Prahalad, CK 1989, p.65).

Hamel and Prahalad (1989) also mentioned that in order for firms to obtain competitive advantage, it is vital for them to use strategies and to guide resource utilization. Hendriks, Menor and Wiedman (2004) claimed that the implementation of BSC in the private sector is influenced by the size of the firm, its management strategies and environmental uncertainties.

Franco and Bourne (2005) however proposed that the PMS could only be fully justified by using a comprehensive and contextual approach such as the employees’ attitude. Hence, the PMS design or the BSC must be understood and agreed upon by both managers and subordinates in order to achieve its effectiveness (Hillgren & Cheatham 2000).

The identification of contextual and environmental factors must be given priority upon implementing any strategies by the management. Hence, the preparation of an appropriate plan as well as environmental scanning should be able to identify these forces and thus, the process is not free from human biases (Fatehi 2008).
Pulakos (2009) in her research found that it should not be suitable to set objective on an individual if the job was independent of a team or workgroup. Pulakos (2009, p.143) further added, ‘An effective strategy that has been used in several public and private sector organisations to address this issue is to develop standards for evaluating the relative contribution of different results, in addition to evaluating whether or not timeliness, quality, quantity or financial measures were achieved’.

In addition, Bauer (2004) revealed that the PMS could act as the value driver that could help an organisation to move into the right and preferred direction. Moreover, Beer (1981) mentioned that management strategy was the platform that provided the potential power to subordinates to force managers to give feedback of their performance appraisal. Thus, management strategy would be mostly influenced by the social relationship developed by the manager and subordinates. BSC in the Performance Management was normally being used by high performance companies as compared to companies with lower performance because according to their research, the respondents believed that the strategy adoption in the BSC would generate more added values to the firm (Jean-Francois Henri 2006).

2.7.4 BSC’s CUSTOMER PERSPECTIVE

The building of the continuous support from the customers is the most important objective or priority for MARA that needs to be addressed through the BSC. Both the public and private sector have focused on customer satisfaction and it has been the most consistent measurement in the PMS. Hence, Kaplan and Norton (1992) have commented that organisations should remain sensitive towards the cost of their production while increasing the performance level and services to the customers. This could ensure that the customers’ loyalty and confidence would be retained.
Figure 2.15 Strategic Maps of the BSC

Financial Perspective
- Improve cost structure
- Increase Asset Utilization
- Expand Revenue
- Enhance Customer value

Customer Perspective
- Price
- Quality
- Availability
- Selection
- Functionality
- Service
- Partnership
- Brand

Internal Perspective
- Operation Management Process
- Customer Management Process
- Innovation Processes
- Regulatory & Social Processes

Learning & Growth Perspective
- Human Capital
- Information Capital
- Organisation
- Culture
- Leadership
- Capital
- Alignment
- Teamwork

Old Organisation
- Functional
- Decision-making at top
- Bureaucratic
- Measure task and activities
- Little variable pay

New, Customer Focused Organisation
- Process-Oriented
- Decentralized decision-making
- Flexible
- Measure outputs and outcomes
- Pay for results

Source: Kaplan and Norton, 2001, p. 254
Customer satisfaction, customer retention and new customers were the most used metrics. The creation of values and the differentiation for current and future customers would benefit the companies and differentiate them from their competitors in this new era of knowledge-based society (Kaplan & Norton 2002). Thus, MARA should shift from a bureaucratic to a flexible organisation and therefore, the customer-focused strategy should be implemented in accordance with the BSC.

Nevertheless, Ilgen, Fisher and Taylor (1979) noted that feedback from customers could enhance performance because it could serve as an enhancement of appropriate work behaviour. Moreover, employees might favour a more cognitive orientation that focused on informational value rather than reinforcement value. Generally, various motivational theories have considered this belief to be most important in activation and direction of behaviour (Landy & Farr 1983). The continuous rapport with the customer has been the main priority. Hence, the customer perspective could assist the organisation to understand the needs and the important concern of the customer (Azhar 2009).

According to William (2002, p. 243), ‘The criteria used for evaluating a performance measurement system would necessarily be context-specified and so an absolute standard does not really apply. This has been understandable given that several parties have an interest in operation and outcomes of the performance management’. In the case of MARA, the Malaysian government is the major stakeholder and because of the function of MARA is to aid the Malay community as one of the national agenda, the Malaysian public as the customers must be given priority by ensuring that performance management system works well to protect the interest of the Malaysian community (Hassan 2005).

Henderson and Evans (2000) proposed that the communication between the management and subordinates must be in good condition because changes in the attitude of employees would affect the quality of work in the short implementation period of the PMS. Moreover, the forces from the stakeholders to maintain the cost created enormous pressure in order to improve their services to the public. Furthermore, Lassare and Schuttee (1999) stated that a strong government is seen as important to the initiation and pursuit of successful development policies in order to increase the level of services to the customer. Thus, political stability and continuous support from the government have been the major elements that are critical for effective implementation of the PMS in the public sector.
Ho and Chan (2002) mentioned that government administrators around the globe have engaged in the new performance management programme in order to deal with increasing demands of accountability by the customer. Similarly, Bertok et al. (2006) have remarked upon measuring the government outcomes by stating, ‘outcomes indicators have a role not just in focusing political debate, but in broadening the involvement of the wider public in policy-making’ (Bertok et al. 2006, p.20).

Thus, a public organisation such as MARA has a major responsibility in satisfying the need of the society and because of this factor, the performance of the organisation could not be judged by the financial indicator alone. This has been so due to the fact that the bigger role in statutory bodies has been to increase the level of satisfaction among the customers and in this case, the satisfaction of the citizens or society has been the main determinant of their success (Herzlinger & Regina 2000).

2.7.5 BSC’s LEARNING AND GROWTH PERSPECTIVE

This particular perspective is the key driver to the other three perspectives such as Internal Processes, Finance and Customer (Kaplan & Norton 1992). Thus this perspective has enabled the firm to innovate in order to increase the level of the firm’s value. Thus, the operating efficiencies and the new innovation in the company would enhance the revenue and shareholder’s value.

The company’s ability to innovate, learn from competitors, and to cope with changes would enable customers to gain more values and the operation of the firm will become more efficient and productive (Kaplan & Norton 2002). Moreover, Bearwell and Holden (1997) have reiterated that companies need to identify and understand the learning and development processes for the employees as it will affect the business in the long run.

‘Training has been based on the assumption that poor performance could have multiple causes and some of which have been beyond the control of the employees such as task difficulties and others’ (Harris 1994, p.24). In addition, training would promote efficiency and workers could upgrade their knowledge and skills resulting in an increase in productivity. Thus, the performance would be improved through training, if the resultant working relationship between the manager and subordinates were enhanced (Harris 1994; White 1988).
Consequently, it is the people who make up the organisation and thus, they are the determinant of success in this increasingly knowledge-based society (Purcell & Boxal 2003). Thus, it has been important for the firm to grow confidence among the employees on their career growth in the firm. This has been especially so in the public agencies such as MARA due to the hierarchical and bureaucratic organisational culture. Moreover, Harrison, R. (1993), states that public organisations should realize that the existence of culture is in the hearts and minds of their employees and hence, should relate performance appraisal to the organisational culture of the organisation.

Dobbins et al. (1993, p. 33) mentioned that, ‘Managers tend to evaluate their subordinates’ performance without taking into account the situational factors that constrain or facilitate performance’. Moreover, goal alignment in the learning and growth perspective could be enhanced by a strong corporate culture and it should cultivate a strong employee motivation (Brown 1995).

However, the foreseeable problem that might occur in implementing PMS through the learning and growth perspective is the responsibility that is delegated to employees who are not capable of handling the problems that occur in the organisation. The misunderstanding on the scope of work and the delegated powers would lead to arguments between the managers and subordinates. Thus, it would affect the quality of services to the customer (Brown 1995).

The human factor is another challenge faced by MARA in implementing the Performance Management System (PMS) through the learning and growth perspective. The face-saving attitude has been adopted in the working culture and the power distance concept has dominated most of the societies of the Asian region (Hodgetts & Luthans 1994). This research has found that power distance was still being applied in MARA. The power distance principles would be the major barrier for any new system or improvement to be implemented in MARA especially to improve the quality of services to the customers.

The lack of team spirit is another critical internal environment factors that could affect the PMS implementation (Kennedy 2002). Westerman (1989) stated that in order to succeed, the members in the organisation have to share common goals which could not be achieved as individual work units, and they must perceive themselves as a group in order to increase the service quality towards the customers.
'The research of organisational culture may be seen as a return to some of the basic concerns about the nature of the organisations and the appropriate methods for analyzing them’(Ouchi & Wilkins 1988, p.223). However, Hofstede (2009, p. 393) mentioned that, ‘corporate or organisational culture is a construct. Thus, there is no clear definition on it but most authors agree on the following aspects. Hence, the aspects are holistic, historically influenced, related to the anthropology concept, socially constructed, soft and relatively stable which is difficult to change’. Moreover, the changing of culture requires commitment and devotion by all parties within the organisation and it is a continuous process.

Consequently, the evolution and development of the organisation are vital as they strive for a competitive edge in the global marketplace in order to increase customer satisfaction (De Jager, Peter & Futurist 2001). In addition, Anderson and Barker (1996) stated that resistance to change could be overcome by knowing the accurate information and analysis that causes resistance due to the fear of unknown. Furthermore, research found that resistance by workers and the management was the major obstacle to the use of quality management practices in the Australian manufacturing industry (Waddel & Sohal 1998).

2.7.5.1 Human Capital: Training

‘Training and awareness are the hallmark of good management by giving present and new employees the skills to perform the job’(Dessler, G 2008, p. 248). Thus, the need for training is vital in order to disseminate the awareness of the PMS among the employees and management because the PMS processes require a high level of commitment and understanding from them. Carlopio, Anrewartha and Armstrong (1998) have suggested that it has been vital for the management to use training as the source of motivation for the employees so that the problems and the resistance that follow the new PMS would be overcome. In this scenario, the management would provide a clearer vision and mission to be accomplished within the specified period of time. Hence, it was found to be critical for the management and the subordinates to cooperate and collaborate in order to achieve the organisation’s objectives. Moreover, according to Carlopio, Andrewartha and Armstrong (1998) both parties must collaborate in finding solutions and resolving the conflict in the organisation. Thus, in this way, preventive measures could be implemented and the firm could avoid making similar mistakes in the future.
Nevertheless, according to Cascio, WF (1997), it is the responsibility of the management to implement adequate training. The task of educating the employees becomes critical because the role of the management was not only to perform selection of employees, provide benefit to the staff but also to provide adequate training to the employees.

Armstrong and Baron (1988) proposed that training could also become the source of motivation for the employees to be involved and to participate in the performance management processes. Hence, Senge (1990) mentioned that the improvement in the organisation would only take place if the management discovered how to gain the fullest commitment of its employees at all levels.

The commitment of the employees could only be fully gained by creating adequate training for them. Beardwell and Holden (1988) stated that training would help workers to cope with changes. Furthermore, Harris, D (1994) stated that one of the reasons employees might perform poorly in the appraisal is that they do not know their action would led to problems in the organisation. Waters and Bevan (2005) have explained that organisations opt for the PMS in order to reduce the development of timescale and cost and also to use their highly skilled people effectively. Furthermore, Bose (2006) mentioned that the PMS has allowed the organisation to see what areas it has been executing well and whether it requires improvement. Hence, Haque and Moore (2004) stated that feedbacks gained from performance measurement results should be paid attention to and simultaneously, the indicators should be required to assess the achievement. However, as stated by Smith (2002), performance management system has not been static because it could change as performance issues vary, as marketing strategy change, technology and the means to measure and record performance change over time. Thus, once the top management was familiar with the PMS concept, only then would they be able to utilize the company’s financial and operational information to link the mission, vision, objectives and goals to develop the organisation’s PMS.
Nonaka and Tekeuchi (1995) have commented that a Performance Management System such as the BSC needs to transform internalized tacit knowledge into explicit codified knowledge. This has to be so because employees need to be fully equipped with knowledge on the measurement of the PMS in order to gain commitment and support from them. Thus, the next step should be to have a development plan by the management to be established in order to have successful BSC implementation throughout MARA.

Monitoring feedback must be used as a main agenda in the PMS meeting in order to reduce ‘red tape’ in bureaucracy. The PMS team should then review the needs of human resource, finance, equipment and infrastructures towards work efficiency (PKPA Guidelines, 2/2005).

This statement exerted that government’s officers need innovation because in the new era of information, innovativeness would be the key feature of a high reliability workforce. Thus, government bodies could not survive by remaining static for a long period of time. Moreover, due to the global financial crisis, the issues of governance in the context of ethics and transparency have surfaced as factors in the crisis (Ganalingam 2009).

2.7.5.2 Organisational Capital: Leadership and Motivation

A critical factor that determines the success of an organisation is the leadership ability of its management. Thus, a review of leadership theories revealed that there was no one best way of leading. Hence, most situational factors could contribute to the effectiveness of managerial leadership (Fatehi 2008; Khan 2009). Thus, in the process of adopting PMS, leadership has played a vital role in supporting the changes through teamwork and cooperation (Khan 2009).

However, the structure of the government agencies which is hierarchical and top-down decision making must be changed by practicing participative decision-making and adopting matrix management style (Yusuf 2003; Khan 2009). Thus, the power sharing and participation in decision-making have taken on a whole new dimension in industrial democracy. Fatehi and Safizadeh (1986) stated that American managers do not accept a power sharing scheme that cut across all levels of the organisation in which the lower levels had the major role. Thus, from the American perspective, industrial democracy impinges on the prerogative of the management.
The task of educating the employees and managing an organization has been strongly correlated with the corporate culture. The perception of the employees towards the PMS and their reaction must be evaluated because it could affect the performance. Thus, knowledge on the culture is essential in motivating people in the firm (Fatehi 2008). Moreover, studies have suggested that the motivational factor consists of the need of belonging among the members in the organisation and the value of social relationship. Hence, these two major concerns in motivation and learning should find the right incentives and the correct way to administer them. As an example, the pay factor is still considered as the most important factor or as a source of motivation in developing countries where people are less acquainted by western standards (Fatehi 2008).

Moreover, teamwork could play a major role in implementing a new performance management system whereby the workers would be able to discuss with their managers in order to obtain the highest point in the performance appraisal. However, Haque and Moore (2004) argued that the feedback gained from the performance management system results should be given attention to and simultaneously the indicators have to be required to assess achievement.

Hence, with good PMS, organisations can be confident of their techniques implementation for achieving the goals and objectives. Thus, with the PMS, the evaluation or judgment on their performance would be based strictly on the performance of the job other factors that influence the decision made by the appraiser would be minimized (Khan 2009).

2.7.6 BSC’s INTERNAL PROCESSES PERSPECTIVE

2.7.6.1 Performance Monitoring and Review

The effect of the successful adoption of the PMS towards the employee attitude in this research has to be evaluated through the performance monitoring and reviewing processes. Harris, D (1994) commented that one of the reasons why employees might perform poorly in the appraisal was that they did not realize that what they were doing constituted a problem. In other words, the performance of the employees was not at par or in line with the expectation of the management.
The performance monitoring and review performed by the management must take into consideration the fact that the workers must know what is expected from them before the process can start (Harris 1994). Hence, the usage of the PMS in MARA has been gaining emphasis in line with the global push towards PMS as a mean for accelerating growth and attaining organisational focus and discipline.

The role of work-related attitude should be given special attention to enhance the discipline of the workers. Furthermore, it has been found to be a necessity especially for larger organisations such as MARA which may have outgrown more informal means of managing goals and resource allocation. Nevertheless, the challenge of the PMS has been in the implementation (The Star, 17 July 2009). However, performance management has often been misunderstood by the management, and human resources personnel have been unable to reap the benefits from the PMS (Steers & Black 1994; Coutts & Schneider 2004). The issue of accuracy in the performance appraisal is sensitive because it could determine one’s career and the organisation’s performance and thus, special attention has to be given to it in order to understand the whole process of the PMS (Longenecker, Gioia & Sims 1987).

The success of the government’s projects and programmes in Malaysia depend heavily on performance monitoring and the evaluation method including the employee attitude (Tan Sri 2008). The implementing agencies should focus on the impact such as the attitude and behaviour, and not on the processes (Banks & Murphy 1985). Hence, the establishment of a High Performance Monitoring Unit in MARA should allow for quick intervention and remedial action to be taken MARA to promote the validity and reliability of the PMS as well as to improve employee attitude (EA). The monitoring Unit would allow for increased participation in decision-making but must first review the current situation in the agency before implementing the new PMS (Khan A 2009).

Yusuf (2003, p.23) states that ‘performance review will enable the managers to determine employees’ need for counselling, training and development, identify promotion and also as a tool for improving communication between members in the organisation’. Moreover, Khan (2009) stated that a steering committee which should consist of the top and senior management members should be responsible for providing direction, support and resources to the organisation. Thus the role of a leader or top management has been found to be critical in implementation of the PMS.
The implementation of the Performance Management System (PMS) in the government sector has created a sense of dissatisfaction among government servants primarily because the yardstick for the KPI has not been well documented and agreed upon by the government servants (The Star, 29 July 2009, p.23). Armstrong (2006) has further argued that performance monitoring was forward looking because it focused on planning for the future rather than concentrating on the past. Hence, development plans, forecast of potential and career plans should be evaluated thoroughly in order to achieve the desired goals. However, the justification on the measurement used must be given by the management to the employees in order to enhance the level of awareness on the new system.

2.7.6.2 Policies and Procedures

One of the major challenges in adopting the PMS has been the policies and procedures factor. The equity and fairness of the matrix system should be evaluated in order to ensure that the positive impact would emerge from the whole PMS process. This would be due to the fact that in order for the workers to be effective, they must behave fairly and make sure that others have been convinced of their fairness (Greenberg 1987).

Pulakos (2009) proposed that the procedural and performance management processes might be challenged because of the usage of the legal requirement in the PMS especially in terms of promotion, reductions in force, pay and bonuses. Furthermore, the process of incorporating goals into the performance appraisal has a positive effect on the credibility and acceptability of the entire PMS. The organisation characteristics and individual differences have been filtered and combined (Lawler 1976).

However, the fairness and capabilities of the new PMS such as the BSC is questionable. This is because in order to enhance the performance, the equity and welfare of the employees should not be neglected. Empirical studies have shown that equity refers to fairness in pay decisions for employees that hold the same job (Gomez-Meija, Balkin & Candy 1995). Thus, the fairness in the BSC would be determined by the efficiency of the appraisal system in appraising whose subordinates on the same basis, factors and method.
In 1987, Greenberg in his research found that managers were responsible for ensuring justice in the workplace. Thus, these managers were expected to be fair in making decisions related to human resource activities such as selection, promotion, compensations and training opportunities. In order for them to be effective, they must behave fairly to ensure that their subordinates are convinced of their fairness.

William, RS (2002) stated that through policies and procedures, a firm would affect the welfare and rights of the employees. Moreover, organisational conducts should merely be based on the clear policies and procedures. Thus, it is critical for organisation such as MARA to establish clear guidelines and procedures that would lead to the success of the PMS implementation. Those policies and procedures could structure an organisation’s basic relationship with its employees and could lead to the positive communication between the managers and their subordinates.

Members in the organisation worldwide would want distributive justice because they believe that the organisation would treat them fairly and thus would promote self-esteem and become the source of motivation (Kuzuhara 2002). However, the effectiveness of the employees in performing the task has been the main concern (Pulakos 2009).

2.7.7 BSC’s FINANCIAL PERSPECTIVE

It was found that the importance of the financial perspective in the public organisation could not be ignored because the financial measures were still important although the main focus of the public organisation was to satisfy the needs of the public (Azhar 2009). On the contrary, in the private sector the emphasis was on the financial success because they were profit oriented organisations especially to the shareholders and investors.

MARA, as a statutory body, the financial performance is measured based on the percentage amount spent on the budget allocated within a calendar year. The main priority of the government agencies is to serve customers and not to achieve financial results. Customer’s satisfaction has been their ultimate aim and objective (Kaplan & Norton 2002). Hence, this public sector organisation should put major emphasis on customer’s welfare and relationship which may not necessarily lead to financial success.
Thus, although BSC Customers perspective should play a major role in determining the successfulness of PMS in MARA, financial success could inevitably lead the organisation to the customer’s satisfaction (Azhar 2009). Kaplan and Norton (1992) claimed that the traditional PMS would only evaluate financial matters without giving attention to non-financial ones. Thus, it was only capable of measuring performance in the past and was unable to perceive the importance of other contextual factors. However, this would work well in the industrial era but irrelevant to the new era of the information age when mastering the skills and competencies had no market boundaries.

Kaplan and Norton (2001, p.23) stated that, ‘While retaining an interest in financial performance, the Balanced Scorecard clearly revealed the drivers of superior, long-term value and competitive performance’. Thus, this statement exerts that the BSC should not only emphasize on financial returns from the business but must also consider the creation of new values towards the firm especially in the area of new technology, business processes and customer’s satisfaction. Thus, employee attitude is seen as the main factor that would influence the creation of new values within the firm. It is critical for the firm to assess the response from the employees in facing the changes in the environment and the rapid growth in this information era. In the early decades of the twentieth century, Dupont Corporation and General Motor Corporation developed the return-on-investment metric as an integrating device for multidivisional firm’. Johnson & Kaplan, 1986, p. 61).

**Figure 2.16: Kaplan and Norton’s strategy focused organisation**

![Strategy and vision](source)

Source: Kaplan and Norton, 2001, p. 24
2.8 Research Problem Theory 3: Employee Attitude

Employee attitude has been found to play a vital role in determining organisational performance in the long run because it could lead to the desired employees’ behaviour and attitude that are needed in order to achieve the objective, mission and vision of the organisation (Moorhead & Griffin, 1992). Kreitner and Kinicki (1992, p. 98), stated that attitude could be defined as ‘a learned predisposition to respond in consistently favourable and unfavourable manner with respect to a given object’. Moreover, Moorhead and Griffin (1992) outlined that attitude could arise from three major factors namely organisational factors, group factors and personal factors.

Baron and Greenberg (2003) believe that the tendencies to behave in a certain way is the attribute to the work related attitude and thus they describe attitudes as the stable clusters of beliefs, feelings and behavioural tendencies directed towards some aspects of the external world. Thus, there are reasons why managers should care about employee attitude.

- First, attitude may affect work outcomes such as performance, turnover and absenteeism.
- Second, employee attitudes are important because they can influence productivity and satisfaction (Aldag, R & Kuzuhara, L 2002), see Figure 2.18 Organisational Behaviour Integrated Skills Approach.

Figure 2.17: Organisational Behaviour: Integrated Skills approach

<table>
<thead>
<tr>
<th>Attitudes</th>
<th>Behaviour</th>
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<tbody>
<tr>
<td>Cognitive component</td>
<td>Performance</td>
</tr>
<tr>
<td>Affective component</td>
<td>Work Quality</td>
</tr>
<tr>
<td>Behavioural Tendency</td>
<td>Turnover</td>
</tr>
<tr>
<td>component</td>
<td>Absenteeism</td>
</tr>
</tbody>
</table>

Source: Aldag, Ramon & Kuzuhara, 2002, p.108
Attitude could be recognized as consisting of three major components; affective, cognitive and behavioural components.

- First, the evaluative or affective component refers to our liking or disliking of any particular item, person or event.
- Second, the cognitive component refers to the things people believe about an attitude or objects.
- Third, the behavioural tendency component refers to the influence on behaving in a way consistent with our beliefs and feelings about an attitude object (McGuire 1985).

Employee attitudes are associated with many vital aspects of organisational behaviour such as job performance. Nevertheless, despite the increasing attention among scholars on employee attitude, the research by Mowday, Porter and Steers (1982), shows a negative relationship between job satisfaction, absenteeism and turnover. However, positive attitudes should occur when the workers have high job satisfaction towards job factors such as opportunity for promotion and recognition (Du Brin 2005).

Saari and Judge (2004) stated that management must be able to understand the relationship between business performance and work environment through the employee attitude. The internal and external factors that affect the work situation or working environment that include cultural influences would enhance the employees’ capabilities to the fullest. Thus, human resource personnel will be able to identify the consequences, and the causes of the work related attitude could not be ignored because it would influence the morale of the employees.

Smith, Hulin and Kendall (1969) mentioned that the Job Descriptive Index (JDI) was identified as the most intensive and validated employee attitude survey which extensively evaluated five job areas namely pay, promotion, co-workers, supervision and work itself. Hence, the organisational program could be developed in enhancing the management operations and practices by way of identifying the right employee attitude because the future direction of the firm could depend heavily on the relationship between employee attitude and performance of the firm (Macey 1996).
Employee attitude could be improved by taking the necessary action by way of interpretation and an analysis of employee attitude survey data. Moreover, some empirical studies have proved that the field of psychology has emphasized on the importance of research on employee attitude measurement and statistical analysis (Edwards 2001; Macey 1996; Saari& Judge 2004). As such, in order to understand employee attitude, the interpretation and analysis must take place in order to enable specific actions to be taken to improve the condition or situation.

Management must undertake the responsibility to enhance the level of performance by improving the work-related attitude of their employees. Messersmith, Patel and Lepak (2011) who studied 119 service departments of local government in Wales found that an effective HR system could have a powerful influence on the employee attitude. The employee attitude can create a positive workplace environment that could lead to better firm performance. Some empirical studies have shown that the employee attitude (EA) has been one of the best indicators of the employee performance in the organisation (Moorhead & Griffin 1992; Misener et al. 1996; Aldag & Kuzuhara 2002).

2.8.1 Job Satisfaction

Locke (1976, p.1304) has defined job satisfaction as ‘a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experience’. It has been the most used definition by researchers for many years. Thus, what is implicit in Locke’s definition is vital because it encompasses feelings, cognition or thinking. Employees view their work with emotional feelings of likes or dislikes which could contribute to job satisfaction (Newstrom & Davies 2005).

The childhood temperament or childhood experience was identified as having certain impact or correlation towards job satisfaction up to a period of forty years (Staw & Ross 1985; Staw, Bell & Claussen 1986). Thus, according to Erez (1994), despite its contribution to our understanding of the causes and effects of job satisfaction, the person’s character affecting job satisfaction is not known and has represented a gap in the literature.
The differences in job satisfaction could also be identified through their character (House, Shane & Herold 1996). Thus, continuing from this theoretical development, Judge and his colleagues (Judge & Bono 2001; Judge, Locke, Durham & Kluger 1998) confirmed that the perception of the job itself was one of the primary causes of job satisfaction.

However, Judge and Church (2000) comment that the most important job facet is the nature of the job itself. However, other job areas such as pay, promotion, supervision have also been deemed as important by many social science researchers for many years. Furthermore, according to Rowden and Conine (2005), the subjective perception of job satisfaction has made the subject matter to be the least understood phenomenon in social science research.

Thus, according to some empirical studies, autonomy, job variety and the nature of work itself have all been major job satisfaction areas which could best predict the overall job satisfaction (Fried & Ferris 1987; Parisi & Weiner 1999; Jurgensen 1978).

However, in terms of other factors that could affect job satisfaction, the influence of employee attitudes and the corporate culture are inevitable. The continued globalization of organisation therefore has provided a new test for management especially human resource personnel to promote better understanding in shaping the behaviour and work-related attitude of the employees (Erez 1994; House 1995).

Empirical studies throughout the years note that job satisfaction which is an area of inquiry has caused a great impact on influencing the people at work place and the influence of the work place towards the people (Rowden & Conine 2005; Smith, Kendall & Hulin 1969; Misener, Haddock, Gleaton & Ajamieh 1996).

Workers who are more satisfied would attend work more regularly than those who are dissatisfied. In addition, the staff turnover is found to be correlated with job satisfaction. Furthermore, it is costly for the firm to lose a worker because of the training and recruitment expenses (Schmerhorn 2001). This is because the same skills for the new recruit need to be developed by the organisation and the time taken for newcomers to be as skilful as the senior worker.
Empirical studies also suggested that absenteeism and retention are the two major factors that have a significant impact on unsatisfied workers (Hackett & Guion 1985; Hulin, Roznowski & Hachiya 1985; Kohler & Mathieu 1993). Lateness, unionization and retention as well as other unhealthy attitudes could be found through the evaluation of job satisfaction which has acted as the predictor to such behaviour (Cascio 1986; Mirvis & Lawler 1977).

However, for the employees, Job satisfaction (JS) is a spill-over of their own life satisfaction. The well-being of employees is addressed through the evaluation of job satisfaction and thus would affect the organisational effectiveness and productivity (Saari & Judge 2004). Judge et al. (2001) through their studies of 300 companies found that a job with high complexity would contribute to a higher level of relationship between JS and performance, compared to a less complex job. Saari and Judge (2004) stated that organisational commitment has the similar relationship with the job satisfaction because both have elements of the employees’ attitude which acts as a predictive factor to performance.

2.8.1.2 Defining the Concept of Job Satisfaction

Job satisfaction (JS) results from the comparison between anticipated and the actual outcome which creates an effective reaction towards oneself (Oshagbemi 1999). Price (1977) considers job satisfaction a concept with multiple dimensions. According to Scarpello and Campbell (1983), a single item indicator could offer more comprehensive and reliable measure of overall JS basing on job specification.

Pollard (1996) has concluded that plural items of indicators could give a better insight of job satisfaction because of their comprehensiveness. However, the specification and peculiarities of jobs could be eliminated by way of comparison of job measures. There are several definitions regarding job satisfaction as shown in figure 2.17. Definitions of Job Satisfaction all sourced from Smith et al. (1969), Locke (1976), Kalleberg (1977), Gregson (1987), Odom, Brian and Dun (1990), Newstrom and Davis (1993) and Price (1997).

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<th>Definitions</th>
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<tr>
<td>1</td>
<td>Smith et al. (1969)</td>
<td>The feeling a worker has about his job</td>
</tr>
<tr>
<td>2</td>
<td>Locke (1976)</td>
<td>Fulfillment of the requirements of an individual by the work environment</td>
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The relationship between job satisfaction and organisational commitment has received considerable attention in the past. Thus, many researchers found a positive relation between the two variables (Yousef 2002). Furthermore, some empirical studies suggest that the understanding of variables in organisational commitment depends heavily derived from job satisfaction (Lok & Crawford 2001). Kim, Leong and Lee (2005) as well as Testa (2001) confirm that many empirical studies have shown that the majority of theoretical and empirical evidence, addressing job satisfaction, suggest that it is positively related to organisational commitment.

Furthermore, Vendenberg and Lance (1992) who have previously examined the casual order of commitment and job satisfaction have found that organisation commitment could cause job satisfaction. Later, Testa (2001) found that it crystal clear that job satisfaction and organisational commitment was related variables that could give an impact towards organisational outcomes such as absenteeism, staff turnover intentions and work performance.

Empirical studies report and confirm research findings that job satisfaction is associated or has a positive relation with organisational commitment (Sagar 1994; Jenkins & Thomlinson 1992; Yavas & Badur 1999). Several organisations used job-related techniques such as job enrichment, job rotation and quality of work life programmes to improve the employee satisfaction.
Petty, McGee and Cavender (1984) conducted a research which shown that there was a positive connection between individual job satisfaction and individual performance.

### 2.8.2 Organisational Commitment

During the last three decades, organisational commitment has been studied extensively by social science researchers (Kontohiopes & Bryant 2004). Organisational commitment has been identified as the driving force behind the organisational performance (Kamarul & Raida 2003). Bartleet (2001) stated that much of the interest in the organisational commitments stems from employees’ behaviour and the desirable work outcomes resultant from the organisational commitment. Thus, the potential benefits to the individual and organisation has sparked the interests in researching organisational commitment for the past few years (Somers & Birnbaum 2000).

It is also a vital variable in explaining work related attitude and behaviour and its impact on performance (Benkoff 1997). This research is meant to evaluate the organisational commitment that could influence the employees’ attitude, in MARA, which could lead to a better performance. Furthermore, for the past decade, organisational commitment has been shown as the evidence of the employees’ involvement, participation and identification throughout the organisation (Meyer & Allen 1991).

Hence, scholars define commitment as being a bond or relationship that has existed between the organisation (the employer) and the individual (the employee) (Buchanan 1974). Thus, organisational commitment plays a vital role in determining the employees’ attitude (EA). Empirical studies found that there is a positive correlation between perceived organisational support and employee commitment due to the fact that the idea of organisations being responsible for and committed to their employees still exists (Eisenberger, Huntington, Hutchison & Sowa 1986).
Research shows that employees who felt they were given facilities such as training and personal development programmes were found to show superior feelings of commitment (Kamarul & Raida 2003). Research also shows that there were correlations that existed between commitment and work experience, especially commitment which involves emotional and psychological affection of the employees towards the firm (Meyer & Allen 1991).

Personal growth is the essence of the organisational commitment and thus, with the support and training to upgrade the skills of the workers, the level of personal commitment is expected to rise (Kamarul & Raida 2003).

2.8.2.1 Defining the concept of Organisational Commitment

Organisational commitment has been defined by different scholars depending on their background (Yousef 1998). Figure 2.20 shows a list about organisational commitment by Kanter (1968), Porter (1974), Mowday (1979), Wiener (1982), Newstrom and Davis (1993), Price (1997) and Mowday, Porter and Steers (1983).

Figure 2.19 Definition of Organisational Commitment

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<th>No</th>
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<tr>
<td>1</td>
<td>Kanter (1968)</td>
<td>As a profit associated with continued participation and a cost associated with leaving</td>
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<tr>
<td>2</td>
<td>Porter (1974)</td>
<td>As a willingness to devote effort to the organisation, identification with the values of the organisation and seeking to maintain affiliation</td>
</tr>
<tr>
<td>3</td>
<td>Mowday (1979)</td>
<td>As the relative strength of the identification of the individual and his involvement with his particular organisation</td>
</tr>
<tr>
<td>4</td>
<td>Wiener (1982)</td>
<td>As the total of internalised normative pressures to act in a way which meets organisational goals and interests</td>
</tr>
<tr>
<td>5</td>
<td>Newstrom &amp; Davis (1993)</td>
<td>The degree which employee identifies with the organisation</td>
</tr>
<tr>
<td>6</td>
<td>Price (1997)</td>
<td>Is the degree to which an employee feels loyal to a particular organisation</td>
</tr>
<tr>
<td>7</td>
<td>Arnold (1998)</td>
<td>The strength of attachment of a person to his or her organisation</td>
</tr>
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</table>
Mowday, Porter & Steers (1982)

i. a strong belief in and acceptance of the organisation’s goals and values

ii. a willingness to exert considerable effort on behalf of the organisation

iii. a strong desire to maintain membership in the organisation.

Source: Literature Review

However, according to Mottaz (1988), high organisational commitment is usually derived from positive outcomes at work. Thus, employee with high job commitment would be able to generate or produce a high level of work performance (Bashaw & Grant 1994).

Hence, the creation of good or appropriate atmosphere in the workplace increases the organisational commitment among the employees (Awamleh 1996). Furthermore, empirical studies over the past two decades have found that job outcomes such as adaptability, performance and job satisfaction have produced a strong and positive association with organisational commitment (Mowday, Porter & Durbin 1974; Angle & Perry 1981; Hunt 1985; Benkoff 1997; Wong, Hui & Law 1995; Fletcher & William 1996).

Mathieu and Zajac (1990) in their research found that organisational commitment was influenced by job characteristics, personal characteristics, group or leader relations, motivation and job satisfaction. Thus, there was a growing literature on the relationship between organisational commitment and employee turnover, attendance, management of change and most importantly, the overall performance of an organisation (Sommer, Bea & Luthans 1996).

Bateman and Strasser (1984) have described that the reasons for researching organisational commitment was due to the fact that the relationship between employee behaviours and performance effectiveness existed. Moreover, Kotter and Heskett (1992) commented that managers and subordinates shared similar norms and values in organisational culture. The norms and characteristics of the work situation, individual integrity and commitment to customer satisfaction described as an essence for high performance and productivity in the organisation.
Consequently, organisational culture strongly correlates with positive outcomes which could affect job satisfaction and organisational commitment (Sheridan 1992). The characteristic of organisational commitment which include personal, supportive and people-oriented values are believed to generate a great impact towards the outcome or performance in the organisation. Niehoff, Enz and Grover (1990) proposed that the degree of relationship between organisational commitment and management culture, which was driven by the top management, were relatively strong and positively correlated.

Furthermore, according to Peters and Waterman (1982), there is empirical evidence to prove that the relationship between organisational culture and organisational commitment is strong particularly in the area of commitment and performance of the organisation. Meyer and Allen (1991) stated that organisational commitment would produce a sense of belonging among the employees towards the organisation. The psychological effect could play a vital role in determining the degree of personal commitment.

However, the organisational commitment has been the most reliable and desirable form of commitment which could determine the organisational behaviour of the people in the organisation (Meyer & Allen 1991). In other words, according to O’Reilly (1989), the organisational commitments could act as the psychological bond linking or associating the employees with the organisation.

Research shows that there are two schools of thoughts namely attitudinal and behavioural (Reicher 1985). The attitudinal perspective refers to an emotional attachment of the employee towards the organisation. In addition, the behavioural perspective concerns the manifestation of commitment whereby the cost of leaving the company is identified as the major stumbling block for employee to leave (Blau & Boal 1987). Thus, employees will not be able to leave the firm because it will become too costly due to the fringe benefits and salary. Moreover, the behavioural perspective has also taken into consideration the individual past behaviour which has bound them to the organisation.

These two schools of thought have a great impact on the research of organisational commitment because the development and consequences of analysing the employee attitude depends highly on the level of organisational commitment.
Clugston, Howell and Dorfman (2000) firmly supported the notion that culture was associated with organisational commitment. In contrast, Lahiry (1994) confirmed that a weak correlation between organisational culture and organisational commitment was found in his research on a large Indian public sector.

Chow, Harrison, McKinnon and Wu (2001) suggested that if the preferred culture was similar to the organisational culture, then the level of commitment could increase. Thus, through their research, directly or indirectly, the association or relationship between organisational culture and organisational commitment was confirmed. Hence, an ideal culture could create a sense and direction to employees, could facilitate communication between managers and subordinates and could stimulate the cohesion of teams or teamwork which could enhance the strength of organisational commitment (Chow et al. 2001).

Furthermore, employee attitude could serve as a yardstick to measure the level of acceptance for MARA employees in using the BSC in the PMS and thus, would be able to predict or determine the work outcome of the employees in the organisation. The influence of organisational culture that could moderate the relationship between the PMS and EA will also be discussed further in this research. Nevertheless, based on empirical studies, the role of employee attitude namely job satisfaction in determining the work outcome or performance was undeniable (Misener et al. 1996).

This research confirmed the findings of a research made by Messersmith, Patel and Lepak (2011) on the public service organisation in Wales. The scholars found that an effective HR system would affect the employee attitude that could leads to better performance. Hence, it is critical to research the role of attitude and behaviour of employees in order to produce better results rather than concentrating on managing the organisation. Empirical studies confirmed that employee attitude such as job satisfaction was related positively with the work outcome or performance (Misener et al. 1996; Moorhead & Griffin 1992).
2.9 Hypotheses for this Research

To achieve the objectives of this research, the following five hypotheses were tested in the course of this research. The hypotheses analysed the effect of the Performance Management System and the organisational culture on the employees’ attitude in MARA. The PMS is represented by four BSC perspectives namely Customer, Financial, Internal Processes and Learning and Growth.

Hypothesis 1: There is evidence of a positive significant relationship between the BSC Customer Perspective and the Employees’ Attitude in MARA.

Hypothesis 2: There is evidence of a positive significant relationship between the BSC Finance Perspective and the Employees’ Attitude in MARA.

Hypothesis 3: There is evidence of a positive significant relationship between the BSC Internal Process and the Employees’ Attitude in MARA.

Hypothesis 4: There is evidence of a positive significant relationship between the BSC Learning and Growth Perspective and the Employees’ Attitude in MARA.

Hypothesis 5: There is evidence that organisational culture does moderate the relationship between the four BSC perspectives and the Employees’ Attitude in MARA.
2.9.1 Discussion on theoretical foundation and argument for each hypothesis

- Work performance is affected by role clarity, motivation and satisfaction levels, work attitude, and ability (Carmeli & Freund 2004). The customer perspective in BSC postulates that the customer factor was one of the major requirements in the performance metric implementation because it emphasized critical quality characteristics (Coronado & Antony 2002). Thus, the hypothesis stated presented evidence of a positive significant relationship between BSC Customer perspectives and the employees’ attitude in MARA. This was relevant, valid and incorporated into this research.

- The Financial perspective of BSC postulates that long-term value, competitive performance and the superior incentives were the criteria that had generated greatest interest in a firm. In this context MARA, as a public agency, was in a dilemma because their main objective was to satisfy the needs of the public (Azhar 2009). However, BSC Finance was being able to perceive the importance of other contextual factors such as the creation of new values in the firm - especially in the area of business processes and new technology - that inevitable leads to customer satisfaction. In the case of MARA, in the light of the above observation, it was noted that it had separated its procedures, its organisational unit for strategic planning, resource allocation and budgeting. Through BSC Finance, the agency would be able to take stock of how well services have been provided and how the funds had been spent (Niven 2002).

- According to Kaplan and Norton (2001), a public agency needs to strive to meet the objective of its funding source, the legislature and the taxpayer. Furthermore, according to Mulyadi (2001), the cost effectiveness in BSC Finance would enable a firm to minimise the cost of the services and at the same time, increase the productivity level. Hence, in the light of the above observations, MARA must be able to manage the funding by way of monitoring the expenditure and revenue effectively through the BSC Finance perspective. Thus, hypothesis 2, which stated there is evidence of a positive significant relationship between the BSC Finance perspective and employees’ attitude (in MARA) was relevant, valid and included in this research.
• The Internal Processes perspective in BSC postulates that firstly, the communication between managers and subordinates must be on good terms, and link the company strategy with the department and individual objectives. Therefore, the overall strategy of a firm would be clearly understood by all levels (Kaplan & Norton 1996). Secondly, performance monitoring and reviews of the BSC Internal process revealed the need for training and development, and was a tool in improving communication in the agency (Yusuf 2003). Thirdly, the strategic feedback system of the Internal Processes in BSC has provided an opportunity to test, review or modify the business strategy of a firm (Kaplan & Norton 2001). Thus, BSC Internal Processes would resolve the problems in implementing PMS in MARA. Hence the third hypothesis, which stated there is a significant positive relationship between BSC Internal processes and Employee Attitude was relevant, valid and integrated into this research.

• The Learning and Growth perspective in BSC postulates that the employees must be able to learn and develop their skills and talents to the fullest so to best contribute to the firm’s objective. MARA was in the stage of learning, and the feedback and learning process would enable the firm to engage in strategic learning. According to Kaplan and Norton (2001), strategic learning consists of gathering information on the employee feedback, testing the hypotheses on which strategy was based, and making necessary adjustments. Thus, in the case of MARA, the researcher would be able to clarify the needs and the importance of learning and organisational development (OD) among the MARA employees. According to Cascio (1997), the management should embark in training and educating the employees as the new PMS emerges in order to promote awareness of changes. Furthermore, MARA was identified as a learning organisation in this research and thus, the fourth hypothesis -which stated there is positive evidence of a significant relationship between BSC Learning, Growth and Employee Attitude was relevant, valid and integrated into this research.

• The final hypothesis, which stated that there is evidence that organisational culture moderates the relationship between the four BSC perspectives and the MARA employees’ attitude was relevant due to the following:
1. Organisational culture has been identified as having a significant impact on the performance of a firm (Meyer & Allen 1991; Ricardo & Jolly 1997; Lau & Idris 2001). OC has had great impact on the growth and related performance of an organisation (Calori & Sarnin 1991; Denison & Mishra 1995). Thus, in the light of these observations, OC plays a vital role in determining the success of implementing PMS in MARA.

2. The employee attitude in MARA was different due to the current matrix system used, and the influence of the bureaucratic style in the leadership of the agency. Thus, the changes effected by the new PMS must be studied and the employee attitude tested in this research. Furthermore, according to Morehead and Griffin (1992), EA has been found to play a critical role in determining the performance of an organisation in the long run, because it leads to the preferred employee behaviour and attitude needed to achieve the mission and the vision of a company. Furthermore, EA is critical to the increase in satisfaction and productivity (Aldag, R & Kuzuhara, L 2002). Thus, in this research, employee attitude was identified as a pillar in the success of PMS implementation.

3. Job satisfaction and organisational commitment were the two elements in the employee attitude that have been tested in this research. According to Saari and Judge (2004), both are elements of Employee Attitude (EA) and thus, act as predictive factors in performance. The actual fact is, this research has put more emphasis on the performance of a firm and by way of measuring EA, the researcher would be able to judge and draw conclusions about the overall performance of MARA. Thus, it is the strength of EA in MARA employees that would determine the success in achieving the strategy and objective proposed by the higher management of MARA. In the light of these observations, hypothesis 5 in this research, which stated that there is evidence that OC does moderate the relationship between the four BSC perspectives and the EA in MARA was relevant, valid and used in the research.
Hypothesis 5: There is evidence that OC does moderate the relationship between the four BSC perspectives and employees’ attitude in MARA

The two employee attitude components used in this research were job satisfaction and organisational commitment, and these two are the most prominent work attitude components examined in work and organisational literature. It was also noted that JS was the most frequently studied variable in organisational research (Blau 1999). Much research revealed a strong correlation between job satisfaction and organisational commitment (Caykoylu, Egri & Havlovic 2007; Chan 2007; Jernigan & Kohut 2002; Leong, Furnham & Cooper 1996; Lok & Crawford 2004). Organisational culture was used as the moderating variable that affects the implementation of BSC in an organisation.

Previous research has confirmed the relationship between OC and Job satisfaction as well as organisational commitment (Lund 2003; Sempane, Rieger & Roodt 2002) and it was found that strong OC led to higher productivity (Belou 2010; Eskildsen, Kristensen & Antvor 2010). According to Testa and Mueller (2009), OC has been found to have a profound impact on job satisfaction. The management of MARA would be able to shape the OC in order to provide a better working environment, and thus would lead to job satisfaction. In the light of these observations, job satisfaction and organisational commitment, along with the effect of OC, are the critical elements determining any competitive advantage of an organisation. According to Earle (1996), the need for better working environments and personal commitment from organisational decisions were critical in enhancing organisational success. This research was consistent with the study of Bellou (2010), Testa and Mueller (2009), Lund (2003) and Lok and Crawford (2004). Hence, based on this past literature, hypothesis 5 was supported in this research.

2.10 The relationship between variables under research

The Hofstede theory of organisational culture discusses the open system versus the close system. In MARA, it was found that MARA practiced a close system and that raises a question on how BSC would be able to evaluate the performance of the employees.
Furthermore, the BSC perspectives Learning and Growth would require a deep understanding on the organisational culture in order to be successfully implemented in the agency. Thus, the lack of understanding of the organisational culture would affect the implementation of BSC Learning and Growth.

- **BSC Learning and Growth perspective** showed that the competency theory that was used in this research was relevant to explore further the degree of competency of MARA employees. The critical and strategic thinking of the competency model theory would act as a basis for the implementation of the performance management system in MARA. Thus, it raises another question in this research on how the competency model will improve the firm’s performance by identifying the needs, competencies and the abilities of the employees of MARA. The questions in the questionnaires on BSC perspective of Learning and Growth discussed the awareness of factors that affect performance results and how to increase staff participation in the process of developing performance measures. The competency model supported the role of the employees’ participation by acquiring the strategic thinking elements and through communication with others.

- The research analysis performed based on the dimension of organisational culture and MARA was found to engage with job oriented culture instead of employee oriented culture. Hence, in job oriented culture, the employers would only be concerned about the job performance without considering any personal problem faced by employees of MARA. The problem is how to implement or to measure BSC Learning and Growth without knowing the obstacles or problem faced by the employees.

- Drucker (1993) mentioned that the dependencies of the skilful and knowledgeable workers emerged as an important asset in the developing countries. Hence, the BSC as the strategic management system, which leads to the learning process in order to overcome people, management and vision barrier through the translation of strategy, and to increase customer’s satisfaction. Thus, the Customer Relationship Management theory (CRM) will be able to address the issues. The questionnaires for the BSC Customer discussed communicating with the public about performance and improving responsiveness to the customer.
• CRM Theory will be able to develop good relationship between the agencies, stakeholders and the customers of the organisation by providing vital information including the trend needs and wants of the customers. Hence, the deepest understanding of the customers as the stakeholders could be found and developed through CRM. Heskett et al. (1994) mentioned that the customer’s satisfaction would be able to develop customers’ loyalty in engaging the service. Thus, CRM theory is critical in ensuring that the BSC Customer would be able to evaluate MARA and to generate more information on the level of customer’s satisfaction. Furthermore, according to Galbreath and Rogers (1999), CRM has played a significant role in the business processes through the implementation of new technologies.

• BSC Internal Processes would also be influenced by the CRM theory because in the questionnaire BSC Internal Process emphasizes on the improvement of the cross-agency cooperation and coordination within the agency. Furthermore, the usage of new technology in CRM would help to reduce duplicating service and to improve the communication between legislative and legislature staff. The Hofstede’s organisational culture emphasizes on the process and the employees tend to avoid any risk and spend only minimal effort in performing the task. Thus, in the closed system applied by MARA, the communication between the manager and subordinates would be limited and therefore, the improvement on the internal processes would be minimal. Powell and DiMaggio (1991) commented that organisational practices especially in public agencies or statutory bodies have often been a reflection or response to rules and structures built upon them and highly embedded with the institutional environment. Hence, the usage of institutional theory in this research is to evaluate the level of isomorphic forces from the external environment that might influence the PMS processes in MARA.

• BSC Finance Perspective in this research emphasizes on the financial measures because financial measures lead to the customer’s satisfaction and also to satisfy stakeholders such as the government (Azhar, 2009). The cost minimization theory plays the role in this thesis due to the fact that organisations need to calculate the reasonable cost in order to create value for the customers (Selto, Michael & Hilton, 2000).
Thus, the finance perspective not only concerns the cash flow and profit towards the organisation but also to create better products and services at a manageable cost without sacrificing service quality. The rigid and autonomous budget decision in MARA will be tested through the questionnaires. The employees were asked whether the finance perspective provided a link of performance measures that led to budget decision. Thus, the critical aspects of the cost minimization theory towards this research is to determine the level of efficiency in providing the most reliable cost management that meets the reporting and decision-making needs. Furthermore, according to Kaplan and Norton (1996), the strategy of the BSC depends heavily on the budget and the broad knowledge of the cost manager in increasing the value of the products or services.

The other area of BSC Finance in this research was improving the effectiveness of the agency program and focusing on results in MARA. In this case, the Customer Relationship theory is vital in receiving feedback and to evaluate the response in order to understand the needs and wants of the customer. However, this is related to the cost that company incurs and thus, the role of the cost minimization theory is to reduce the unnecessary cost that would lead to the minimization of the profit. Thus, the implementation of the financial measures in the BSC should help the employees to monitor the program toward intended service result that led to customers’ satisfaction.

Employee Attitude as the dependent variable in this research related heavily to the behavioural and humanistic theory. These two theories are relevant in discussing the work-related attitude in this research. The humanistic psychologists recognized that economic reward was not the sole motivator for the employees (Gallagher & Eihhorn 1976). The implementation of BSC and with the unique organisational culture, the employees’ attitude provides the answer and the justification needed for this research.
Behavioural theories in this research focused on the evolution of behaviour and attitude of the employees. Behaviour is defined as any activity of the human being which is influenced by the environment (Mitchell 1982; Cesare & Sadre 2003). Thus, the attitude of employees was evaluated and monitored in this research to search for the impact on the usage of BSC in MARA. The job satisfaction and job commitment questionnaire have been used in this research to evaluate the attitude and behaviour of the MARA employees.

The question of Employees’ Attitude in this research focused on their involvement in the decision process making would give a great impact on the level of job satisfaction. The environment in MARA that engaged a closed system would influence the perception and the ability of the employees. Thus, the question arises on how to measure their personal judgment if they were not allowed to participate in the decision-making process by the management. Furthermore, according to Hofstede Theory of organisational culture (2001), people in the closed system are not creative and tend to turn down any suggestion from outsiders that could lead to better efficiencies. Hence, the behaviour is related closely with the type of organisational culture in which the agencies are engaged. The organisational culture as the moderating variable would be evaluated throughout this research in order to evaluate the relationship between PMS and Employee Attitude.

The humanistic theory recognizes the process of life-long learning and growing in order for one to become a better person. This theory states that people are considered independent and have their own responsibility to actualize their own potential (Franken 1988). Thus, the JDI used in this thesis will discover the hidden ability that prohibited the potential growth of the employees due to the OC and the implementation of PMS. Furthermore, the work-relationship between the employees and the management will be revealed and thus, humanistic theory plays a vital role in determining the positive or negative relationship between these two parties.
BSC that acts as the ‘translator’ of the strategy in the strategic management could stimulate the communication between the managers and subordinates (Azhar 2009). The Job Descriptive Index (JDI) used in this research revealed on the feelings and perception of the subordinates towards the management. Thus, the role of BSC was not only to act as the tool to evaluate performance but also to stimulate the work-relationship between employees in the organisation. The cascading and creating of the strategic map in BSC would enable employees and other stakeholders to understand clearly the goals of the agency. Thus, it would lead to a better understanding among the employees and promotes job satisfaction and work commitment.

In this research, the normative culture as stated in the Hofstede Theory (2001), the agency’s procedures are more important than end results. In the case of MARA, this research found that the procedures are more important and thus, the end-results are not appreciated. Thus, it would lead to conflict because BSC perspectives emphasizes on both procedures and end-results. MARA, as a government agency must put customer’s satisfaction as their bottom line or main priority and not profit. The organisational culture in MARA with the bureaucratic mindset would affect the level of job satisfaction even though BSC is implemented with numerous Key Performance Indicators (KPIs) (Khan 2009). Furthermore, the lack of cost-consciousness in MARA proved the low level of efficiency. The cost minimization theory was relevant and BSC Finance perspective was able to determine the level of cost in running the business. The main concern of this research was the lack of control and proper monitoring by MARA on managing the cost and segregating their resource allocation.

2.10.1 Criticism on Past Literature

Firstly, many researchers have focused their studies on the organisational culture of an organisation and described the importance of OC in relation to the performance and growth of a firm (Denison 1990; Calori & Sarnin 1991; Denison & Mishra 1995). Hofstede’s measurement in OC has also opened up many areas for future research (Harison & McKinnon 1999; Chow, Shield & Wu 1999).
However, past literature failed to highlight the impact of the OC towards the behaviour or attitude of the employees in performing their duties to implement the performance management system. In fact, many scholars had written about performance management and its effectiveness in providing guidelines and maintaining the profitability of the firm. However, they are silent on the obstacles and challenges in implementing the new PMS in an organisation. As such, in the light of this observation, the research investigated and highlighted the situational factors that affect the successful implementation of the new PMS, by evaluating the employee attitude in an organisation.

Secondly, past literature indicated that organisational culture was a critical factor affecting the performance of the employees. It was also indicated that PMS such as BSC, was holistic - based on the four perspectives; namely Customer, Finance, Internal Processes and Learning & Growth. This was proven to identify and solve any problems that occur in an organisation attempting to achieve its desired strategy and mission. However, According to Noe Hollenbeck, Gerhart and Wright (1997), individual behaviour and attitude have been found to be critical factors in determining the success of overall PMS implementation. It was also stated in past literature that job satisfaction was critical in ensuring the success of change processes occurring in an organisation, and it acted as a predictive factor for performance (Saari & Judge 2004). Thus, past literature had overlooked the employees’ role and attitude in performing the PMS processes, and much effort has emphasized the management or the higher level of management’s perceptions - without considering the level of acceptance among the workers in the organisation.

Thirdly, past literature has highlighted the importance of Learning and Growth in one of the BSC’s perspective. However, it has been silent on evaluating the attitude and behaviour of the workers in fulfilling the plans and overall perspectives of a firm. The level of acceptance and job satisfaction received by the employer was not being highlighted. Thus, in the light of this observation, this research found that previous literature failed to highlight the working culture attitude in Malaysia.
Past literature was also silent on the face-saving attitude – which has been adopted by most of society - especially in Asia (Hodgett & Luthans 1994). Furthermore, it was known that power distance (sharp division of management and employees) has dominated society in Asia (Hofstede 2001). Thus, past literature was not precise in describing the learning and growth acceptance, as well as the OC among the employees in this region or part of the world - because most of the research was centered on western culture.

2.10.1.2 The Justification of the Proposed Construct for This Research

The Balance Scorecard (BSC) is used in this research to justify the four perspectives able to resolve the research problem stated - what the effects are of PMS and OC on employee attitudes in MARA. The four perspectives analyze the capabilities of MARA in terms of strategy formulation and the implementation of a new system. Each of these perspectives was able to highlight the challenges and obstacles arising from the whole PMS process. The contributions of these perspectives are as follows:

- **BSC Customer perspective** explains the importance of satisfying the customer’s need and to maintain a good relationship with them. According to Ilgen, Fisher and Taylor (1979), it was critical to analyze the feedback from customers because it would enhance performance and serve to improve appropriate work behaviour. Furthermore, this perspective would assist an organisation to understand the needs and major concerns of customers (Azhar 2009). Hence, this research focuses on work related attitudes that affect the performance of employees in MARA and was relevant to this thesis.

- **The BSC Finance perspective** explains the need for the firm to control the cost and budget of MARA. The task of financial measures was important, even though the main focus in the public sector was to satisfy the need of the public (Azhar 2009). Hence, BSC Finance promotes better understanding for improving the effectiveness of the agency programme and focusing on results assists MARA to increase the level of productivity. Furthermore, it measures and assists employees to monitor a programme intended to improve service results. Thus, the BSC Finance perspective was relevant and used in the research.
The BSC Internal Processes perspective shows the importance in developing the correct procedures. This was necessary because the new PMS has often been misunderstood by employees, management and human resource personnel (Steers & Black 1994; Coutt & Schneider 2004). Thus, this research uses this perspective to evaluate the level of acceptance, through performance monitoring and reviewing steps in BSC Internal Processes. This perspective gave better insight into company affairs because BSC was based on the strategy and business planning of a firm. It provided information related to work attitude and its influence in running and governing a business (Burns & Balvinsdottir 2005; Burns & Scapens 200a).

The BSC Learning and Growth perspective promotes learning and development of skills and talents in employees of the organisation. The task of educating and training the employees was found to be critical as a source of motivation - promoting changes in the organisation (Carlopio, Andrewartha & Armstrong 1998). Hence, it was critical in this research to promote the growth of MARA employees and organisational development (OD) in order to achieve the desired mission and vision of MARA.

These four perspectives of BSC were found to be relevant and used in the research. They explained the whole situation of a firm because BSC was considered a holistic measuring methodology for both financial and non-financial aspects of an organisation.

Many studies across different industries and geographical regions revealed a strong correlation between organizational commitment and job satisfaction (Caykooylu, Egri & Havlovic 2007; Chan 2007; Jernigan & Kohut 2002; Leong, Furnham & Cooper 1996; Lok & Crawford 2004). If MARA can control their internal environment it would assist them to fully exploit their strengths and minimize their weaknesses. This capability lies more in the management domain and is supported by recent organizational crises that have emphasized the need for effective leadership, better working environments and a personal commitment from organizational decision makers and has demonstrably become more critical for organizational success (Earle 1996).
Hence, the ability of the management of MARA to provide better working environments, positive organizational culture and strong commitment towards the organization would lead to greater employee job satisfaction. Thus, organizational commitment, job satisfaction, OC - along with its effect on job satisfaction - are some of the crucial elements in determining the competitive advantage and success of organizations.

Several insights come to the fore from the results of this research, including the fact that OC positively correlated with employee attitude. This finding is consistent with the studies of Bellou (2010), Testa and Mueller (2009), Lund (2003) and Loke and Crawford (2004). These findings can be incorporated into firms by employers shaping OC to enhance the overall level of job satisfaction of MARA employees. This way, MARA can minimize the chances of losing talented individuals and more likely to initiate a competitive advantage. Organisational commitment defines how strong an individual’s beliefs are in the organization and its goals. The outcome of this research implies that the management of MARA can increase the level of job satisfaction in the organization by increasing the employees’ perceived commitment to the organization. In conclusion, a positive and satisfying working environment increases an employee’s desire to stay with the organization.

Employee job satisfaction is important to an organization because it determines the quality of work and attitudes that employees have towards their work, which ultimately assures the survival of the business and would aid in attaining a competitive advantage (Wright 2006). Job Satisfaction is the most frequently studied variable in organizational research (Blau 1999). This is due to the fact that it affects employees and organizations and it denotes an employee’s subjective assessment of his or her job (Donohue & Heywood 2004). Furthermore, Job satisfaction and organizational commitment are two of the most prominent work attitudes examined in work and organizational literature. Organizational commitment results in employee loyalty to an organization, which is important because of the need to retain a strong workforce (Pool & Pool 2007; Yousef 2001).
Cole and Brunch (2006) stated that the relationship between employees and an organization influence their attitude and behaviour. This relationship is referred to as organizational commitment. Robbins (1996) indicates that OC and good leadership have a considerable influence on several outcomes, including job satisfaction.

Meyer and Allen’s theory of Organisational Commitment (1991) indicates that the commitment of the people in an organization is also essential to ensure the successful implementation of organizational policies and plans. It ensures the necessary level of commitment among employees or managers so to ensure successful implementation of organisational strategies and plans (Rashid, Sambasivan & Johari 2003).

The other theories in this research are as follows:

- The CRM theory used in this research reveals the need for MARA to develop a strong relationship with customers by providing information on the latest trends in the industry. The evolving technologies and information on customer needs were critical in achieving the desired customer satisfaction(Galbreath & Rogers 1999).

- Hofstede’s six dimensions of organisational culture (OC) could not be avoided in answering the studied research problems. Furthermore, OC was found to predict the performance in an organisation (Meyer & Allen 1991; Ricardo & Jolly 1997). The rationale of OC being used in this research as a moderating variable was because it has proved in past literature that it affected the implementation of any PMS in an organisation. Past research has proven that OC was one of the critical success factors determining the performance of an organisation. This was because the norms and values of a firm would influence the way it manages the business (O’Reilly & Chatman 1996). Hence, it is important to evaluate and incorporate the six dimensions of OC as proposed by Hofstede (2001) in this research.
Employee attitude (EA) is used in this research as the dependent variable to determine the level of acceptance of MARA employees of BSC. The research also observed the effects and consequences of PMS implementation for the employees of MARA. Job satisfaction and organisational commitment theory have been identified as the two main facets of EA, and were heavily used in this research. Job satisfaction is known as the yardstick measuring the level of performance among employees (Saari & Judge 2004). EA was also found to be related to the value and belief of individuals bound in an organisational group (Lawson & Shenin 1988). Hence, EA is used to justify the connections of the proposed construct in this research.

Behavioural theories reveal that behaviour and the needs of employees show how cultural and situational factors could be the determining factors influencing the behaviour and attitude of employees (Wiley 1997). Thus, the behavioural theory was relevant in this research.

The Competency Model Theory explains the need for an organisation to identify the need, competency and ability of workers in an organisation (Hamel & Prahalad 1989). Thus, this theory explains how an organisation adopts the competency focused human capital system as the basis of performance management (Spencer & Spencer 1993). Thus, the competency theory was necessary to this research to evaluate how MARA uses their human capital system to identify the skills and abilities of the employees in the organisation.

The Humanistic Theory outlines the self actualization concept in which the employees would be able to actualize their own potential (Franken 1998). Thus, this research was able to find the hidden talent and the specialty of the employees in MARA. Furthermore, the relationship between managers and higher management was being evaluated in this research and thus, the concept of self-actualization was incorporated in this thesis. Thus, this theory was relevant and useful to this research.
• The Cost Minimisation Theory reveals the importance of controlling the cost and creating customer value at a reasonable cost (Selto, Michael & Hilton 2000). MARA was responsible to apply the most reliable cost management system that meets reporting needs. This is because the government would be able to reduce expenses in managing the firm and thus, the tax-payer would save funds. Thus, this theory was relevant and used in this research.

• The Institutional Theory explains that the organisational practices in public agencies are often a response or a direct reflection of rules and structures built into their larger framework (Powell & DiMaggio 1991). MARA, as a public organisation, was not an exception and thus, it would affect the whole situation - including management decisions and the mission and strategy of the firm.

Based on the justification above, the researcher will use these theories to explain further the connection and the relationships of these theories to the proposed construct of this research.

2.11 The Evolution of the Statutory Bodies in the New Economy

The Malaysian economy is now characterized by significant institutional change in terms of deregulation and liberalization in various sectors. To stay abreast and relevant, the Malaysian statutory bodies have to innovate and take advantage of the advances in information technology and science. Furthermore, the institutional theory suggested that the isomorphic forces from the external environment might influence the PMS implementation and it tends to replicate another focal organisation similar to its environment (Deephouse 1996).

However, the changing situation requires the management of MARA to provide leadership to develop the organisation and thus, to be open in order to face the anticipated challenges. Thus, the new skills in the changing environment substantiate the needs for the employees to acquire management skills in order to achieve sustainable competitive advantage (Cohen 1991). The competency theories in this research outlined the characteristic of the knowledgeable and skilful workers in meeting the challenges of the new economy.
The globalization factor has played a vital role in challenging the existing cultural norms in MARA. The Hofstede’s theory of organisational culture (2001) suggested that the firm must be able to adopt rapid changes in the real world by transforming the existing OC in the workplace. However, in the case of MARA, they are governed by the rules and procedures set by the Malaysian government in accordance with the Institutional Theory. Institutional Theory shapes the organisational structure of an organisation through internal and external constituents (Brignall & Modell 2000). Thus, one of the objectives of this research is to investigate the impact of the employees’ attitude and behaviour by way of using BSC as the performance measurement tool and to research the effect of the organisational culture in MARA.

2.12 Justification of Organisational Culture as the Moderating Variable in this Research

Firstly, OC was found to be a predictive factor of performance (Meyer & Allen 1991; Ricardo & Jolly 1997; Lau & Idris 2001) and the industry has moderated the link between OC and performance (Gordon & Christensen 1993), including organisational effectiveness (Denison 1990; Quinn & Cameron 1988). Many researchers advocate that the factors of behaviour, belief and corporate culture have contributed to better performance (Cameron & Quinn 1999; Deal & Kennedy 1982; Kotter & Heskett 1992; Denison 1990; Juechter & Fisher 1998). Thus, in the light of these observations, in the case of MARA, the influence of OC in the organisation’s performance and the employee attitude was undeniable, and the research has found that without linking corporate culture, the result of this research would not be justified nor concluded.

Secondly, based on past literature, OC has been identified as having a link to employee attitude. According to Meek (1988), the employees’ norms, belief and values could be changed to support the management strategy and produce appropriate behaviour. Thus, in the light of these observations, the role of organisational culture in shaping the behaviour of employees was undeniable. The characteristics of an organisation and the external environment have been found to influence the norms and beliefs of employees (Schein 1992). OC was found to influence the attitude and behaviour of employees in an organisation and thus, the implementation of PMS would not be realized if the employees did not accept the changes in their organisation.
The resistance to change in employee attitude was the stumbling block, and thus only OC could act as an agent of change in the organisation. This was because it simulated the adaptation to and the anticipation of change management (Kotter & Heskett 1992).

Thirdly, according to William RS (2002), performance management must fit the organisational culture, and performance is an instrument of cultural change critical for OC to act as an agent of change for the employees in the organisation. In the light of these observations, PMS such as BSC could not be implemented in MARA if the employees were resistant to changing their way of doing things in respective departments. This is because BSC is a matrix oriented system rather than top-down oriented (Kaplan & Norton 2001). Furthermore, if the management of MARA uses the traditional command and control method, they will not be able to communicate effectively with employees and thus, the function of the PMS, including the four perspectives, would not be applicable in the organisation.

Fourthly, the process of implementing PMS itself is subject to evaluation from the management of MARA. This is because, according to Yusuf (2003), the most critical aspect to be considered in performance management was the process of PMS, and not the physical instruments or measurements. Hence, OC was the only variable that could moderate the evaluation of the processes in implementing BSC in MARA. This was because only OC could provide the insight or understanding of the level of acceptance of MARA employees in engaging the new system. It was evident throughout this research that in MARA, communication was limited due to the hierarchy-based and the command & control method adopted from the previous regime. Thus, in the light of these observations, OC was used to change and improve the perception of the MARA employees, the communication amongst them, and to manage the resistance effect. Past literature states that OC was used to enhance organisational effectiveness and achieve managerial control (Meek 1998; Peters & Waterman 1982; Barley, Meyer & Dash 1988). Furthermore, OC represented strategies for members in the organisation to perform duties which have worked well in the past and significantly influenced the feelings, thoughts, interactions and most importantly, staff performance (Yusof & Ali 2000).
Finally, the employees’ interest in an organisation must be taken into consideration in implementing PMS. Cultural change was found to be inevitable and could not be neglected (Cumming & Worley 2001). In this case, OC was able to cultivate the norms and behaviour of employees to achieve the goals and objectives of the firm (Williams, RS 2002). According to Charan (2011), employees needed guidance and could create havoc if the constraints and problems were not being appropriately corrected. Thus the role of OC was to create a synergy among the employees that bound the organisational group together (Lawson & Shenin 1998). In the light of these observations it was found that in MARA, reliance on goals and objectives was more important than depending on organisational rules and procedures. This was because the interest of the employees would be protected and the organisation could use OC as a mechanism to achieve management control and effectiveness (Barley, Meyer & Dash 1988; Peters & Waterman 1982).

Based on the factors mentioned above, the researcher has justified why the OC should be a moderating variable in this research.

2.13 Justification of the conceptualization of the Model in this Research

Based on past literature, it must first be acknowledged that the Balanced Scorecard has been the holistic performance management system for the past decade (Kaplan & Norton 2000). It measures the financial and non-financial aspects of an organisation (Azhar 2009; Lingle & Schiemann 1996; Kaplan & Norton 1996; Ittner & Lacker 2001). The four perspectives, namely BSC Customer, BSC Finance, BSC Internal Processes and BSC Learning & Growth, were being used by MARA to increase the level of quality and services in the agency. According to Neely (1999), many organisations have been forced to strategically differentiate themselves from competitors by increasing the quality of response time, creativity and flexibility. Hence, this research used these four perspectives to seek challenges and difficulties in adapting to the new performance management system in MARA. Furthermore, this research was the first in Malaysia to critically analyse the effects of PMS in the behaviour and attitude of employees in a government agency. Furthermore, according to Pulakos (2009), communication among employees and management strategies are the two major characteristics that influence the effective implementation of PMS in the public sector.
Secondly, the importance of organisational culture in shaping the internal environment in the organisation was undeniable. Based on the past literature, OC has been acknowledged as one of the successful factors determining the performance of the workers in a firm (Hofstede 2001; Gordon & Christensen 1993; Kotter & Heskett 1992). According to Peters and Waterman (1982), OC has provided the platform for new employees to follow the values, thought, actions and feelings of an organisation. Furthermore, according to Lawson and Shen (1998), OC has created a sense of synergy with the values and beliefs that bind people together. Finally, a comparison and measurement of individuals and the organisation can be performed to determine organisational and individual performance (Siehl & Martin 1998).

Thirdly, the use of Employee Attitude in the model inferred that job satisfaction and organisational commitment were two key elements used to analyse EA in MARA. Meyer and Allen’s organisational commitment concept and Hulin and Kendall’s Job Descriptive Index have also been used in this research. Based on past literature, these two theories were able to justify and determine the impact of the influence on people and work organisation - and the influence of work organisation on people (Rowden & Conine 2005; Misener Haddock, Gleaton & Ajamieh 1996). In the light of these observations, it is clear that EA plays a vital role in determining the success of implementing PMS in an agency. From some empirical studies, it was well known that EA was a major predictor of performance in an organisation (Aldag & Kuzuhara 2002; Saari & Judge 2004). As such, this research used EA as a dependent variable to prove the link to work performance and to predict performance in the studied agency.

Based on the justification of the conceptualization mentioned above, the researcher used the four perspectives of BSC as the independent variable, OC as the moderating variable and EA as the dependent variable in this research.
2.14 Chapter Summary

This chapter reviewed the literature on the parent and immediate discipline of the research. The former comprised of BSC’s four perspectives, organisational culture and employee attitude. However, there was limited scholarship on the effect of the organisational culture and the performance management system on the employees’ attitude of the Malaysian Statutory bodies. At the same time there is also a rising body of empirical research on how organisational culture could influence organisational performance. In addition, some empirical evidence has also shown that the relationship between the PMS and employee attitude (EA) has been moderated by organisational culture (OC).
Chapter 3

3.0 Research Methodology

3.1 Introduction

The literature review in Chapter 2 identified the research issues and the gaps in the existing body of knowledge. These permitted the drafting of five Research Hypotheses to be tested by this research. For ease of reference they are restated below:

**Hypothesis 1:** There is evidence of a positive significant relationship between the BSC Customer Perspective and the Employees’ Attitude in MARA.

**Hypothesis 2:** There is evidence of a positive significant relationship between the BSC Finance Perspective and the Employees’ Attitude in MARA.

**Hypothesis 3:** There is evidence of a positive significant relationship between the BSC Internal Process and the Employees’ Attitude in MARA.

**Hypothesis 4:** There is evidence of a positive significant relationship between the BSC Learning and Growth Perspective and the Employees’ Attitude in MARA.

**Hypothesis 5:** There is evidence that organisational culture does moderate the relationship between the four BSC perspectives and the Employees’ Attitude in MARA.
3.1.1 Chapter Structure

The structure of this Chapter is shown in Figure 3.1. Section 3.2 describes the available research paradigms considered for the research and the justification for the preferred methodology. Section 3.3 discusses the research design and in Section 3.4 the data collection instruments. Sections 3.5 and 3.6 examine the research quality and attitude measurement scale. Section 3.7 discusses on data analysis procedures while Section 3.8 presents the ethical considerations. Section 3.9 and 3.10 concludes and summarises the Chapter respectively.

![Figure 3.1 Structure of Chapter 3](image)

Source: Developed for this research

3.2 The Research Paradigms

Guba and Lincoln (1994) summarized various types of paradigms into the four paradigms of positivism, constructivism, critical theory and realism. The differences between them are shown in Table 3.1.
A paradigm consists of epistemological, ontological and methodological assumptions. Guba and Lincoln (1994) stated that Ontology is the fundamental which is made about the nature of reality, specifying what and how it exists. Epistemology refers to ‘the process of knowing and the relationship between the researcher and that which is to be known’ (Guba & Lincoln 1994, p. 108). On the other hand, methodology determines how the researcher goes about investigating what is to be known (Zikmund 2003).

There are several paradigms to guide this research and these are discussed in the next subsection.

Table 3.1 Principal Research Paradigms and Associated Views

<table>
<thead>
<tr>
<th></th>
<th>Positivism Paradigm</th>
<th>Constructivism Paradigm</th>
<th>Critical Theory Paradigm</th>
<th>Realism Paradigm</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Known as</strong></td>
<td>Quantitative Paradigm</td>
<td>The combination is also known as the qualitative or the interpretive paradigm</td>
<td>The combination is also known as the qualitative or the interpretive paradigm</td>
<td></td>
</tr>
<tr>
<td><strong>Ontology</strong></td>
<td>Science is able to discover the true nature of reality. Apprehensive reality whose nature can be known and characterized.</td>
<td>Relativism-Truth is subjective, resulting in a state of multiple realities.</td>
<td>Social realities are apprehensible based on historically situated structures.</td>
<td>Critical Realism-reality is apprehensible but can only be imperfectly comprehended.</td>
</tr>
<tr>
<td><strong>Epistemology</strong></td>
<td>There is a single apprehensible reality whose nature can be characterized</td>
<td>Relativism-truth is subjective, resulting in a state of multiple realities.</td>
<td>Focuses on transformation of social, political, cultural, economic, ethnic and gender values.</td>
<td>Critical Realism-Reality is apprehensible but can only be imperfectly comprehended.</td>
</tr>
<tr>
<td><strong>Common methodologies and process</strong></td>
<td>Quantitative methods</td>
<td>Principally qualitative</td>
<td>Principally qualitative</td>
<td>Principally quantitative</td>
</tr>
</tbody>
</table>

Source: Adapted from Perry, Riege & Brown 1999; Perry, Alizedah & Riege 1997; Guba & Lincoln 1994; Lincoln & Guba 1985.
### 3.2.1 The Positivist paradigm

This paradigm is quantitative in nature. Quantitative methodologies with the survey method have been used in most research in the social science disciplines (Morgan & Smircich 1980; Morgan, Gliner & Harmon 1999; Lubinski 1996). ‘This approach to investigating human and social behaviour originated was a reaction to metaphysical speculation’ (Easterby-Smith, Thorpe & Lowe 1991, p. 23). However, Lubinski (1996) prescribes that in order to understand the human behaviour, especially the psychology of individual differences; scientific and established foundation must be built. Quantitative research can emphasize the large scale sets of data of the respondents that need to be collected and analysed numerically (Blaxter, Hughes & Tight 2006). Thus, the quantitative paradigm has been characterised by the use of theoretical propositions for empirical testing to determine if such propositions are true (Easterby-Smith, Thorpe & Lowe 1991).

In addition, theories are tested by using the hypothesis deductive approach which uses the ontological orientation towards objectivism by viewing social reality accordingly. The epistemological orientation is towards the natural scientific model or positivism. Nevertheless, the quantitative paradigm has strengths and weaknesses and the main strength is generating precise, quantitative, numerical data from large survey size (Maxwell & Delaney 2004).

Furthermore, the findings are considered to be reliable and could be generalised and replicated on many different populations. The findings might also be inapplicable to specific local situations and individuals (Zikmund 2003).

### 3.2.2 The Constructivist paradigm

The Constructivist paradigm views the truth as a construction which refers to a particular belief system held in particular context. In other words, this paradigm views the truth as subjective rather than objective (Perry, Alizadeh & Riege 1997). According to Guba and Lincoln (1994), realities appear as multiple realities which are socially based intangible mental constructions of individuals. In other words, meaning has more value than measurement, with perception being the most important reality.
In the epistemology of this paradigm, the researcher is an involved participant (Guba & Lincoln 1994; Perry, Alizadeh & Riege 1997). This paradigm was considered to be inappropriate as this research emphasizes on the attitude and behaviour of statutory bodies and not human feelings and emotions.

### 3.2.3 The Critical Theory paradigm

This paradigm was established and developed by the Frankfurt School and it aims at critiquing and transforming social, political, cultural, economic, ethnic and gender values (Guba & Lincoln 1994). The epistemology involves a close link between the researcher and object of the research. Thus, the main tool is the interpretive capacity of the researcher (Guba & Lincoln 1994).

The critical theory paradigm does not permit the findings to be generalised because it only focuses on a particular organisation or body. On the other hand, this research allows findings to be generalised and serves as a basis for the formulation of strategies by the Malaysian government. Hence, for this reason, this paradigm was not considered appropriate for this research.

### 3.2.4 The Realist paradigm

This paradigm concerns on the creation of the knowledge about the external reality by trying to understand and explain why people have different experiences and behaviour (Easterby-Smith, Thorpe & Lowe 1991). Being also qualitative in nature, it holds that reality is socially constructed rather than objectively determined. Realists believe that there is a ‘real’ world to discover even if it is only probabilistically apprehensible and imperfect (Guba & Lincoln 1994; Merriam 1988).

A realist deals with a real world and a complex situation and has to obtain information from those involved with the subject area (Guba & Lincoln 1994). This paradigm acknowledges that although there is only one reality, an objective account of events depends on the triangulation of several perceptions of reality in order to get a better picture of the phenomena (Perry, Alizadeh & Riege 1997).
However, being qualitative in nature, the findings from this paradigm are not generally suited to meet the criteria of reliability and validity for this research.

3.2.5 The Preferred Paradigm

This research uses a positivist paradigm, which is a quantitative approach, because of the main strengths: generating precise, quantitative, numerical data from large survey sizes. Furthermore, the findings are reliable and can be generalised and replicated on many different populations (Maxwell & Delaney 2004; Schrag 1992).

Easterby-Smith, Thorpe and Lowe (1991, p. 23) stated that, ‘This approach to investigating human and social behaviour originated as a reaction to metaphysical speculation’. Thus, this paradigm suits the need of this research because it can provide an objective, value free coverage of a range situation in MARA. The objectives of this research, however, were largely directed at understanding the effects of organisational culture and performance management system towards the employees’ attitude in government agencies. For this reason only the quantitative or deductive approach is being applied in this research.

3.3 Research Design

A research design specifies a blueprint or framework for the research. The research design also specifies the research methods chosen, defines the sampling method, sample size, measurement and data analysis process (Emery & Cooper 1991). Research design must be suited with the purpose of the research (Cavana et al. 2001; Neuman 2006). Thus, hypothesis testing, exploratory, descriptive are some of research designs that have been used in social science research (Neuman 2006). The type of investigation, time horizon, researcher interference and unit of analysis could be the elements in research design depending on the purpose of the research. Sekaran (2001) stated that critical choices, point to each component of the research design. However, research design has to be critical when organizing research activities, including the collection of data in order to achieve the research objectives (Easterby-Smith, Lowe & Thorpe 1991).
A research is conducted as a quantitative research due to the application of a more quantitative design for well known subjects (Ward, Pearson & Entrekin 2002). Furthermore the research was conducted in a natural environment of the organisation, thus, the interference could be minimized by the researcher. Moreover, this research is concerned with the statistical significance and effect size for an overall model, hence, the correlation and regression analyses were appropriate to be implemented.

Nevertheless, according to Sekaran (2001) and Warner (2008), the low response rate could be one of the stumbling blocks in quantitative research. Quantitative research has provided several advantages including enhancing validity and reliability of the observation. It is only applied when standardized measurement and sampling procedures are being used in the research. Thus, according to Ticehurst and Veal (2000), it allows data generalization to represent a large population and the research costs could be lower.

### Table 3.2 Types of Research Methods

<table>
<thead>
<tr>
<th>Exploratory Research</th>
<th>Descriptive Research</th>
<th>Explanatory Research</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objectives</strong></td>
<td>Discovery of ideas and insight</td>
<td>Describe market characteristics or functions</td>
</tr>
<tr>
<td><strong>Characteristics</strong></td>
<td>Flexible, versatile</td>
<td>Marked by the prior formulation of specific hypothesis</td>
</tr>
<tr>
<td><strong>Methods</strong></td>
<td>Experts Survey Pilot surveys Secondary data Qualitative Research</td>
<td>Secondary data survey Panels Observational and other data</td>
</tr>
</tbody>
</table>

Source: Adapted from Neuman 2006

There are three main types of research namely exploratory, descriptive and explanatory. The objectives, characteristics and the data collection methods are shown in Table 3.2 and elaborated below.
3.3.1 Exploratory Research

Exploratory research is usually undertaken to gain available background information about the research subject. Normally, exploratory research is unstructured and qualitative and is used as inputs for further research (Denzin & Lincoln 2003). This method tends to be highly flexible with ideas, clues and hunches (Mc Daniel & Gates 1996). Thus, it provides the researcher with the latitude needed to probe creatively into unanticipated observations (Rubin & Babbie 1994).

The exploratory research is necessary to be used especially ‘when the researcher has limited amount of experience with or knowledge about the research issues’ (Zikmund 1997, p. 102). The data collection methods for exploratory research include pilot studies, focus group, expert case studies and personal interviews (Zikmund 2000).

3.3.2 Descriptive Research

Descriptive research has a major purpose of describing and seeking answers to ‘who’, ‘what’, ‘where’, ‘when’ and ‘how’ questions (Zikmund 2003). It presents a picture of specific details of relationship, social setting and details of the situation. Sekaran (2000) pointed out the findings of the descriptive research help to:

1. Understand the characteristic of a group in a given situation
2. Think systematically about aspects in a given situation
3. Offer ideas for further probe and research
4. Assist to make a certain simple decision

The extent of differences in the needs, perceptions, attitudes and characteristics of the different groups participating in the survey could be determined by descriptive research. The descriptive research uses surveys, expert panels and observational data for data collection methods (Cavana, Delahaye & Sekaran 2001).
3.3.3 Explanatory Research

The purpose of explanatory research is to establish the cause and effect relationship between two or more variables. However, this method is not suitable for management research because of the sterile value free environment that they create, although it has the advantage of greater reliability and internal validity (McDaniel & Gates 1996).

3.3.4 The Chosen Research Path

The findings of the literature review in Chapter 2 revealed gaps in the existing body of knowledge. The important aim was to extend and generalise the finding. This research is descriptive in nature for which quantifiable data is required. Thus, this research adopts descriptive research method due to the followings:

- This research only attempts to give descriptive information that is needed to address the research problem.
- This research would be able to describe a phenomenon more clearly by offering the profile of the factors.
- Descriptive research has the advantage of determining the extent of differences in the perceptions, needs, attitudes and characteristics of different groups who participated in the survey.

3.3.5 Purpose of the Research

The Social science research could be made available through case research, exploratory, descriptive or hypothesis testing (Cavana et al. 2001). However, Morgan, Gliner and Harmon (1999) comment that if there is no or little information available about the subject, the researcher must perform an exploratory research so that the grasp of the phenomena or interest on the subject matter could be obtained. Hypothesis testing is applicable to establish and understand further the relationship between variables (Cavana et al. 2001; Morgan 1999).
Thus, the effects of PMS on the employee attitude has been examined with organisational culture (OC) acting as the moderating variable. The effect of this relationship will add to the extensive knowledge available. Thus, assumptions could be made throughout this research by way of hypotheses testing. The impact of the PMS on the attitude of the employees has to be researched because it would affect the level of productivity in MARA and thus could affect the performance of the employees indirectly.

One thousand of MARA employees in Malaysia have been selected as respondents for this research. This research has undergone a pilot testing to ensure that the validity of the questionnaire and thus, the actual survey would only take place in a natural setting. The collection of the data was performed over a stipulated period of time for the respondents to answer the questionnaires. Finally, all data were processed using the SPSS version 17 and the Cronbach Alpha was also used to test the reliability of the data. The regression analysis was also used in this research in order to determine the relationship between the studied variables.

3.3.6 Sampling Design

A sampling design is the selection of an appropriate sample to minimise the gap between the population and the values obtained from the sample. Sampling is found to be essential in conducting a survey to measure the characteristics of all elements of a population (Kumar 1996). Researchers identify the relative importance of each criterion in sampling to choose a suitable sample design (Zikmund 2003). Guided by these criteria, this research has been given full attention to the design of the survey sample, in particular the target population and the sampling method for deciding the composition as well as the size of the sample.

3.3.7 The Target Population

The target population is also known as the total category of subjects in a particular research project (Ticehurst & Veal 2000). A sample has also to be representative of a population. In order to select sample participants, the research could rely on either probability or non-probability sampling. Each, as shown in Table 3.1, has advantages and disadvantages.
The sampling method of this research has taken into consideration the appropriate method, its consideration, probability and non-probability (Davis 2005). Non probability sampling, according to Davis (2005) is less costly and takes less time to carry out the research, but it can also be less accurate and produce poor results.

**Figure 3.2: Sampling Methods**

<table>
<thead>
<tr>
<th>Consideration</th>
<th>Probability</th>
<th>Non-probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>More costly</td>
<td>Less Costly</td>
</tr>
<tr>
<td>Accuracy</td>
<td>More Accurate</td>
<td>Less Accurate</td>
</tr>
<tr>
<td>Time</td>
<td>More Time</td>
<td>Less Time</td>
</tr>
<tr>
<td>Generalisability</td>
<td>Good</td>
<td>Poor</td>
</tr>
</tbody>
</table>

Source: Adapted from Davis 2005

Hence, taking into account the purposes of the research and the availability of the resources to conduct the survey, the researcher has opted for non-probability sampling such as convenience sampling. Probability sampling is only appropriate when statistical generalisation is required. Furthermore, it would also determine the way people have been selected as respondents (Flick 1998). For the above reason, convenience sampling is adopted in this research.

This research has adopted a combination of quota sampling and judgment in order to process the questionnaires economically and in as short a period of time as possible. Cavana, Delahave and Sekaran (2001) mentioned that the use of judgment sampling permits information to be secured from specific target groups and the required information for the research. Furthermore, quota sampling ensures that representativeness of a certain group is adequate in the research (Davis 2005).

The population of the research consists of thirteen branch offices of MARA all over Malaysia including one at the headquarters in Kuala Lumpur. One thousand executives and officers as well as managers were selected because they were performing the important role of running the business of the public organisation. Hence, they are accountable for the efficient management of their branches or departments as well as maintaining and establishing MARA’s goals in accordance to MARA’s objectives.
They were also holding responsibilities and playing vital roles in implementing MARA’s activities including providing loans to the Malay entrepreneurs and students. The total number of employees of MARA is approximately 8,000 at the time of this research.

3.3.8 Sampling Procedure

Sampling procedure needs to be studied to be synchronized with the purpose of selecting individuals from the target population (Sulaiman 2004). Thus, equal opportunities could exist because everyone was capable of being selected as respondents as long as they were within the target population. However, the researcher would be able to produce an accurate generalization about the population due to the smaller group of respondents obtained from a large population (Neuman 2006).

The sampling population of this research was acquired from the largest government statutory body in the country, namely MARA. For this research, the final sampling frame was acquired from the various divisions and departments of the MARA headquarters in Kuala Lumpur, Malaysia. Thus, a simple random sampling method was used for random selection of the respondents.

3.3.9 Type of Investigation

In this research, the correlation type of investigation and regression was used to test the relationship and to determine which independent variable had a strong relationship with the dependent variable. In the case of the BSC, there could be more than one variable that could cause changes. The relationship between two or more variables would be fully justified and thus, for this research, a correlation type of investigation was used.

3.3.10 Researcher’s Interference

In this research, nil interference from the researcher is applied because the research focuses on data collection through a survey method. It was noted that any interference in the workflow or the workplace by the researcher would affect the research decision.
The statistical techniques are required precision and control of unrelated variables and thus, they should support the external validation and generalization of the findings (Baker 2001; Gill & Johnson 2002).

3.3.11 Research Setting

The research setting could be divided into two namely contrived or non-contrived setting. A descriptive research would usually fall under a non-contrived setting whereby the research is performed normally in the natural environment. In this research, a non-contrived setting, namely the environmental setting, was used whereby the employees were known as the field experiment. In the contrived setting, the causal research would normally be performed inside the laboratory.

Baker (2001) stated that in a contrived environment, the ‘reactivity’ may reduce the external validity. However, according to Cavana et al. (2001), the external validity must be strengthened without diminishing internal validity and vice-versa. Saunders, Lewis and Thornhill (1997) stated that it should be more important for a researcher to capture the variables instead of establishing the cause and effect relationship. In this research, the attitude and the perception of individuals were explored and studied in order to gain the insight on the subject matter.

A proper screening must be performed on the valid and reliable variables in order to ensure the external validities and thus, the related and unrelated factors must be controlled which would enable the researcher to research the nature of the relationship between variables more accurately and efficiently (Remenyi et al. 1998; Lehman 1995).

Since this research was conducted in the natural environment of MARA, the researcher was not able to interfere with the decisions made by the respondents or to manipulate the work environment. Moreover, this research was investigating the relationship among variables, thus a correlation and regression analysis was deemed appropriate to be implemented in this research.
3.3.12 Time Horizons

Some empirical studies found that the real environment under research is able to be assessed or grasped by using a cross-sectional research (Remenyi et al. 1998). Thus, this research adopted a cross-sectional research because this research was to examine the employees’ attitude and the effect of the BSC measures towards their behaviour.

The cross-sectional research is also performed in this research because it involves collecting data and the time frame to answer the questionnaires is specified by the researcher. Thus, it could provide incremental validity over and above that of the OC and the BSC in the determination of work performance in MARA. This data collection has taken the researcher about six months in order to complete due to the cross-sectional nature of the research and furthermore, a cross-sectional research is the most popular and most used attitude research which could concentrate on the individual’s attitudes, beliefs and perceptions (Lindell & Whitney 2001).

3.3.13 Unit of Analysis

The unit of analysis was the MARA employees nationwide and they were the respondents in this research. MARA has 13 offices nationwide which represent 13 states in Malaysia i.e. one MARA office in each state. However, the major bulk of the employees were in the headquarters situated in the capital city of Malaysia, Kuala Lumpur. There were approximately ten thousand MARA employees Malaysia and this research does not include overseas branches such as in Washington, London and Egypt at the time of this research (Majlis Amanah Rakyat 2010).

3.4 Data Collection Instruments

This section discusses the techniques of gathering primary data for the testing of the research hypotheses that were crafted in Chapter 2.
3.4.1. Selection of the Survey Method

**Figure 3.3: Four Categories of Non-experimental Techniques**

<table>
<thead>
<tr>
<th>Method</th>
<th>Description</th>
<th>Answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Observational</td>
<td>Observation of subjects in their own environment or researcher participating in naturally occurring groups and recording Observations.</td>
<td>How and Why?</td>
</tr>
<tr>
<td>Research</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Archival Research</td>
<td>Using data that were collected for a purpose other than the problem at hand.</td>
<td>Who, What, Where, How Much and How Many?</td>
</tr>
<tr>
<td>Case Research</td>
<td>Research investigates a particular situation or problem. Is case-specific.</td>
<td>How and Why?</td>
</tr>
<tr>
<td>Survey Research</td>
<td>Goal is to collect information about the same variables or characteristics from a number of cases where the end result is a data matrix or a structured or rectangular set of data.</td>
<td>Who, What, Where, How Much and How Many?</td>
</tr>
</tbody>
</table>

Source: Adapted from Grace, 1999

This research adopted a survey research to collect data for this research because it was found to be the most suitable method for answering the research questions of this research. This research was not case-specific, the practicality and efficiency of the survey method would assist the researcher to collect maximum information about the subject matter namely the BSC, EA and OC.

Grace (1999) has stated that a quantitative methodology would involve two major collection methods namely experimental and non-experimental. Thus, in order to answer how and why in an experimental research, the manipulation of the subject could be deemed necessary. This research has used the non-experimental approach which was deemed to be more appropriate for this research.
As shown in Figure 3.3, there are four broad categories of non-experimental techniques namely observational, archival, case research and survey. This research chose to use the survey research because the goal of this research was ‘to collect information at the same variables or characteristics from a number of cases where the end result is in data matrix or a structured or rectangular set of data’ (Grace, 1999).

The problem of the interview’s influence on the responses has been the stumbling block for the personal interview methodology although it could provide an excellent response rate (Morgan & Smircich 1980). This research only performed a survey methodology due to time constraint and the cost of doing the research. Figure 3.4 has illustrated the various methodologies of data collection for a social science research by Grace (1999).

Figure 3.4: Merits of the Four Survey Methods

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Mail</th>
<th>Telephone</th>
<th>Personal</th>
<th>Computer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to handle complex Questionnaire</td>
<td>Poor</td>
<td>Good</td>
<td>Excellent</td>
<td>Good</td>
</tr>
<tr>
<td>Ability to collect large amount of data</td>
<td>Fair</td>
<td>Good</td>
<td>Excellent</td>
<td>Good</td>
</tr>
<tr>
<td>Accuracy of sensitive questions</td>
<td>Good</td>
<td>Good</td>
<td>Fair</td>
<td>Good</td>
</tr>
<tr>
<td>Control of interviewer effects</td>
<td>Excellent</td>
<td>Fair</td>
<td>Poor</td>
<td>Excellent</td>
</tr>
<tr>
<td>Degree of sample control</td>
<td>Fair</td>
<td>Excellent</td>
<td>Fair</td>
<td>Fair</td>
</tr>
<tr>
<td>Time required</td>
<td>Fair</td>
<td>Excellent</td>
<td>Good</td>
<td>Good</td>
</tr>
<tr>
<td>Probable response rate</td>
<td>Fair</td>
<td>Fair</td>
<td>Fair</td>
<td>Fair</td>
</tr>
<tr>
<td>Cost</td>
<td>Good</td>
<td>Good</td>
<td>Fair</td>
<td>Fair</td>
</tr>
</tbody>
</table>

Source: Adapted from Grace, 1999

Telephone interviews and data analysis by the computer could undoubtedly lower the cost of a research but they were irrelevant for this research because of their inability to reach the targeted potential respondents in MARA.
However, many empirical studies suggest that mail survey is found to be the best method for social research survey because it is the most cost effective and allows specific respondents to be targeted, but the response rate might not be good.

Moreover, studies on employees or job outcome or behaviour would normally use the mail survey (Robertson et al. 2000; Barrick, Stewart & Piotrowski 2002; Nikolaou 2003; Salgado 2003; Kieffer, Schinka & Curtis 2004). Thus, this research used the mail survey method which was considered the most suitable method for this research.

3.4.2 Sample Size

The extent of confidence and precision desired could determine the sample size (Sekaran, 2001). The cost of error, the cost of sampling and the chances of producing the error would be balanced through the sample size (Lapin 1990). Thus, the precision could be increased when the sample used has become larger and the error would be smaller (Cohen 1988). Moreover, Ary, Jacob and Razavich (1990) mentioned that the representativeness of the population should be more likely accommodated by having a large sample.

Thus, all factors must be taken into consideration before determining the sample size due to the variables of interest in the theoretical framework (Sekaran 2001). In this research, 1000 respondents from MARA were surveyed as they met and satisfied the guidelines as proposed by Roscoe (1975) in determining the suitable sample size for a scientific research.

3.4.3 Key Variables of this research

(1) The Independent Variables

The four perspectives of the Balanced Scorecard (BSC) of this research includes the Customer perspective, the Financial perspective, the Internal Process perspective and the Learning and Growth perspective are the independent variables of this research and these perspectives are based on Kaplan and Norton (2001).
(2) The Dependent Variable
The employee attitude (EA), the dependent variable in this research, focused on the relative strength of the organisational commitment and job satisfaction. These two dependent variables were found to be related to the levels of organisational culture. Job satisfaction was evaluated by using Job Descriptive Index (JDI) based on Smith, Kendall and Hulin (1969) and the Organisational Commitment was based on Allan and Meyer’s (1991) organisational commitment analysis.

(3) Moderating Variable
Organisational Culture (OC)
The organisational culture acted as the moderating variable in this research and the researcher used Hofstede’s six dimension of organisational culture namely process versus result, employee versus job dimension, open versus closed dimension, parochial versus professional dimension, Normative versus pragmatic dimension and loose versus tight dimension in this research.

3.4.4 The Questionnaire Survey
A sample survey was used to obtain a representative sample of the target population (Zikmund 2003). According to Cooper and Schindler (2003, p.179), ‘a target population is ‘the total collection of elements about which we wish to make some inference’. A self-administered questionnaire survey was the main source of quantitative data for this research. The questionnaire is one where ‘the respondent takes the responsibility of reading and answering the questionnaire’ (Zikmund 2003, p.244).

3.4.5 Questionnaire Design
‘A questionnaire survey is only as good as a question it asks’ (Zikmund 2003, p.378). Therefore, according to some empirical studies, the design of the questionnaires must be evaluated with the aim of achieving relevancy, accuracy and questionnaire design as suggested by Presser and Blair (1994), Singh (2000), Tanur (1992), Ticehurst and Veal (2000). Neuman (2006) and Zikmund (2003) put great emphasis on the relevancy of the questions, number of questions or questionnaire length, sequencing of the questions, pilot testing as well as measurement and scaling.
The questionnaires of this research consist of four major sections namely part A, B C and D; the first section (Part A) contains 20 questions investigating organisational culture that was adopted from Hofstede (2001). The second part (Part B) contains 18 questions including BSC questionnaire adopted from the Government Accounting Standard Board (GASB) and from Hoque and Adams (2002); the third part (Part C) consists of Job Descriptive Index concerning job satisfaction and the organisational commitment questions which are 32 questions adopted from Smith, Kendall and Hulin (1969) as well as Meyer and Allen (1991). The fourth part (Part D) focuses on the demographic of the respondents.

3.4.6 Wording of the questions
Some of the survey participants of MARA were not very fluent in English. They also came from different ethnic and cultural backgrounds. Guided by Neuman (2006), therefore particular attention was given to the wordings of the questions for this research. The questions were therefore presented in clear terms which could be understood by all the respondents. For instance, the Malaysian public sectors operate a set of rules and regulations that are peculiar to Malaysia. Malaysian laws prohibit discussion of sensitive ethnic issues that could generate racial tensions. For this reason, loaded, ambiguous and misleading questions were avoided in this research. Furthermore, no attempts were made to include cultural or political issues in the questionnaire.

3.4.7 Questionnaire length
A short questionnaire of 2-3 pages was considered appropriate and acceptable (Neuman 2006). Accordingly, a 3-page questionnaire comprising 70 questions was prepared by the researcher in this research. All the pages were numbered and the questions were printed with 12-point Times Roman fonts for ease of reading.

3.4.8 Pilot Testing
A pilot test collects data from a small population of respondents which serves as a guidance for a larger research (Zikmund 2003). It can detect weaknesses in design, evaluate questionnaire items and review the actual wordings of questions (Warwick & Linniger 1975). For this pilot test, questionnaires of this research were given to 10 selected respondents.
The pilot test respondents identified poor wordings and ambiguous questions which were misinterpreted by the participants. Consequently, the wordings of some questions in the questionnaire of this research were amended.

3.4.9 Statistical Techniques for Data Analysis

Statistical techniques were used in analysing the data collected for this research. According to Jackard and Wan (1996), contemporary social science could use the ordinal scale with interval techniques by a minimum of 5 of the Likert’s scale. Thus, this research used similar statistical techniques to analyse the collected data of this research such as the Principal Component Analysis as well as Correlation Coefficient and the Regression Analysis. The profiles of the respondents were described through a descriptive analysis in which statistics such as mean and standard deviations were calculated as in Table 4.2.

Hence, the internal consistency reliability was fully justified by using Cronbach Alpha in determining the goodness of the data of this research. Furthermore, this research also utilized other statistical techniques such as Pearson’s Correlation Analysis and the Regression analysis to analyse the data and to test the proposed hypotheses of the thesis.

3.5 Research Quality

3.5.1 Reliability

The three classic approaches to empirically assessing the reliability of measures and surveys include:

- The test-retest reliability method involving collecting data on the correlation between the same question and the same subject at different points in time. However, this method is not useful if variables change over time. Furthermore, the first administration often influences the second administration, which reduces the accuracy of the reliability assessment (Hair et al. 1998).
The split-halves method overcomes the memory effects and changes into a true score over time, but assumes that several items are available to measure the true score, and these items are parallel measurements. The split-halves method is employed by calculating the average of the coefficients from Cronbach’s alpha, as Cronbach’s alpha relates to all forms of inter-item consistency in reliability assessments. These forms of reliability assume that all items measure the same characteristic or opinion (Hair et al. 1998).

The alternative form involves different methods of collecting information at each time period (Kitchenham & Pfleeger 2002). Using two separate times to distribute the questionnaires is important to ensure that the meaning of the questions is the same and that the questions are easy to understand (Kitchenham & Pfleeger 2002). Nevertheless, the results of alternative forms can be problematic because some responses may be affected by the prior questions.

Baker (2001) stated that, ‘the repeatable and consistency of a measure is the pillar of reliability’. The Cronbach’s alpha measures the internal consistency or the correlation of the items in a cluster. The scale of 0.7 in the Cronbach’s Alpha coefficient is considered reliable (Nunally 1978). Hence, it is a reliable method which could give consistent results in different applications. Nevertheless, Kelly (1996) suggests that consistency does not prove anything about being right or wrong.

Furthermore, the truth value of any research or thesis is the important issue of validity. Reliability means dependability or consistency in measurement. Neuman (2006) suggests the occurrence of the repetition or identical condition of the subject matter could exist and thus, reliability measures could indicate the extents to which the measure is error free. Reliability is also capable of providing reliable measurement over time and could be used in other research or be applied in different settings. The internal consistency of the data in this research was verified by using the Cronbach’s Alpha coefficients because the Cronbach’s Alpha is considered the most reliable measure and a perfect adequate index which has been claimed by many researchers (Ary 1990; Sekaran 2001). Thus, for this research, all items for organisational culture, the Balance Scorecard and the employees’ attitude were retained and analysed.
3.5.1.1 Reliability Procedures

This research had limited time in which to collect data, so the test-retest reliability factor was not suitable. The research performed in MARA did not use alternative question formats to ask the same respondents the same questions twice in order to save time. Furthermore, there was the possibility that respondents would not return some questionnaires, making reliability difficult to measure. This research did not use standard test-retest methods to assess reliability and did not permit respondents access the same question twice. However, the researcher used the split-half method of testing reliability, which required asking questions only once. Furthermore, by self administration, the researcher was able to measure the reliability of the questionnaire. It gave the advantage to the researcher of measuring the internal consistency of the study. The internal consistency is examined by assessing how highly inter-correlated items are to each other - according to Cronbach’s alpha coefficient (Hair et al 1998; Kitchenham & Pfleeger 2002).

The Cronbach alpha coefficient (α) - for measuring the overall reliability of a questionnaire in this pilot test was good (α= 0.72). However, some questions were refined because their wording in the pilot study was unclear or ambiguous.

3.5.2 Validity

Neuman (2003) mentioned that reliability and validity are the centre or major issues in all measurement. The connection of measures to construct is the major concern’. Validity could suggest truthfulness and prove how well the construct used by researcher could match with the actual reality. Furthermore, the type of data collected through a survey must be very precise and quantifiable. In this research, open-ended questions and close-ended questions were used in order to capture more comprehensive and complete details in the survey. The threat to validity could include previous experience of the employees, loss of data and maturation of individuals in a longitudinal research. According to Miller and Salkind (2002), the external validity could be very important because the results could be generalized and applied to be used in other groups or population. Typically, the types of validity considered are criterion-related validity, construct validity, content validity and face validity (Carmines & Zeller 1990; Hair et al. 1998: Kitchenham & Pfleeger 2002).
Content validity is related to the content of a particular item and is based on existing data. It is a subjective matter of how appropriate the instrument seems to be to various reviewers who have some knowledge on the subject matter. Hence, the evaluation of content validity typically involves an organised review of the survey’s content to ensure that it includes everything it should - and not to include anything that it should not.

3.5.2.1 Validity Procedures

Miles and Huberman (1994) confirmed that validity tests are used at the research design stage, during or after data collection has been performed. Validity testing falls into four categories as follows:

- Confirm the basic quality of data through a check for representation, reactivity, triangulation and weighting of the evidence
- Check outliers, or exceptions, through an analysis of outliers, extreme cases and negative case evidence
- Test explanations through if-then tests, replicating findings, ruling out rival explanations and spurious relations
- Get feedback from participants

The first step in this research is to use face validity because the initial inspection can strongly detect patterns in the questionnaires (Hair et al. 1998). Furthermore, this research performed pilot testing before distribution to the target respondents. This research then measured the content validity by reviewing the questionnaire in the light of previous literature in the field. Therefore, each question in the questionnaire was matched with a topic of this research.

Pilot testing was performed to ensure the standard of the questionnaire by adjusting the unsuitable questions before they were included in the final version. Finally, factor analysis was used to measure construct validity, in order to assess the consistency between the questions and the theoretical constructs related to the issue of this research.
3.5.3 Error Reduction

The 1000 respondents of this research were broadly holding similar positions for the questionnaire survey. They were of the rank of managers and officers. This has helped to minimise the risk of error source (Cooper & Schindler 2003). Before proceeding with the survey, the questionnaire of this research was checked by the researcher for clarity in the wordings and to avoid double barrelled questions or ambiguous ones. The questionnaire was then pilot-tested to minimise errors. All the survey participants benefited from an Information Guide provided by the researcher. It clearly stated the objectives and purposes of this research.

3.5.3.1 Measurement Errors

In line with Cooper & Schindler (2003), this research has taken the precaution to eliminate errors and bias - including:

- The pre-testing of the questionnaires to ensure that the wording of the statements were fully understood by the respondents
- The careful wording of the questionnaire surveys
- The questionnaire was piloted with 10 respondents who are administrators in another statutory body that fits the characteristics of the research. Hair et al. (2007) reiterated that pre-testing respondents should have similar settings to the actual research project. The sample size is considered to be a credible size for a pilot and is consistent with Malhotra’s (2004) suggestion that a pre-test sample can be small. Pilot respondents were briefed on an individual, face-to-face basis on the purpose of the pilot run. Pilot respondents suggested some minor changes in terms of sentence structure and choice of words, and these were duly amended by the researcher.

3.5.4 Quality Measurement

‘The purpose of measurement is to measure what is intended to be measured’ (Zikmund 2003). The researcher has taken the necessary steps to increase the quality of the design to improve reliability and validity of this research.
According to Sekaran (2000), the bias elements must be avoided to increase the reliability of the measurement. The questionnaire of this research was drafted to prevent reliability issues. These were complemented during the sound administration of questionnaire including the distribution, collection and pick up methodology of the questionnaire.

Empirical studies commented that instruments used in measuring the concept are vital in ensuring the validity of the research (Tabachknick & Fidell 1996; Ritchie 2001). There were two factors which contributed to the validity of the exercise in this thesis.

- First, the coverage of the questionnaire dealt with all the issues considered pertinent to the research topic.
- Second, the relatively large sample size and a thorough and sound administration of the questionnaire resulted in a high respondent completion rate.

However, there were a few negative factors that could not be avoided in this research.

- Firstly, respondents could be likely to cheat because of the straightforward nature of the asked items due to self-deception. However, Barrick and Mount (1996) claim that distortions by these responses do not interrupt or affect the validity of the constructs.

- Secondly, according to Hogan and Roberts (1996), the prejudice, bias and discriminating behaviour were the major elements that could become another stumbling block in any social science research. Hence, this research encountered such problems and it would affect the generalisation of the findings of the research.

### 3.6 Attitude Measurement Scale

Scaling can be defined as ‘the generation of a continuum on which measured objects are located’ (Malhotra 1999, p.248). Measurement can be defined as ‘the assigning of numbers or other symbols to the characteristics of objects according to certain pre-specified rules (Malhotra, 1999, p.248).
The questionnaire of this research was aimed at collecting quantifiable data for this research. This required the adoption of an appropriate rating scale to measure the employee attitude. While there were several rating scales available for use, only three of them were considered by the researcher for this research.

- The first rating scale was the simple attitude scale which required respondents to either state their disagreement or agreement to a question. The rating scale was not adopted as it did not cater for making fine distinctions in the attitudes of the respondents.

- The second rating scale was the category scales which is provided for several response categories. However; the effectiveness of these scales would depend on the wordings of each question. In addition according to Cavana, Delahaye and Sekaran (2000), each statement would require the use of a different descriptive dimension. Thus, this scale was not considered appropriate for this research.

- The third rating scale was the Likert scale which is a summated weighting method. It enables respondents to inform their degree of agreement or disagreement on a 5-point scale with scores being assigned to alternative responses. The five points are: ‘strongly agree’, ‘agree’, ‘neutral’, ‘disagree’, and ‘strongly disagree’. The strength or confidence of the Likert’s scale measurement is assessed and often used in order to measure Psychometric properties such as performance (Maurer & Pierce 1998).

Hence, although the Likert’s scale in this research was incremental similar to the ordinal scale, it must be considered with the condition that there be is a minimum of 5 points. Furthermore, according to Jaccard and Wan (1996), social science studies would normally use the ordinal scale with the interval techniques. Given the composition of the survey sample, the Likert’s Scale was considered best suited for this research because it enabled some of the respondents to adopt a neutral position on issues that they considered to be sensitive. The Likert’s Scale used in the Questionnaire survey and the assigned scores are shown in Figure 3.4.
Figure 3.5: Likert Scale

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
</table>

Source: Jackard & Wan 1996

3.7 Data Analysis

The quantitative data analysis process consisted of the phases of checking, editing, handling blank questionnaires, coding, categorising, transcribing and data cleaning (Malhotra 1999).

- First, during the editing process the questions were reviewed in order to increase accuracy and precision level and the questionnaire was screened to avoid any incomplete sentence and inconsistency during the feedback.

- Secondly, coding was performed. This was done by translating the collected data into codes for the purpose of the computer analysis.

- Thirdly, transcribing could then take place. This was done by converting the survey responses into a format that was analysed by the researcher using the Statistical Package for Social Sciences (SPSS) and finally, cleaning the data. This was done for consistency and treatment of any missing data. Data cleaning was conducted during the data editing process. Guided by Manning and Munro (2004), the data were then keyed into the SPSS Version 17 for Windows for analysis.

This research made use of organisational culture as one variable, four variables on the BSC and three variables on the organisational commitment. The organisational culture was measured using Hofstede’s six dimensions of organisational culture and the BSC was measured using Kaplan and Norton’s four perspectives. The dependent variable would be the Employees’ attitude which focused on the relative strength of Organisational Commitment and Job Satisfaction using JDI questionnaire by Hulin, Kendall and Smith (1969).
Statistics played a vital role in this quantitative research. There are two major areas of statistics, which are inferential and descriptive statistics. The internal reliability measures for the organisational commitment, organisational culture and BSC of this research used the Cronbach’s Alpha coefficient. The alpha coefficient ranged from .70 to .89 was considered reliable and could be used as good responses across the samples (Cooke & Rousseau 1988).

Factor analysis was also performed for the organisational culture, the BSC and the Employees’ Attitude which included the job satisfaction and organisational commitment scales. Thus, to accomplish the objective of this research, the analysis of variance (ANOVA) was also performed. Furthermore, regression analysis was also implemented in this research to confirm the relationship between these variables of this research.

3.8 Ethical Considerations

The conduct of research could raise moral and ethical issues (Bouma 2000; Hussey & Hussey 1997). For this research, ethical issues could concern three parties: the researcher, the Southern Cross University and the respondents. The interaction of each of these three parties could identify a series of ethical questions (Zikmund 2003). The fact that this research could involve the acquisition, analysis and distribution of information, ought to be done without causing any harm to research participants (Ticehurst & Veal 1999; Zikmund 2003).

Accordingly, the primary data collection exercise of this research only started after receiving approval from the Southern Cross University, Human Ethics Committee of the university, with ethics approval number ECN-11-085. The approval required the researcher of this research to meet the mandatory requirements of:

- **Voluntary participation.** Participants had the right to retract participation during the data collection period if they felt that their participation could cause them harm (Neuman 2006).

- **Informed consent.** The researcher had secured the Informed Consent of the intended respondents in writing.
• **Privacy or Anonymity.** To preserve anonymity in this research, participants have remained nameless. Their identities were protected from disclosure and remained unknown (Zikmund et al. 2003).

• **Confidentiality.** For this purpose, this research presented data only in aggregate form (Burns & Grove 1999).

However, it should be noted that this research was not intended to prescribe the best organisational culture in a universal sense because such prescriptions could not be reliably made. Thus, important facts to bear in mind as mentioned below:

• Firstly, the relationships could be causal and qualitative and the best methodology was used by the researcher to forecast the development or process of changes in organisational culture within MARA rather than be restricted to explain the observation made.

• Secondly, due to self-deception, respondents felt uncomfortable because of the straightforward nature of the asked items. However, Barrick and Mount (1996) have claimed that distortions by these responses did not interrupt or affect the validity of the constructs. Thirdly, according to Hogan and Roberts (1996), the prejudice, bias and discriminating behaviour are the major elements that could not be denied to become another stumbling block in any social science research. Hence, this research encountered such problems and it would affect the generalisation of the findings of the research.

### 3.9 Conclusion

The quantitative model of this research was based on the rational knowledge generation approach which is the assumption of the objective models could be built. It could explain the behaviour of real-life operational processes. The hypotheses testing would enable the relationship to be established and assumptions could be made throughout this research. This researcher has taken the positivist approach to research since it is the most scientific one. Hopefully through this approach, true knowledge could be obtained.
Thus, whether one takes a positivist, an interpretive, a critical or realist approach to research, there could be consequences for the way one has considered data of the research and the way the researcher could harvest the kind of information from the data. This does not necessarily mean that one approach is better than the others in general. Attempts to predict work performance through the employee attitude using the BSC measures and organisational culture in MARA were evaluated in this research because the causal relationship between these variables could mean that a change of value in one variable would cause another variable to change drastically.

### 3.10 Chapter Summary

This Chapter describes the design and methodology of this research. In the beginning of the Chapter, the research design was presented. Then, the sampling methodology was elaborated, which included elements such as unit analysis and sampling procedure. After that, the development of the research instrument, the pilot research and the data collection method were discussed. Finally, this Chapter ended with the discussion about the data analysis techniques. The next chapter will present the research findings from the data analysis.
4.0. CHAPTER FOUR – DATA ANALYSIS

4.1 INTRODUCTION

Chapter 3 discussed the preferred methodology, the design and data collection for this research. Section 4.1 introduces the chapter. Section 4.2 consists of the descriptive analysis of this research which includes the mean and standard deviation of the data and the profile of the respondents. Section 4.3 and 4.4 of this chapter indicate the results of testing the hypotheses which includes the correlation and regression analysis that has evaluated the relationship between the tested variables. Finally, the 4.5 and 4.6 are the summary and conclusion of the main findings.

The main objective of this research was to investigate and to determine the effects of the Performance Management System, namely the four BSC perspectives, towards the attitude of employees in MARA. In addition, this research intended to investigate and determine the role of organisational culture as a moderating variable between the relationship of employee attitude and performance management system.

Figure 4.1 Structure of Chapter 4

Source: Developed for this research
Table 4.1 Respondents’ Profile

<table>
<thead>
<tr>
<th>Variables</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 30 years</td>
<td>150</td>
<td>37.5</td>
</tr>
<tr>
<td>30-40 years</td>
<td>127</td>
<td>31.7</td>
</tr>
<tr>
<td>40 years above</td>
<td>123</td>
<td>30.8</td>
</tr>
<tr>
<td>2. Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>256</td>
<td>64.0</td>
</tr>
<tr>
<td>Female</td>
<td>144</td>
<td>36.0</td>
</tr>
<tr>
<td>3. Educational Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SPM/STPM</td>
<td>49</td>
<td>12.2</td>
</tr>
<tr>
<td>Diploma</td>
<td>187</td>
<td>46.8</td>
</tr>
<tr>
<td>Degree</td>
<td>150</td>
<td>37.5</td>
</tr>
<tr>
<td>Post Graduate</td>
<td>10</td>
<td>2.5</td>
</tr>
<tr>
<td>Professional qualification</td>
<td>4</td>
<td>1.0</td>
</tr>
<tr>
<td>4. Position</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Officers (lower management)</td>
<td>226</td>
<td>56.5</td>
</tr>
<tr>
<td>Manager (Middle management)</td>
<td>150</td>
<td>37.5</td>
</tr>
<tr>
<td>Senior Manager (Senior mgmt)</td>
<td>24</td>
<td>6.0</td>
</tr>
<tr>
<td>5. Years of service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 5 years</td>
<td>153</td>
<td>38.2</td>
</tr>
<tr>
<td>5-15 years</td>
<td>172</td>
<td>43.0</td>
</tr>
<tr>
<td>More than 15 years</td>
<td>75</td>
<td>18.8</td>
</tr>
<tr>
<td>6. Confirmation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>365</td>
<td>91.2</td>
</tr>
<tr>
<td>No</td>
<td>35</td>
<td>8.8</td>
</tr>
<tr>
<td>7. Have you been promoted after 3 years of service?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>356</td>
<td>89.0</td>
</tr>
<tr>
<td>No</td>
<td>44</td>
<td>11.0</td>
</tr>
</tbody>
</table>

Source: Developed from this research
4.2 Demographics

A total of 1000 questionnaires were distributed to the 13 MARA branches nationwide and one headquarters in Kuala Lumpur, Malaysia in June 2011. A total of 507 questionnaires were returned (a response rate of 50.7%) and of these 400 were usable. A total of 150 (37.5%) respondents were less than 30 years of age, 127 (31.7%) were at the age between 30 to 40 years old and the remaining of 123 (30.8%) were at the age of 40 and above. Of the 400 respondents, 256 (64%) were male and 144 (36%) were female. A total of 150 (37.5%) of the respondents were degree holders, 187 (46.8%) were diploma holders and the remaining 49 (12.2.5%) were school certificate holders whereas the post graduate of 10 (2.5%) and 4 (1.0%) holds professional qualification.

A total of 226 (38.2%) of the respondents were from executive levels or lower management levels while 150 (37.5%) were from middle management or manager levels. The remaining 24 (6%) were from senior management or senior manager levels. A total of 153 (38.2%) were working for MARA for less than 5 years, 172 (43.0%) were working for MARA between 5 to 15 years and the remaining 75 (18.8%) for more than 15 years. A total of 356 (89%) were promoted after 3 years in service while a total of 44 respondents (11.0%) were not promoted after 3 years of service.

4.3 Internal consistency of the scale

The Cronbach’s Alpha has been used to measure the internal consistency of the scale in this research for the estimation of the consistency of the individual respond to items within the scale. Nunnally (1978) found that a scale of 0.7 that was widely accepted as consistent and reliable in social science research. Initially, the overall internal consistency of 69 items was tested and the result showed the high Alpha value (α=0.79). Thus, it concluded that the questionnaire was reliable and consistent.
4.4 Reliability Test for This Research

Table 4.2 Cronbach’s alpha analysis (Reliability Test)

<table>
<thead>
<tr>
<th>Questions Category</th>
<th>Cronbach’s Alpha</th>
<th>No of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Perspective</td>
<td>0.702</td>
<td>4</td>
</tr>
<tr>
<td>Customer Perspective</td>
<td>0.701</td>
<td>5</td>
</tr>
<tr>
<td>Internal Business Process Perspective</td>
<td>0.712</td>
<td>4</td>
</tr>
<tr>
<td>Innovation and Learning Perspective</td>
<td>0.701</td>
<td>5</td>
</tr>
<tr>
<td>Organisational Culture</td>
<td>0.717</td>
<td>19</td>
</tr>
<tr>
<td>Employee Attitude</td>
<td>0.704</td>
<td>32</td>
</tr>
</tbody>
</table>

Source: analysis of data survey

Testing the reliability of the questions that used Likert’s Scale showed that data from this research was reliable with Cronbach’s alpha value of at least 0.70 as shown in Table 4.5. Sekaran (2003) states that the closer the alpha value to 1 means the data is more reliable. In general, reliabilities less than 0.60 are considered to be poor or not good, those in the 0.70 are acceptable, and those over 0.80 are considered good. Therefore we can conclude that the data collected in this research was reliable and acceptable.

The Cronbach’s alpha for the 5 items in BSC Customer perspective components was .701 in this research (refer Table 4.2). According to Hair et al. (1998, p.118), ‘the generally agreed upon limit for Cronbach Alpha is .70 although it may decrease to .60 in exploratory research’. Thus, all components in BSC Customer perspective have been found reliable in this research.

The Cronbach’s alpha for the 5 items in BSC Learning and Growth perspective components was .701 in this research (refer Table 4.2). Hair et al. (1998, p.118) stated that, ‘the generally agreed upon limit for Cronbach Alpha is .70 although it may decrease to .60 in exploratory research’. Thus, all components in BSC Learning and Growth perspective have been found reliable in this research.

The Cronbach’s alpha for the 4 items in BSC Finance perspective components was .702 in this research (refer Table 4.2). According to Hair et al. (1998, p.118), ‘the generally agreed upon limit for Cronbach Alpha is .70 although it may decrease to .60 in exploratory research’. Thus, all components in BSC Finance have been found reliable in this research.
The Cronbach’s alpha for the 4 items in BSC Internal Processes perspective components was .712 in this research (refer Table 4.2). According to Hair et al. (1998, p.118), ‘the generally agreed upon limit for Cronbach’s Alpha is .70 although it may decrease to .60 in exploratory research’. Thus, all components in BSC Internal Processes perspective have been found reliable in this research.

The Cronbach’s alpha for the 19 items in Organisational Culture components was .717 (refer Table 4.2). According to Hair et al. (1998, p.118), ‘the generally agreed upon limit for Cronbach’s Alpha is .70 although it may decrease to .60 in exploratory research’. Thus, all components in Organisational Culture have been found reliable in this research.

The Cronbach’s alpha for the 32 items in Employees’ Attitude components was .704 (refer Table 4.2). According to Hair et al. (1998, p.118), ‘the generally agreed upon limit for Cronbach’s Alpha is .70 although it may decrease to .60 in exploratory research’. Thus, all components in Employees’ Attitude have been found reliable in this research.

Table 4.3 DESCRIPTIVE DATA ANALYSIS

<table>
<thead>
<tr>
<th>Perspectives</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Perspective</td>
<td>2.57</td>
<td>1.00</td>
</tr>
<tr>
<td>Customer Perspective</td>
<td>2.32</td>
<td>1.01</td>
</tr>
<tr>
<td>Internal Business Process Perspective</td>
<td>3.22</td>
<td>1.15</td>
</tr>
<tr>
<td>Innovation and Learning Perspective</td>
<td>2.16</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Source: analysis of data survey

Table 4.3 shows the average score for Performance Management System (BSC) given by the 400 respondents based on the Likert Scale of 1 (strongly agree) to 5 (strongly disagree). It shows that the average score for financial perspective is 2.57 (±1.00), customer perspective is 2.32 (±1.01), internal business process perspective is 3.22 (±1.15) and, innovation and learning perspective is 2.16 (±1.00).
Table 4.4 Organisational Culture and Employee Attitude

<table>
<thead>
<tr>
<th>Category</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Attitude</td>
<td>2.12</td>
<td>0.34</td>
</tr>
<tr>
<td>Organisational Culture</td>
<td>2.22</td>
<td>0.48</td>
</tr>
</tbody>
</table>

Source: analysis of data survey

Meanwhile the average score for employee attitude is 2.12 (±0.34) and organisational culture is 2.22 (±0.48) as shown in table 4.4.

4.5 Descriptive Analysis

4.5.1 Performance Management System (PMS)

Data concerning the respondents’ perception of the level to which BSC, as PMS, affected the firm was collected through the 20 scale items of which each perspective consisted of 4 to 5 items. The Likert’s scale was used in the MARA survey - where a score of “1” indicated strong agreement and a score of “5” indicated strong disagreement regarding the BSC level. The mean for BSC Finance was 2.57 and standard deviation was 1.0. The mean for BSC Customer was 2.32 and SD was 1.01. The mean for the BSC Internal processes was 3.22 and SD was 1.15. Finally, the mean for the BSC Learning and growth was 2.16 and SD was 1.0.

4.5.2 Employee Attitude (EA)

Data concerning the respondents’ perception of the level of the employees’ attitude affecting the organisation was collected through the 30 scale items. The Likert’s scale was used in the MARA survey - where a score of “1” indicated strong agreement and a score of “5” indicated strong disagreement regarding the EA level. The mean for EA was 2.12 and the standard deviation was 0.34. The small standard deviation indicated that the data was close to mean.
4.5.3 Organisational Culture (OC)

Data concerning respondents’ perception of the level to which organisational culture affected the firm was collected through 19 scale items. The Likert’s scale was used in the MARA survey - where a score of “1” indicated strong agreement and a score of “5” indicated strong disagreement regarding the OC level. The mean for OC was 2.22 and the standard deviation was 0.48. A small standard deviation indicated that the data was close to mean.

Table 4.3 shows the average score for Performance Management System (BSC) given by the 400 respondents based on the Likert Scale of 1 (strongly agree) to 5 (strongly disagree). It shows that the average score for the financial perspective was 2.57 (±1.00), the customer perspective was 2.32 (±1.01), the internal business process perspective was 3.22 (±1.15), and the innovation and learning perspective was 2.16 (±1.00).

Table 4.5 Bartlett’s Test & Kaiser-Meyer-Olkin

<table>
<thead>
<tr>
<th>KMO and Bartlett's Test</th>
<th>Kaiser-Meyer-Olkin Measure of Sampling Adequacy</th>
<th>Bartlett's Test of Sphericity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.641</td>
<td>5225.060</td>
</tr>
<tr>
<td>Approx. Chi-Square</td>
<td></td>
<td>496.000</td>
</tr>
<tr>
<td>Sig.</td>
<td></td>
<td>.000</td>
</tr>
</tbody>
</table>

The Bartlett’s Test was significant (p<.001) for all independent variables namely the BSC Customer, BSC Finance, BSC Internal Processes as well as BSC Learning and Growth. The Kaiser-Meyer-Olkin measure of sampling adequacy for 4 BSC perspectives, organisational culture as the moderating variable and employees’ attitude as shown in Table 4.5 as dependent variable have been found to achieve greater than the acceptable level of 0.60. Thus, the high statistics in terms of value have indicated the suitability of data for factor analysis. Hence, factorability for this study was assumed and Bartlett’s Test of Sphericity has produced large Chi-square statistics suggested that there were relationship between variables.
### Table 4.6 Summary of Result of Pearson Correlation Analyses for This Research

<table>
<thead>
<tr>
<th>Variables</th>
<th>R Value</th>
<th>R-Square</th>
<th>F-Statistic</th>
<th>Std Error Estimate</th>
<th>P-value</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>BSC Customer</td>
<td>0.43</td>
<td>0.18</td>
<td>89.32</td>
<td>0.31</td>
<td>&lt;0.001</td>
<td>Significant at p&lt;0.001</td>
</tr>
<tr>
<td>BSC Finance</td>
<td>0.17</td>
<td>0.03</td>
<td>12.91</td>
<td>0.33</td>
<td>&lt;0.001</td>
<td>Significant at p&lt;0.001</td>
</tr>
<tr>
<td>BSC Internal Processes</td>
<td>0.25</td>
<td>0.06</td>
<td>25.44</td>
<td>0.33</td>
<td>&lt;0.001</td>
<td>Significant at p&lt;0.001</td>
</tr>
<tr>
<td>BSC Learning &amp; Growth</td>
<td>0.02</td>
<td>0.01</td>
<td>0.24</td>
<td>0.34</td>
<td>0.627</td>
<td>Not Significant at p&lt;0.001</td>
</tr>
<tr>
<td>4 Perspectives of BSC</td>
<td>0.28</td>
<td>0.08</td>
<td>33.47</td>
<td>0.32</td>
<td>&lt;0.001</td>
<td>Significant at p&lt;0.001</td>
</tr>
<tr>
<td>BSC &amp; OC</td>
<td>0.31</td>
<td>0.10</td>
<td>21.22</td>
<td>0.32</td>
<td>&lt;0.001</td>
<td>Significant at p&lt;0.001</td>
</tr>
</tbody>
</table>

Source: analysis of data survey

### Table 4.7 Pearson Correlation Analysis 1

<table>
<thead>
<tr>
<th>Perspectives</th>
<th>Pearson’s R</th>
<th>R²</th>
<th>F-statistic</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>BSC Customer Perspective</td>
<td>0.43</td>
<td>0.18</td>
<td>89.32</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>BSC Financial Perspective</td>
<td>0.17</td>
<td>0.03</td>
<td>12.91</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>BSC Internal Processes</td>
<td>0.25</td>
<td>0.06</td>
<td>25.44</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>BSC Learning and Growth</td>
<td>0.02</td>
<td>0.001</td>
<td>0.24</td>
<td>0.627</td>
</tr>
</tbody>
</table>

Source: analysis of data survey

### Table 4.8 Pearson Correlation Analysis 2

<table>
<thead>
<tr>
<th>Variable</th>
<th>Pearson’s R</th>
<th>R²</th>
<th>F-statistic</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balanced Score Card</td>
<td>0.28</td>
<td>0.08</td>
<td>33.47</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>Balanced Score Card and Organisational Culture</td>
<td>0.31</td>
<td>0.10</td>
<td>21.22</td>
<td>&lt;0.001</td>
</tr>
</tbody>
</table>

Source: analysis of data survey
4.6 Testing Data Analysis for the Hypotheses

4.6.1 Result of the Pearson Correlation Analysis (PCA)

Firstly, referring to table 4.6, the Pearson Correlation Analysis (PCA) evaluated the BSC Customer perspective and found it to be significant with a p value <0.001 and with a Pearson R value of 0.43. Thus, the BSC Customer was a significant predictor of EA because the R Value was 0.43 and R square was 0.18 with the p value less than 0.001. Each component of the BSC Customer had a significant proportion of its variance explained by Employee Attitude components. The findings also indicated that the BSC Customer perspective and EA in the sample share 18 percent of their variation in common. Hypothesis 1, which states that there is evidence of a significant positive relationship between the BSC Customer perspective and Employees’ Attitude in MARA was supported in this research.

Secondly, referring to table 4.6, the PCA evaluated the BSC Finance Perspective and was found to be significant with p value<0.001 and with Pearson’s R value 0.18. Thus, the BSC Finance perspective was a significant predictor of EA because the R value was 0.18, and R square was 0.03 with p-value less than 0.001. Each component of BSC Finance Perspective had a significant proportion of its variance explained by Employee Attitude components. The findings also indicated that the BSC Finance perspective and EA in the sample share 3 percent of their variation in common. Hypothesis 2, which states there is evidence of a significant positive relationship between BSC Finance Perspective and the Employees’ Attitude in MARA was supported in this research.

Thirdly, referring to table 4.6, the PCA evaluated the BSC Internal Processes perspective and found it significant with a p value <0.001 and with Pearson’s R value 0.24. Thus, the BSC Internal Processes perspective was a significant predictor of EA because R value was 0.24 and R square was 0.06, with a ‘p’ value less than 0.001. Each component of the BSC Internal Processes perspective had a significant proportion of its variance explained by Employee Attitude components. The findings also indicated that the BSC Internal Processes perspective and EA in the sample share 6 percent of their variation in common.
Hypothesis 3, which states there is evidence of a significant positive relationship between BSC Internal Processes perspective and the Employees’ Attitude in MARA and was supported in this research.

Fourthly, referring to table 4.6, the PCA evaluated the BSC Learning and Growth perspective and was not significant with a p value > 0.001 (0.627) and with Pearson’s R value as 0.02. Thus, BSC Learning and Growth was not a significant predictor of EA because the R value was 0.02 and R square was 0.001 with p value more than 0.001. Each component of BSC Learning and Growth perspective had no significant proportion of its variance explained by Employee Attitude components. Hypothesis 4, which states that there is evidence of a significant positive relationship between the BSC Learning and Growth and Employees’ Attitude in MARA was not supported in this research.

Point five, referring to table 4.6, the PCA evaluated the Balanced Scorecard and was found to be significant with a p value <0.001, and Pearson’s R value at 0.28. However, Pearson’s R value was increased to 0.31 when organisational culture was included as a moderating variable in this research. Thus, the Balanced Scorecard was a significant predictor of EA because the R value was 0.28 and R square was 0.08 with a p value less than 0.001. Each component of the Balanced Scorecard had a significant proportion of its variance explained by Employee Attitude components. However, with the existence of or in combination with OC, the R square increased to 0.31, R square was 0.10 with a p value less than 0.001. Thus, each component of OC and BSC had significant proportion of its variance explained by Employee Attitude components. Hypothesis 5, which states that there is evidence that organisational culture does moderate the relationship between the four BSC perspectives and the Employees’ Attitude in MARA, was supported in this research.
4.7 Regression Analysis

Table 4.9 Summary of Regression Analysis for This Research

<table>
<thead>
<tr>
<th>Variables</th>
<th>R Value</th>
<th>R-Square</th>
<th>B</th>
<th>Std Error of Estimate</th>
<th>P-value</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>BSC Customer</td>
<td>0.43</td>
<td>0.18</td>
<td>0.143</td>
<td>0.31</td>
<td>&lt;0.001</td>
<td>Significant</td>
</tr>
<tr>
<td>BSC Finance</td>
<td>0.17</td>
<td>0.03</td>
<td>0.06</td>
<td>0.33</td>
<td>&lt;0.001</td>
<td>Significant</td>
</tr>
<tr>
<td>BSC Internal Processes</td>
<td>0.25</td>
<td>0.06</td>
<td>0.072</td>
<td>0.33</td>
<td>&lt;0.001</td>
<td>Significant</td>
</tr>
<tr>
<td>BSC Learning &amp; Growth</td>
<td>0.02</td>
<td>0.01</td>
<td>0.008</td>
<td>0.34</td>
<td>0.627</td>
<td>Not Significant</td>
</tr>
<tr>
<td>4 Perspectives of BSC</td>
<td>0.28</td>
<td>0.08</td>
<td>0.17</td>
<td>0.32</td>
<td>&lt;0.001</td>
<td>Significant</td>
</tr>
<tr>
<td>BSC &amp; OC</td>
<td>0.31</td>
<td>0.10</td>
<td>0.10</td>
<td>0.32</td>
<td>&lt;0.001</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Analysis of data survey

A standard regression was performed between employee attitude as the dependent variable and BSC Customer as the Independent variable. The correlation coefficient (R=.43) was significantly different from zero, F(1,398) = 89.32, p<0.001, and 18.3% of the variation in the dependent variable was explained by the sets of independent variables (R² = .183). BSC Customer, β=.143, t=9.45, p<0.001, was found to significantly uniquely contribute to prediction of Employee Attitude.

The overall result of the regression model is significant as p=0.000, less than the threshold of 0.001. This indicates that BSC customer as the independent variable significantly affects the dependent variable, the EA. The result also indicates that R square for BSC Customer is 0.18 which means the independent variable contributes 18% towards the dependent variable (employee attitude) and the significant value is less than the alpha value of 0.05. The value of standardized coefficient also indicates the relative importance of this independent variable in the Regression analysis. Referring to Table 4.9, for BSC Customer, it is an evidence of a positive relationship (β=0.143).
The result of the standardized coefficient (beta) reveals that BSC customer perspective \((\beta=0.428)\) is relatively an important predictor towards Employee Attitude (EA) as the variable is significant. Therefore, Hypothesis H\(_1\) is supported.

A standard regression was performed between Employee Attitude as the dependent variable and BSC Finance as the Independent variable. The correlation coefficient \((R=0.17)\) was significantly different from zero, \(F(1,398) = 12.91, p<0.001\), and 3.1\% of the variation in the dependent variable was explained by the sets of independent variables \((R^2 = .031)\). BSC Finance, \(\beta=.06, t=3.59, p<0.001\), was found to significantly contribute to prediction of employee attitude. The overall result of the regression model is significant as \(p=0.000\), less than the threshold of 0.05. This indicates that BSC Finance as the independent variable significantly affects the dependent variable, the EA. The result also indicates that R square for BSC Finance Perspectives is 0.03 which means the independent variable contributes 3\% towards the dependent variable (Employee attitude) and the significant value is less than the alpha value 0.05. The value of standardized coefficient also indicates the relative importance of this independent variable in the Regression analysis. Referring to Table 4.9, for BSC Finance, it is a negative relationship \((\beta=-0.06)\). The result of the standardized coefficient (beta) reveals that BSC Finance \((\beta=-0.06)\) is relatively an important predictor towards Employee Attitude (EA) as the variable is significant. Therefore, Hypothesis H\(_2\) is supported.

A standard regression was performed between Employee Attitude as the dependent variable and BSC Process as the Independent variable. The correlation coefficient \((R=.24)\) was significantly different from zero, \(F(1,398) = 25.44, p<0.001\), and 6.0\% of the variation in the dependent variable was explained by the sets of independent variables \((R^2 = .060)\). BSC Internal Processes, \(\beta=.072, t=5.04, p<0.001\), was found to significantly contribute to prediction of employee attitude. The overall result of the regression model is significant as \(p=0.000\), less than the threshold of 0.001. This indicates that BSC Internal Processes as the independent variables significantly affect the dependent variable, the EA. The result also indicates that R square for BSC Internal Processes Perspectives is 0.24 which means the independent variable contributes 24\% towards the dependent variable (employee attitude) and the significant value is less than the alpha value 0.05.
The value of standardized coefficient also indicates the relative importance of this independent variable in the Regression analysis. Referring to Table 4.9, for BSC Internal Processes, it is a positive relationship ($\beta=0.072$). The result of the standardized coefficient (beta) reveals that BSC Internal Processes ($\beta=0.072$) is relatively an important predictor towards Employee Attitude (EA) as the variable is significant. Therefore, Hypothesis H$_3$ is supported.

A standard regression was performed between employee attitude as the dependent variable and BSC Learning and Growth as the Independent variable. The correlation coefficient ($R=.24$) was significantly different from zero, $F(1,398) = 0.236$, $p>0.001$, and 0.1% of the variation in the dependent variable was not explained by the sets of independent variables ($R^2 = .001$). BSC Learning and Growth, $\beta=.008$, $t=.48$, $p>0.001$, was found not to significantly contribute to prediction of Employee Attitude.

The overall result of the regression model is significant as $p=0.627$, is more than the threshold of 0.05. This indicates that BSC Learning and Growth as the independent variable does not significantly affect the dependent variable, the Employee Attitude (EA). The result also indicates that R square for 4 BSC Perspectives is 0.0001 which means the independent variable contributes only 0.01% towards the dependent variable (Employee attitude) and the significant value more than the alpha value of 0.05. The value of standardized coefficient also indicates the relative importance of this independent variable in the Regression analysis. Referring to Table 4.9, for BSC Learning and Growth, it is a negative relationship ($\beta=-0.24$). The result of the standardized coefficient (beta) reveals that BSC Learning and Growth ($\beta=-0.08$) is relatively not an important predictor towards Employee Attitude (EA) as the variable is significant. Therefore, Hypothesis H$_4$ is not supported.

4.8 Multiple Regressions

Correlation and multiple regression analyses were conducted to examine the relationship between attitude with $CP$, $LG$, $FP$ and $PP$. The multiple regression model used to predict the attitude will be,

$$\text{Attitude} = b_0 + b_1 \times CP + b_2 \times LG + b_3 \times FP + b_4 \times PP$$
Table 4.34 in Appendix II shows that attitude is positively associated with CP (.132), FP (.005) and PP (.035). Meanwhile, LG (-.012) is negatively associated with attitude.

The multiple regression model with all four predictors produced $R^2 = .196$, $F= 24.086$, $p < .001$. Since the $p$-value is less than $\alpha=.05$, we can conclude that some of the predictors did contribute to the multiple regression model. Testing for each coefficient as in table 3 shows that LG ($p=.439$) and FP ($p=.775$) did not contribute to the multiple regression model at $\alpha=.05$. Therefore these two will be dropped from the model.

A new correlation and multiple regression analyses were conducted to examine the relationship between attitude with $CP$ and $PP$ using the model

\[
\text{Attitude} = b_0 + b_1 \times CP + b_2 \times PP
\]

The multiple regression model with all four predictors produced $R^2 = .195$, $F= 47.998$, $p < .001$. This shows the overall model with the two predictors is fit at $\alpha=.05$.

Table 6 in Appendix I shows that attitude is positively associated with CP (.130, $p<.001$) and PP (.033, $p=.018$). These two coefficients were significant at $\alpha=.05$.

Therefore, the final model for the multiple regression is,

\[
\text{Attitude} = 1.708 + .130 \times CP + .033 \times PP
\]

<table>
<thead>
<tr>
<th>Hypothesis For This Research</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is evidence of a positive significant relationship between BSC Customer perspective and Employees’ Attitude in MARA</td>
<td>Positive</td>
</tr>
<tr>
<td>There is evidence of a positive significant relationship between BSC Finance perspective and Employees’ Attitude in MARA</td>
<td>Positive</td>
</tr>
<tr>
<td>There is evidence of a positive significant relationship between BSC Internal Processes perspective and Employees’ Attitude in MARA</td>
<td>Positive</td>
</tr>
<tr>
<td>There is evidence of a positive significant relationship between BSC Learning and Growth perspective and Employees’ Attitude in MARA</td>
<td>Not Positive</td>
</tr>
<tr>
<td>There is evidence that Organisational Culture does moderate the relationship between the four BSC Perspectives and Employees’ Attitude in MARA</td>
<td>Moderate</td>
</tr>
</tbody>
</table>

Table 4.10 Summary of the Hypotheses Findings

Source: Analysis of data survey
4.9 Conclusion

Table 4.9 shows the summary of the Hypothesis Findings of this research. The results of this research showed that using the effects of Balanced Scorecard and the organisational culture on the employees’ attitude in MARA. This research produced some important criteria for determining and improving the organisational outcome of Malaysian government agencies. The findings in this research are in accordance with the suggestion made by the research of Kaplan and Norton (1996) which stated that the customer’s perspectives are the main concern or bottom-line for the public sector organisation to operate efficiently.

4.10 Chapter Summary

This chapter began with the preliminary examination of the data, which included reliability testing of the data by using reliability analysis of the Cronbach’s Alpha, the Descriptive Data Analysis, Pearson Correlation Analysis (PCA) and the Regression Analysis with the SPSS. The hypotheses testing were conducted using the regression analysis. All five hypotheses were tested throughout the research and the next chapter will discuss the research findings and implications in both theory and practice of the BSC in MARA.
5.0 CHAPTER FIVE – DISCUSSION AND CONCLUSIONS

5.1 INTRODUCTION

This research investigated the effects of organisational culture and performance management system on the employees’ attitude in one of the biggest Government Statutory Bodies (MSB) in Malaysia, Majlis Amanah Rakyat known as MARA. It reviewed the scholarship on Malaysian Statutory Bodies and the performance management. It then examined the research problem theories related to the MARA as MARA, its organisational culture, its employees’ attitude and its performance management system, in this case, the Balance Scorecard (BSC).

Chapter 1 presented the theme for the research. Starting with the research background, it stated the research problem as well as the research questions and hypotheses. The justification for the research, its contributions to the existing body of knowledge, the methodology, limitations and the definitions adopted for the research were briefly examined.

Chapter 2 started with an overview of the Malaysian economy. It then developed a theoretical framework for the research by reviewing the relevant literature on the parent theories and the research problem theories, namely the scholarship on MSBs, Organisational Culture (OC) and Performance Management System (PMS). The literature on the Malaysian Statutory Bodies, the challenges they face, their history and the economic setting for the research were presented. The Research Questions and Hypotheses were developed based on the gaps in the existing body of knowledge.

Chapter 3 detailed the methodology for the research. It justified the choice of a quantitative research approach and the use of Questionnaire Survey as data collection instrument. It then detailed the data analysis processes and the issues of reliability and validity. This chapter also discussed research paradigm, the research design and it set out the conduct of the questionnaire survey.

Chapter 4 presented the analysis of the collected primary data for each of the five Research Hypotheses. These included the Questionnaire Survey responses on the significant research issues. This chapter also yielded new insights on the research issues.
This final Chapter or Chapter 5 summarises the conclusions, based on the research findings, for each Research Hypothesis and the research problem. It then discusses the impact of the findings and their contributions to policy formulation, new knowledge on professional practice and further research. Accordingly, this chapter has 8 Sections as shown in Figure 5.1.

**Figure 5.1 Structure of Chapter 5**

1. **5.1 Introduction**
2. **5.2 Conclusions on each research Hypothesis**
3. **5.3 Conclusions on The Research Problem**
4. **5.4 Implications for Policy and Practice**
5. **5.5 Research Implication for Theory**
6. **5.6 Impact of the Research on the MARA Policy and Practices**
7. **5.7 Research Limitations**
8. **5.8 Implication For Future Research**
9. **5.9 Conclusion**

Source: Developed for this research
5.2 Discussion of All Major Areas

5.21 Hypothesis 1: There is evidence of a positive significant relationship between the BSC customer Perspective and the Employees’ Attitude (EA) in MARA

Findings
The result of this research has shown that the BSC customer perspective has the highest positive significant relationship with the employee attitude. Thus, this positive finding is relevant to Kaplan and Norton’s conclusion which stated that, ‘the organisation will improve in terms of quality of work and thus, productivity of the firm increased. However, government organisations often place their customers or constituents and not the financial at the top of their strategy maps’ (Kaplan & Norton 1996, p.79).

- The positive relationship proved that MARA has a balanced framework for PMS practices. However, MARA generally did not adhere closely to the Principles of Government Transformation Programme based on the poor result on improving responsiveness to the customers.
- The positive relationship also showed that MARA understands the specific needs of the customer.
- The increasing interest of the citizen and entrepreneur in government programmes due to the usage of BSC as the performance management system proved that people are willing to participate and to be involved in the programme.

Examining the relationship between BSC 4 perspectives and Employee Attitude, it was revealed that BSC customer, BSC Finance and BSC Internal Processes significantly related to the Employee Attitude. Based on the path coefficients (standardized regression weights), BSC customer has the largest effect on Employee Attitude compared to BSC Finance, BSC Learning & Growth and BSC Internal Processes.

5.22 Hypothesis 2: There is evidence of a positive significant relationship between the BSC Finance Perspective and Employees’ Attitude in MARA
Findings

Examining the relationship between BSC Finance and Employee Attitude, it was revealed that BSC Finance is significantly related to the employee attitude. Based on the path coefficient (standardised regression weight), BSC Finance had a positive significant relationship with EA.

Thus, this positive finding was relevant to Kaplan and Norton’s conclusion on the public sector whereas the Malaysian government acts as their funding provider and thus, the agency must strive to meet the objectives of its funding source, the legislature and ultimately, the citizens and taxpayers (Kaplan & Norton 2001).

a) BSC Finance perspective proved that MARA employees were able to meet the objective of the government as the fund provider and also to fulfil the needs of the Malaysian citizens and taxpayers. Moreover, cost effectiveness would only be made possible if the management knew how to minimize the cost of producing the services and at the same time, increase the productivity level. Hence, the best way to deal with this is through the understanding of human behaviour and in this case, the employee attitude (Mulyadi 2001).

b) The result also proved that MARA employees would only be able to achieve the financial objective of the agency by engaging the right attitude or behaviour. Hence, the EA would act as a social control mechanism among the employees to ensure that the services provided by the organisation should be up to the expectation of the customers since they are the stakeholders (Mulyadi 2001).

5.23 Hypothesis 3: There is evidence of a positive significant relationship between BSC Internal Processes Perspective and Employee Attitude

Findings

Examining the relationship between BSC Internal Processes and Employee Attitude, it was revealed that BSC Internal Processes was significantly related to the Employee Attitude. Based on the path coefficient (standardised regression weight), BSC Internal Processes had a positive significant relationship with EA.
The result of this research has also shown that the BSC Internal Processes which include the communication between the legislature and the legislative staff in MARA has had a positive significant relationship with the employees’ attitude. Thus, the communication among the employees and the improvement of coordination within the agency has been found to be vital in determining the employees’ attitude which could affect the level of performance.

Agyris (1977) claimed that performance measurement proved to give a true picture on the insight of the business flows and the entire business processes. Additionally, Pollit (1995) performed a research on European governments and found that the practice of performance-based culture was fully implemented by these governments. As a result, the effects of the PMS toward the employees’ attitude were researched in this research.

Pollit (1995) proposed that most respondents noted that the PMS became a part of the normal organisational discourse and thus, the changes in employee attitude from the administrative fire-fighting to a more analytical mode occurred. The changes in employee attitude proved that the performance-oriented culture was understood and also affected the European governments through the implementation of the BSC as the performance management system (Azhar 2009).

Furthermore, through the BSC, this research found that the hierarchical structure in MARA would be able to adopt the changes and to act as a boundless organisation by using the four dimensions mentioned through a research by Ashkenas et al.(2002) namely information, competencies, authority and rewards. The concept of a bounderless organisation was proved to increase the level of productivity dramatically. Therefore, MARA should be aware of this concept structure.

5.24  **Hypothesis 4: There is evidence of a positive significant relationship between BSC Learning and Growth Perspective and the Employees’ Attitude in MARA**

Examining the relationship between BSC Learning and Growth and employee attitude, it was revealed that BSC Learning and Growth is not significantly related to the employee attitude. Based on the path coefficient (standardised regression weight), BSC Learning and Growth has no positive significant relationship with EA.
Findings

a) The insignificant relationship of the BSC learning and growth found in this research proved that MARA would need to improve its organisational development (OD) drastically. The career development of the employees as well as the talent management in the organisation should be enhanced in order to improve the level of productivity of the agency. This research found that the level of teamwork should need to be enhanced as well as staff mentoring and coaching.

b) The on-job training for MARA employees was seen important and thus, the communication and teamwork among the employees should be enhanced. The expectation of the management should be realized by the employees and thus, the rapport building among the supervisors and subordinates should be emphasized by MARA. Katz, R. (1974), in his research stated that the understanding of feelings and emotion of the employees could provide a high degree of self-awareness which could enhance the human skills of the managers.

c) The leadership in MARA was found not to fully understand the working conditions and the work situation in using the BSC as the yardstick to determine the performance of their subordinates. Ilgen, Fisher and Taylor (1979) noted that feedback could enhance performance due to the fact that it would serve as a reinforcer of appropriate work behaviour. This research also found that the employees in MARA favoured a more cognitive orientation that focused on informational value rather than reinforcement value.

5.25 Hypothesis 5: Organisational Culture does moderate the relationship between the BSC and the Employees’ Attitude in MARA.

Findings

Examining the moderation effect of organisational culture on the relationship between Performance Management System (BSC) and employee attitude, this research found that OC fully moderates the relationship between PMS and EA.
The findings also highlighted key issues that related to the research problem.

- First is the organisational culture of MARA that controlled the employees. The findings indicated that bureaucratic culture exerted influence on the MARA’s management and operations. Stemming from the bureaucratic culture, it is a common practice to appoint senior employees for senior positions in the firm. The bureaucratic culture, therefore, provides for a relationship base of OC which does not lend itself to transparency.

- Second, this would show that employees of MARA were not able to grasp new knowledge or new skills. Furthermore, a healthy hierarchy should be generated in MARA so that it would stimulate the integration of the vertical relationship between the managers and their subordinates. Thus, the success of today’s organisation would depend heavily on integration, speed, innovation and flexibility whereas, in the past, the crucial part or the success factor would be the size, control and specialization and role charity (Ashkenas et al. 2002).

- Third, the closed system applied by MARA caused frustration, low job satisfaction and slow response time for decision making. Furthermore, questionnaire of this research found that that MARA was having an unhealthy hierarchy. Thus, the situation should be corrected by pursuing the open system concept (Cummings & Worley 2001).

- Fourth, the influences of organisational culture among the employees towards the internal behaviour in the organisation were found to be undeniable in this research. Hence, in the open system model, the ultimate mission of the firm is to coordinate behaviours of every department or division in order for them to function together in the service of a strategy and goal (Cummings & Worley 2001).

- Fifth, this research found that the PMS played a vital role in changing the mindset or making the paradigm shift within the organisation by promoting the performance-based culture in MARA.
5.2.6 Main findings for Research Question 1

Do the four perspectives of the Balanced Scorecard (BSC) affect the employees’ attitude in MARA?

Based on the hypotheses, this research found that BSC Learning and Growth perspective did not affect the employees’ attitude in MARA.

<table>
<thead>
<tr>
<th>No</th>
<th>Hypotheses</th>
<th>Finding</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>$H_1$</td>
<td>There is evidence of a positive significant relationship between BSC Customer Perspective and the Employees’ Attitude in MARA</td>
<td>Supported</td>
<td>Positive relationship</td>
</tr>
<tr>
<td>$H_2$</td>
<td>There is evidence of a positive significant relationship between BSC Finance Perspective and the Employees’ Attitude in MARA</td>
<td>Supported</td>
<td>Positive relationship</td>
</tr>
<tr>
<td>$H_3$</td>
<td>There is evidence of a positive significant relationship between BSC Internal Processes and the Employees’ Attitude in MARA</td>
<td>Supported</td>
<td>Positive relationship</td>
</tr>
<tr>
<td>$H_4$</td>
<td>There is evidence of a positive significant relationship between BSC Learning and Growth and the Employees’ Attitude in MARA</td>
<td>Not Supported</td>
<td>Learning outcome will be improved if the employees are willing to learn and perceived PMS is useful.</td>
</tr>
</tbody>
</table>

Source: Analysis of data survey
In this instance, $H_4$ is not supported. This means that there is no significant relationship between BSC Learning and Growth with the Employees’ Attitude in MARA. A possible explanation on the result of this research may be due to how PMS are perceived by employees of MARA. In order for employees to exhibit the performance of completing the task, awareness and readiness to learn are important. Thus, the training and awareness should be given priority by the management in order to bring the organisation to greater heights in the level of services towards the customers (Dessler 2008).

In this research, it is argued that the success of PMS implementation is contingent on MARA’s employee attitude. If employees are motivated to know PMS, they will perform better. Highly motivated or high-performer individuals learn better because they are motivated to learn. Therefore, when employees are aware of the goals of PMS, willing to learn, and perceive that PMS in MARA is useful, learning outcomes will be improved.

Attitude towards jobs was found to be a contributor towards the successfulness of PMS implementation. This indicates that when employees have a positive attitude towards their work, they will tend to view the negative behaviour that reduces the level of productivity, to be wrong. Furthermore, the commitment of the employees could only fully be gained by creating adequate training and awareness. According to Cascio (1998), the management should be responsible for implementing adequate training as the new performance measurement has emerged and the task of educating the employees has been found to be critical. Hence, the role of the management is not only to perform the selection of suitable employees by providing benefits to the staff but also to provide adequate training and to promote awareness of their employees (Dessler 2008).

According to Purcell and Boxal (2003), ‘it is the people who shape the organisation in the increasingly knowledge-based society’. Thus, it is important to instil confidence in the future career growth of the employees in the firm and for employees to feel secure and comfortable with the jobs.
‘Training and awareness are the hallmark of a good management by giving present or new employees the relevant skills to perform the job’ (Dessler, G 2008, p. 248). Thus, the need for training has been found to be critical in order to promote the awareness of the PMS throughout the organisation. The PMS processes should require a high level of commitment and understanding from the employees. Furthermore, the training and awareness should be given priority by the management in order to bring organisation to greater heights in the level of services towards the customers (Dessler 2008). Thus, the Malaysian government has launched the GTP in order to change the mindset of the government servants and to enhance the performance driven culture.

5.2.6.1 Discussion: Pearson Correlation Analysis

BSC customer perspective as an independent variable is found to be a contributor towards actively affecting the employee attitude. The correlation coefficient of .18 shows that 18 percent of the variation in the dependent variable (EA) was explained by the BSC customer perspective with a P-value less than threshold 0.001. In this case it is a positive relationship. This indicates that when MARA implemented the BSC customers, the employees had a positive attitude towards business. Therefore, when BSC customer perspective is implemented, the level of employee attitude will be improved. Hence, BSC customer tends to have positive relationship with Employee Attitude.

BSC Finance perspective as an independent variable is found to be a contributor towards actively affecting the employee attitude. The correlation coefficient of .03 shows that only 3 percent of the variation in the dependent variable (EA) was explained by the BSC Finance perspective with a p-value less than threshold of 0.001. This indicates that when MARA implemented BSC Finance, the employees had a positive attitude towards business. Therefore, when BSC Finance is implemented, the level of employee attitude will be improved. Hence, BSC Finance tends to have positive relationship with Employee Attitude.
BSC Internal Processes perspective as an independent variable is found to be a contributor towards actively affecting the Employee Attitude. The correlation coefficient of 0.24 shows that 24 percent of the variation in the dependent variable (EA) was explained by the BSC Internal Processes perspective with a p-value less than threshold of 0.001. This indicates that when MARA implemented BSC Internal Processes, the employees had a positive attitude towards business. Therefore, when BSC Internal Processes is implemented, the level of employee attitude will be improved. Hence, BSC Internal Processes tends to have positive relationship with Employee Attitude.

BSC Learning and Growth perspective as an independent variable is found not to be a contributor towards actively affecting the Employee Attitude. The correlation coefficient of 0.001 shows that only 0.1 percent of the variation in the dependent variable (EA) was explained by the BSC learning and Growth perspective. However, the p-value was 0.627 which is greater than the threshold of 0.001. This indicates that when MARA implemented BSC Learning and Growth, the employees did not have a positive attitude towards business. Therefore, when BSC Learning and Growth is implemented, the level of employee attitude will not be improved. Whether employees undergo the BSC Learning and growth or not will not make any difference or any impact towards their attitude. Hence, BSC Learning and Growth tends not to have any relationship with Employee Attitude.

5.2.7 Main findings for research question 2
Does the organisational culture moderate the relationship between the four BSC perspectives and the employees’ attitude in MARA?

This research found that OC in MARA did moderate the relationship between the four BSC perspectives and Employees’ attitude. The literature revealed much information on the western culture and its impact on the organisation. Earlier research revealed a growing trend for statutory bodies to incorporate western management practices. Greater knowledge of the interactions between manager and subordinates can be beneficial for assessing the effectiveness of current theories, as well as benefiting decision makers and practicing leaders.
1. MARA faces the challenge of meeting the social development agenda of the nation. This problem is compounded by the prevalence of a bureaucratic culture, over dependence on Government support and political interference. Accordingly, they need to develop their professional competencies to cope up with these challenges. These largely related to corporate governance, leadership, performance management, social responsibility, management structure, knowledgeable workers and organisational culture. Due to the problems they face, their performance has been uneven (Doraisami, 2005). This compelled the Government to introduce the Government Transformation Programme (GTP).

2. The result indicates that H3 is supported and there is a positive relationship between organisational culture and Employee Attitude. This means that organisational culture does moderate the relationship between the four perspectives in the PMS and EA. This is a new dimension investigated in this research.

3. The challenges in OC were not be neglected in this research and any conflict that arises due to the system of hierarchy, adaptation challenges or work norms in MARA would effect the employee attitude significantly. According to Harrison (1993), the organization should realize that the existence of culture is in the hearts and minds of their employees and therefore, should relate performance appraisal to the culture of the organization.

Thus, as a government agency, MARA should realize that the culture is one of the components to be taken into consideration when developing a PMS design and in the implementation process. This was because most literature reviews have stated that cultural changes have major impact on any implementation of performance metrics (Coronado & Anthony 2002). Moreover, this is mainly because the original ideas or yardstick of BSC was from the European or western countries - that have a different culture to Malaysia. Hence, the sensitivity of the Malaysian employees must be taken into consideration upon executing the rules and regulations of BSC.
“Managers tend to evaluate their subordinates’ performance without taking into account the situational factors that constrain or facilitate performance” (Dobbins1993,p.33).

The other challenge of the implementation of the Performance Management system is the ethical consideration. According to White (1988), the implementation of PMS will only be successful if it satisfies the firm or nation’s ethical requirements. Therefore, it is vital for the management in MARA to draw up an ethical yardstick of the moral principles of PMS in accordance with regulations in Malaysia. White (1988) also stated that laws still allow many actions that are morally offensive but may prohibit actions that might be morally right. In the case of MARA, the other challenge is that the organization should draw clear moral principles and be fair to all subordinates. Therefore, ethical consideration is one of the important elements in performing PMS because if it fails to follow the ethical requirements, it could result in frustration and cynicism among the employees. Thus, it could lead to favouritism, which encourages ambiguous performance policies and questionable disciplinary action.

5.2.7.1 Pearson Correlation Analysis

The result indicates that the correlation of coefficient increased when organisational culture was included from 0.28 to 0.31. Thus, it was found that organisational culture did moderate the relationship between the 4 BSC perspectives and the employee attitude. This indicates that when MARA implemented the PMS (BSC Customer, BSC Finance, BSC Internal Processes and BSC Learning and Growth) the employees had a positive attitude towards business. Therefore, when BSC is implemented, the level of employee attitude will be improved with the push factor of organisational culture. Hence, the four BSC perspectives tend to have positive relationship with Employee Attitude with the moderating factor of organisational culture.

5.2.7.2 Multiple Regression Analysis

The multiple regression analysis indicates that only the BSC Customer perspective and BSC Internal Processes perspective were positively related to the dependent variable, the employee attitude.
The p-value for BSC Learning and Growth perspective and BSC Finance perspective are more than $\alpha=.05$, we can conclude that these predictors did contribute to the Multiple Regression Model. Testing for each coefficient as in table 3 shows that BSC Learning and Growth ($p=.439$) and BSC Finance ($p=.775$) did not contribute to the multiple regression model at $\alpha=.05$. The BSC customer perspective was found to be the most actively contributed independent variable towards the dependent variable, Employee Attitude with $\beta$ of 0.130 while BSC Internal Processes with $\beta$ of 0.033.

5.3 Research Implications on Theory

In a macro perspective, theoretically this research contributed to the existing body of knowledge regarding the effects of the Performance Management System specifically, the BSC, and the organisational culture towards the Employee’s Attitude (EA) which comprised of the organisational commitment and job satisfaction in MARA.

- Firstly, in this research, OC was found as a moderator on the relationship between PMS and EA. The result on the role of OC added theoretical understanding on the effects of PMS on EA.

- Secondly, the links between the Performance Management System by using the BSC, the organisational culture and the employee attitude have been well established. However, limited studies have investigated the alliance between these three variables in Malaysia. Thus, in the light of this observation, this research tried to observe the nature of this affiliation and present empirical evidence to suggest that the connection between them was supported.

- Thirdly, the first chapter provides an outline of this research in the context of culture, motivation, behaviour, attitude, and the Balanced Scorecard measures. In recent years, organisational development (OD) and the recruitment processes have been using the work-related attitude instruments extensively by organisations. However, these instruments were invented and created by the western countries in different national and organisational cultures. Thus, the generalization and adaptation of these instruments of work related attitude would be in question for the Malaysian setting.
Fourthly, this research was interested in verifying the relationship between the four perspectives of the BSC, PMS, OC and the EA in MARA. The surprise finding of this research was that the BSC Learning and Growth perspective has not affected any impact on employees’ attitude in MARA. BSC customer perspective is found to have a greater effect on MARA’s EA and this finding proves that MARA as the public service organisation has been successfully focusing on customer satisfaction. The current research was also undertaken to investigate the association between the four Balanced Scorecard perspectives and employees attitude. The results indicate that there is evidence of a positive relationship between all three BSC Customer, BSC Finance and BSC Internal Processes. However, no evidence of a positive relationship was found between BSC Learning and Growth and EA. This also contributes to the theoretical knowledge and warrants further studies to examine the association between the variables.

Fifthly, the four perspectives of BSC (Customer, Finance, Internal Processes and Learning & Growth) only contribute between 1 to ten percent of the variance in the Employee Attitude. This means about ninety percent of the variance are accounted for and might come from other perspective not included in this research. Future researchers are advised to include more perspective to improve on the percentage. Nevertheless, the current research has contributed to the theoretical knowledge on the impact of BSC Customer, Finance, Internal Processes and learning and growth on employees’ attitude in MARA.

5.4 Implication of the research
The conduct of this research was guided by five objectives as discussed in Section 1.3.2 and restated below for ease of reference.

i) To identify the effects of the implementation of Performance Management System on employees’ attitude in MARA in pursuit of better performance.

ii) To investigate the pervasiveness of balanced scorecard approach in the development of performance management in MARA.
iii) To examine the problems faced by MARA in using BSC as their performance management system.

iv) To gain a better understanding of the relationship between the PMS and the organisational culture on the employees’ attitude in MARA.

v) To analyze the factors influencing the effectiveness of the performance management systems in MARA.

Based on the conclusions emerging from the analysis of the Research Hypotheses, as discussed in Section 5.2, this Section examines the impact of the research on relevant Government policies as well as the operational practices of MARA. In this regard, policy recommendations are offered for consideration by the relevant parties.

**5.4.1 Implication for policy and practice**

In Malaysia, the use of BSC is gaining attention in line with the global push towards performance management systems as a means to enhance the agency’s growth and to maintain organisational discipline and focus. A Balanced Scorecard is useful to translate strategy into realisable goals with KPIs measuring performance (Bourne & Bourne 2007). It is a necessity especially for larger organisations such as MARA which has outgrown more informal means of managing resource allocation and goals. Thus, the challenge is in the implementation (The Star, 17 July 2009). However, the literature was silent on these research Hypotheses especially on several key issues on policies and practice pertaining to this research. The implication on the policy and practices are as follows:

- This research has shown the importance of how to cope with a performance management system of an organisation, the corporate culture and its human resources. The right employee attitude should be achieved if the appropriate sets of the PMS or BSC practices are taken into consideration and implemented by MARA. The managing of human resources and the PMS should no longer be done separately as this research has ascertained that it is important to incorporate PMS policies and practices into strategic consideration by MARA.
• The evidence provided by the results of this research suggests that the BSC practices could significantly predict the employees’ attitude. Thus, this finding has justified the need for the agency to recruit the required talent if they were not ready to train and develop the human resources available to implement the BSC. Moreover, implementing the BSC practices without the support of the employees could render them ineffective. Thus, the results of this research underlines the values of creating enriched and challenging activities such as open communication and power sharing to change the firms’ management style in order to improve the effectiveness of Human Resources practices and consequently performance (Guerrero & Barraud-Didier 2004).

The impact towards individuals and organisation in examining the link between employees’ attitude and productivity has been justified in this research. Thus, certain attitudes in this research are found to be related significantly to work performance. In this case, the management would be able to identify the right behaviours that could influence the work commitment and loyalty to MARA.

• The BSC Learning and Growth showed that the organisation has the capability to create, to learn and to innovate ties directly with the organisation’s value (Azhar 2009). Thus, the employees would be able to know which factor could contribute to increase the performance level in MARA. Furthermore, as a result, the employees would be able to focus on the performance driver that could affect the work outcome.

• The employee attitude (EA) is found by this research to be the determinant of work performance in MARA. Thus, the management of MARA must always perform the monitoring of the recruitment and identification of the right employees through the assessment using the JDI. According to Lau and Shaeffer (1999), the JDI is a useful tool for human resources personnel to evaluate and promote staff or even during the recruiting process. Thus, the productivity level would be enhanced because the employees should be able to follow the right work attitude. Furthermore, it would enable the agency to design an effective job specification and to formulate effective human resources strategies.
• The result of this research also indicates that the JDI (Smith, Kendall and Hulin 1969) and affective organisational commitment (Meyer & Allen 1991) model of employees’ attitude have been found to provide useful information in order to predict the various facets of job performance. Furthermore, the JDI model could represent a significant variance of the employees’ attitude in evaluating work performance. However, the research methodology and design of this research did not authorize for any statements of causality to be made in this research.

5.4.2 Managerial Implication

The following section will discuss the implication of this research to employees and management of MARA and includes recommendations based on the research findings.

5.4.2.1 Performance Management System (PMS)

• The usage of BSC in the performance management system has given a significant impact toward MARA employees. The changes that took place in engaging a new PMS has affected their work related attitude and thus, would have an impact towards their work performance. Based on this research, the learning and growth perspective in the BSC has failed to establish a positive relationship with the employees’ attitude as the dependent variable. It indicates that the awareness of factors that affect performance among the employees is still low.

• Moreover, the management has neglected training and participation of the staff members in developing the performance measures. The consistent implementation of policies and procedures in the PMS would enable a firm to ensure that the human capital could contribute to the realization of the business goals (Huselid et al. 1997).
• MARA as a statutory body should be able to implement a clear PMS and most importantly, it should be consistent for a long period of time to ensure that the MARA employees would be able to follow and to use the PMS as the guideline in performing their daily task. Hence, the policies and procedures should be justified and procedural justice should be adhered so as to avoid any misunderstanding among the employees in MARA.

• The management of MARA theoretically found that through BSC Learning and Growth perspective, the human capital is the distinction factor that enables the firm to establish the competitive edge in the public service industry. Moreover, it has been proven that the organisation with the PMS performs better than the organisation without the PMS (McDonald & Smith 1995). Hence, the management of MARA should leverage on the human capital aspects because customers were greatly being influenced by the human factors (Mulyadi 2001). The ability, motivation and work environment are the main factors that could affect work performance (Wiley 1997).

5.4.2.2 Human Capital

The emergence of a knowledge-based society as mentioned by Purcell and Boxal (2003) has required the engagement of right attitude by the employees of the organisation. In addition, the behaviour and attitude of the top management would influence the development of knowledgeable workers who are said to be critical in this new era of information that changes the rule of business (Saint-Onge 2002).

• First, the management of the organisation should be able to adopt a knowledge management strategy in order to compete in the new business environment (Binney 2001). Furthermore, according to Chan, Lau and Man (1998), the management of the firm should be able to identify the right attitude, skills and knowledge among the workers in order to achieve the competitive advantage.
Second, this research also showed that the strategic objective of learning and growth perspective namely the human capital element has been neglected by MARA. Thus, Mulyadi (2001) states that through human capital which could come from the blend of the employees’ commitment and the employees’ capabilities; an organisation would be able to increase the quality of the work processes in order to create more values to their customers.

5.4.2.3 Employees’ Attitude

This research embarked on the Job Descriptive Index to measure the level of job satisfaction among the MARA employees. The research findings, employees’ attitude was found to be greatly affected by the BSC implementation in this agency.

The primary function of performance management itself which is based on its definition by Mohrman, Mohrman and Worley (1990) and is used to reinforce and assess the employees’ work behaviour and outcomes showed the relevancy of this research. Basically, in this research, the following has findings has been found.

- First, the employees’ attitude has been evaluated in order to measure the performance of MARA by using the Balanced Score card (BSC) as a tool. Furthermore, this research confirms the positive relationship between the PMS towards the employees’ attitude which has, at the same time, played a significant positive role in influencing the performance of the organisation.

- Second, self-actualization could be met by way of promotion or service recognition but learning the new job role and meeting new people would fulfil the social needs of an individual (Wiley 1997). Hence, Maslow’s Hierarchy of Needs Theory would be able to identify which needs are the ones that could help motivate the correct behaviour of MARA employees.
• Thirdly, previous studies show that the interaction between the cognitive ability and the employee attitude has a great impact towards productivity (Lowery, Beadles II & Krilowicz 2004). This is so, because employees could modify or change their behaviour in order to enhance their work performance and certain positive behaviour could influence work performance as suggested by Job Descriptive Index (JDI) by Smith, Kendall and Hulin (1969).

• Fourthly, Hogan, Hogan and Roberts (1996) revealed that the relationship between work performance and employees’ attitude could improve if the performance criteria and the work-related attitude are relevant to the occupation. Although attitude is inherited in adulthood, it would be beneficial for the organisation to recognize the attitude in relation with the task given to them.

5.4.2.4 Organisational Culture (OC)

The results of hypothesis five in this research indicates that the organisational culture has moderated the relationship between PMS and employee attitude in MARA. In this case, the management of MARA should enforce a performance driven culture among its employees in order to achieve greater performance and the findings are as follows:

• Firstly, it was found in this research that the organisational culture in MARA was not healthy because of the bureaucratic elements and the hierarchy that have affected the communication between the supervisors and their subordinates.

• Secondly, the moderating role of the organisational culture in this research is found to significantly affect the positive relationship between the PMS and Employee Attitude (EA) in MARA. Thus, this research found that it is critical for the management of MARA to reform the working or organisational culture in order to cope with the changing business environment and the demanding needs from the public.
• Thirdly, this research has found that the BSC learning and growth perspective has no significant relationship with the employees’ attitude in MARA. Thus, the learning and growth aspects were not found to be cultivated and developed and therefore, the level of growth and achievement in MARA especially in the area of Research and Development (R&D) was found to be generally very low.

• Fourthly, the lack of knowledge on the BSC would prevent the growth of MARA to achieve greater heights in the public service industry. The insignificance in the BSC Learning and Growth perspective also indicates the lack of teamwork that is occurring in MARA. Thus, as mentioned by Westerman (1989), the PMS implementation would be affected due to the lack of teamwork that could ensure a higher productivity level among the employees.

• In this research, it was found that MARA employees are not ready to face the changes in their working environment. ‘The resistance to change should be overcome by providing more education and information due to the fact that such resistance has occurred because of the employees’ fear of the unknown’ (Anderson & Barker 1996). Thus, through the organisational development (OD), the resistance to change would not become a stumbling block for the new PMS such as BSC to operate.

5.5 Recommendations

5.5.1 Organisational Development (OD)

The result found that Hypothesis 4 BSC Learning and Growth is not significantly related to the employee attitude to attract the attention of the researcher to improvise the level of service quality in the studied agency. Cummings and Worley (1999) suggest that competency is considered to be essential to cope with the persistent change in the economic, political, social and technological areas. Thus, this research recommends MARA to engage with Organisational Development to cope with the rapid changes in the internal and external environment.
Beckhard (1969) defines Organisation Development (OD) as ‘an effort, planned, organisation-wide, and managed from the top, to increase organisation effectiveness and health through planned interventions in the organisation's processes, using behavioural-science knowledge’. The OD should be designed to assist the organisation to enhance the internal and external relationships and the functionality of the organisation as a whole.

In Organisational Development (OD), the leadership style, employee morale, teamwork and effective communication are seen to be vital in the decision making processes, executed by the higher level of management. According to Purcell and Boxal (2003), ‘it is the people who shape the organisation in the increasingly knowledge-based society’. Thus, it is important to instil confidence in the future career growth of the employees in the firm and for employees to feel secure and comfortable with their jobs.

It is found that the self-esteem of the workers could be developed and enhanced through the result of the organisational change (Eden 1986; Cooperrider 1990). Thus, the constructive attitude by way of greater communication between the managers and their subordinates in MARA could be developed in order to implement the organisational change.

Bennis (1969) describes OD as the reciprocate to change, a complex educational strategy that could lead to changes in attitudes, beliefs, values and structure of an organisation in order to adapt to new technologies, markets and challenges. In addition, Burke (1987) postulates that the OD as a comprehensive approach involves the application of behavioural science to planned organisational change in order to improve organisational effectiveness.

In 2001, Schemerhorn in his research stated that the role of organisational development is able to assist an organisation to cope with environmental and other pressures for change. Thus, in the case of the BSC, it has is in this research that OD could play a vital role in improving MARA’s internal problem-solving capabilities as well as its effectiveness. OD could assist managers or leaders in MARA to foster innovation and creativity which could enhance the organisational performance. The continuous improvement agenda in OD, including employee involvement, could assist leaders to identify the elements of job satisfaction in order to increase the level of productivity of their employees in MARA.
Thus, through the OD intervention, the MARA employees would be able to make choices and opportunities to determine the organisation’s functioning. In this way, the organisational commitment, gained from the employees, would be maximised because the employees could be actively involved in the decision-making process (Kotter & Schlesinger 1979; Ricardo 1995; Armenakis, Harris & Mossholder 1993). Hence, MARA would be able to transform the skills, knowledge and attitude of the members in the organisation through organisational change. Thus, the management of MARA should act as the change agent and as a learning organisation to ensure that the learning process would occur among their employees. New social skills and new mindsets were found necessary to be gained by members in the agency to support the organisation’s need to increase the speed of decision making (Wetlaufer 1999).

Therefore, the OD could act as a tool to reinforce a new attitude or behaviour that would be needed to stimulate the changes in the organisation (Cummings & Worley 2001). Consequently, promotion of self-interest would be avoided and sustaining the momentum for the change among the employees would be possible through the OD (Fisher 1995).

The drive to change could only be accomplished through a consistent attitude and behaviour shaped by the management of MARA. Thus, members in the organisation should be rewarded if they demonstrate the right attitude and behaviour needed to achieve the goals and objectives of the organisation. In other words, according to Cummings and Worley (2001), to accomplish the change in the workplace, the informal reward should be linked with the desired attitude and behaviour. Furthermore, the employees’ attitude would determine the success of the strategies implemented by the higher level management.

The learning and growth element in Balance Scorecard has given a significant impact towards the attitude of MARA employees. The Balanced Scorecard should act as guidance for MARA to invest in the selection and training as well as the process in the performance management systems which would generate a better service quality and productivity. For public policy makers, PMS needs to be redesigned and the programmes would not only heighten employees’ awareness, but more importantly they tend to educate the workers about their responsibility as an employee of MARA.
Nonetheless, MARA is faced with the challenge of meeting the social development agenda of the nation. This problem is compounded by the prevalence of a bureaucratic culture, over dependence on Government support and political interference. Accordingly, they need to develop their professional competencies to cope with these challenges. While the Government Transformation Programme (GTP) emphasises on improving the business performance of the MARA, its effectiveness is dependent on leadership. The leadership in MARA must be changed with highly qualified personnel reporting to competent and transparent boards which give importance to their stewardship functions. The commitment, drive and skills are critical success factors to achieve the success of the GTP.

Based on the research, the correlation between BSC Learning and Growth is negatively correlated with Employee Attitude of MARA and shows that MARA personnel are experiencing difficulties in developing the learning and growth aspects of the BSC perspective. They should be trained on the meaning of KPIs, how they are developed, critical success factors that constitute KPIs and how to link them to the organisation’s strategy. There is also a need to develop an appropriate framework for the reporting and acting on the BSC.

The answer for the research problem on the effects of the PMS and organisational culture towards the employees’ attitude in MARA in this research is as follows:

- First, the emergence of the awareness of the organisational development (OD) factor such as learning and growth in enhancing the level of employees’ productivity in MARA.
- Second, MARA has emerged as a learning organisation to cope with the challenges in the information era and the new business environment in Malaysia.
- Third, organisational culture (OC) influenced the attitude and the perception of MARA employees towards the PMS.

Based on the multiple regression analysis in this research, only BSC Customer and BSC Internal Process perspective proved to have a positive significant relationship with employee attitude.
Thus, MARA should emerge as the learning organisation and the top management of MARA must be capable of becoming the role model in order to lead MARA to a greater height through management strategy. Based on the findings in this research, the BSC Finance and BSC Learning and Growth should be given priority and not to be neglected by the management of MARA. This involves the generation of knowledge, the representation of knowledge, the access to knowledge and the transfer of knowledge. Knowledge management practices would enable MARA to innovate and gain competitive advantage.

MARA should emphasize on performance management system as a means for accelerating growth and achieving the business target and goals. This could be achieved through the use of BSC supplemented by KPIs. For this purpose, staff should be trained to measure performance of achievable targets and goals and the four Perspectives of BSC should also be reviewed and revised on a periodic basis to keep pace with the changing business environment.

**5.5.2 Human Capital**

The result finding on the BSC Learning and Growth in Hypothesis four in this thesis which was not significant with employee attitude is highly correlated with the human capital factor. Thus, the emergence of a knowledge-based society as mentioned by Purcell and Boxal (2003) requires the engagement of right attitude by the employees of the organisation. In addition, the behaviour and attitude of the top management would influence the development of knowledgeable workers who are said to be critical in this new era of information that changes the rule of business (Saint-Onge 2002).

Thus, the management of the organisation should be able to adopt a knowledge management strategy in order to compete in the knowledge-economy as it is seen as the knowledge of the driver for the economic growth of the country (Binney 2001). Furthermore, according to Chan, Lau and Man (1998), the management of the firm should be able to identify the right attitude, skills and knowledge among the workers in order to achieve the competitive advantage.
This research also showed that in the hypothesis 4, the BSC Learning and Growth shows no evidence of significance to the employee attitude. Thus, the strategic objective of learning and growth perspective, namely the human capital element, has been neglected by MARA. Mulyadi (2001) states that through human capital which could come from the blend of the employees’ commitment and the employees’ capabilities; an organisation would be able to increase the quality of the work processes in order to create more values to their customers. Hence, the performance-driven culture that has been enforced by the Malaysian Government namely the GTP (Government Transformation Programme) would be an opportunity for MARA to adopt the performance driven culture in the agency. Management of MARA should further realize that employees should be given the correct direction and motivation as well as rewards because if the employees’ performance level increases, the job satisfaction should in tandem increase, as well as the customer’s satisfaction.

5.5.3 The Learning Organisation

MARA should emerge as the learning organisation because Malaysia has become a knowledge based society and thus, by adopting the knowledge organisation concept, MARA would be able to cope with the changes in the society. The insignificance of learning and growth perspective towards the employee attitude in the hypothesis 4 which was found in this thesis, has urged to recommend MARA to become a learning organisation.

It is critical for MARA to become a learning organisation in order to increase the level of efficiency in its operation. However, it was found that the learning and growth perspective in the organisation depends heavily on the attitude and behaviour of their employees.

Hence, the organisational culture of MARA should be one that is able to cope and to assist their employees adapt to the changes brought about by the BSC in the new PMS. Furthermore, Bearwell and Holden (1997) have mentioned that any organisation should understand the process and nature of learning of the higher order in order to facilitate learning and development of their workers and ultimately the organisation.
Furthermore, the fifth hypothesis of the research indicated that the organisational culture does moderate the relationship between PMS and Employee attitude. The effects of the organisational culture and the performance management system are found to positively influence the attitude of MARA in this research. The findings have contributed to the body of knowledge because the understanding of the work-related attitude is vital in enhancing the performance level in the agency. Thus, throughout this research, it could be concluded that the four perspectives of the Balanced Scorecard proved that the measurement of work performance is greatly influenced by work-related attitude or behaviour of the employees in MARA.

Furthermore, empirical studies reveal that the work-related attitude is vital and contributes significantly to increase the level of performance and productivity in the organisation (Misener et al. 1996; Moorhead & Griffin 1992). The learning and growth perspective in BSC has not affected the attitude of the MARA employees and this finding shows that their personal growth has not been taken care of or overlooked by the management.

Overall, the universal perspective which provides the empirical basis for the behavioural-based theory has been supported in this research. The PMS practices were found to be significantly related to the work related attitude which consisted of job satisfaction and the organisational commitment. This research has also supported the findings of Moorhead and Griffin (1992), the work of Aldag and Kuzuhara in 2002 and the research by Messersmith, Patel and Lepak in 2011 which prescribe that the work related attitude or employees’ attitude could positively influence the work outcome or organisational performance.

Thus, the employees’ attitude (EA) could play a major role in determining the growth and productivity of the organisation because the employees are the ones who are performing the task. The organisation would depend heavily on their capabilities, creativity and commitment and thus, without a right working attitude, the mission and goals of the firm would not be achieved. The organisations should be able to produce the right working environment that could be conducive for their employees. The management should act as the motivator in order to cultivate the desired attitude and behaviour in the workplace.
5.6 RESEARCH LIMITATIONS

This research has utilized an acceptable research design, adopted tested measurement scale that has produced acceptable reliability and validity scores, and has achieved a relatively good response rate from its 400 respondents. Nevertheless, it has found several weaknesses that are common in social science research and these limitations stated below suggested that the findings from this research should be viewed cautiously.

- Firstly, the social desirability has influenced the answers, especially in the survey methodology used, because some respondents could have exaggerated or given the wrong impression about the management and thus could have inflated the scores for a particular variable. Thus, all the inaccurate information would also be processed through the SPSS for this research.

- Secondly, the various sizes of the divisions, departments and branches in MARA did not allow the researcher to do an assessment of causality. This research on the employee attitude using the convenience sampling method would increase its generalisability and validity which could be applied in another setting or population. However, for this research, the convenience sampling method was used whereby the representativeness and its generalisability might be questionable.

- Thirdly, self-report data using a single questionnaire was used in this research. Thus, mono-source bias and common method variance could be another potential limitation of this research because a spurious relationship might be produced.

- Fourthly, the usage of the questionnaire methodology throughout this research would be bound to be inherent with methodological limitation because this method would not provide the comprehensive follow-up interviews with the MARA employees. Thus, they would not fully understand the questions and therefore in this way they could have provided more accurate answers for this research.
• Fifthly, although the research was not limited to the demographic scope, most of the respondents were from the Federal Territory of Kuala Lumpur and Selangor because the main bulk of the MARA employees were stationed at the headquarters located in Kuala Lumpur, the capital city of Malaysia.

• Sixthly, the research was using the cross-sectional research and thus, it could only find the relationship or association among the variables of this research but not causation. The finance and time constraints were also some of the main factors faced by the researcher to make use of this cross-sectional method of research. However, a longitudinal research would have the advantage of revealing the dynamic nature of the organisational culture and the PMS.

• Seventhly, the MARA respondents might not have fully understood the questionnaire due to their lack of understanding the questionnaire in English because this language has not been their mother tongue. In Malaysia, English has been the second language and thus, the questionnaires might have been interpreted differently by some MARA employees.

• Eighthly, there are other dimensions of work performance namely knowledge sharing and job related learning which were not included in the JDI by Smith, Kendall and Hulin (1969). Thus, third parties such as customers, supervisors and suppliers would be the best respondents in giving and providing information regarding the MARA employees’ work performance rather than relying on self-report data as in the case of this research.

• Ninthly, this research is only focusing on MARA as one of the Government statutory body. It is therefore not reflecting the true picture of overall agencies of the public sector in Malaysia. The future research should include other government statutory bodies or government link companies (GLC) such as Permodalan Nasional Berhad (PNB), Proton, the national car-maker and Kuala Lumpur Municipal Council.
5.7 IMPLICATION FOR FUTURE RESEARCH

This research shows that future research is considered necessary in some areas especially in analysing the employees’ attitude of an organisation. Thus, while any management research would treat the employees’ attitude as the dependent variable, there could be a possibility that these relationships might occur in the reverse order. Mintzberg, Quinn and Voyer (1995) stated that the organisation would be affected greatly due to its performance and ultimately, the way the organisation could operate is affected. Thus, this relationship remains a fruitful area for future research and it should involve longitudinal data which could allow researchers to conclusively replicate the findings presented in this research. One notable area that would benefit from integrating the qualitative and quantitative approaches of researching the role of organisational culture and the Balance Scorecard measures and its relationship with the employees’ attitude that could affects the organisational performance should be realized.

5.8 CONCLUSION

This final Chapter summarised the conclusions based on the research findings for each Research Hypothesis and the research problem. It then discussed the impact of the findings and their contributions to new theory development and offered recommendations for consideration by policy makers. Finally, it covered the limitations that emerged during the research process and provided a summary of the opportunities for further research.

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APPENDICES

APPENDIX I

Table 4.10 Descriptive Statistics

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<td>2.2175</td>
<td>.47514</td>
</tr>
<tr>
<td>NNCP</td>
<td>400</td>
<td>2.3150</td>
<td>1.00912</td>
</tr>
<tr>
<td>NNLG</td>
<td>400</td>
<td>2.1550</td>
<td>1.00174</td>
</tr>
<tr>
<td>NNFP</td>
<td>400</td>
<td>2.5725</td>
<td>1.00112</td>
</tr>
<tr>
<td>NNPP</td>
<td>400</td>
<td>3.2150</td>
<td>1.14764</td>
</tr>
<tr>
<td>NNattitude</td>
<td>400</td>
<td>2.1175</td>
<td>.33761</td>
</tr>
<tr>
<td>NNBSC</td>
<td>400</td>
<td>2.4775</td>
<td>.54795</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>400</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Data concerning respondent’s perception of the organisational culture in their organisation were collected through 19 items. A score of “1” indicated strong disagreement and score of “5”.

NNCP=Customer     NNLG=Learning   NNFP= Finance   NNPP= Process
NNattitude=Employee Attitude NNBSC=Balance Scorecard

Table 4.11 (a) Reliability Statistics (BSC customer perspective)

Case Processing Summary

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cases Valid</td>
<td>400</td>
<td>100.0</td>
</tr>
<tr>
<td>Excluded</td>
<td>0</td>
<td>.0</td>
</tr>
<tr>
<td>Total</td>
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</tr>
<tr>
<td>(a)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a  Listwise deletion based on all variables in the procedure.

Reliability Statistics

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.701</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: analysis of survey data
Table 4.11 (b) Regression Analysis
BSC Customer Perspective

Variables Entered/Removed(b)

<table>
<thead>
<tr>
<th>Model</th>
<th>Variables Entered</th>
<th>Variables Removed</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>NNCP(a)</td>
<td>.</td>
<td>Enter</td>
</tr>
</tbody>
</table>

A  All requested variables entered.
B  Dependent Variable: NNatitude

Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.428(a)</td>
<td>.183</td>
<td>.181</td>
<td>.30549</td>
</tr>
</tbody>
</table>

A  Predictors: (Constant), NNCP

ANOVA(b)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>8.335</td>
<td>1</td>
<td>8.335</td>
<td>89.316</td>
<td>.000(a)</td>
</tr>
<tr>
<td></td>
<td>37.142</td>
<td>398</td>
<td>.093</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>45.477</td>
<td>399</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A  Predictors: (Constant), NNCP
B  Dependent Variable: NNatitude

Coefficients(a)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant) NNCP</td>
<td>1.786</td>
</tr>
<tr>
<td></td>
<td>.143</td>
<td>.015</td>
</tr>
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</table>

A  Dependent Variable: NNatitude

Source: analysis of survey data
Table 4.12 (a) Reliability Statistics (BSC learning and growth)

Case Processing Summary

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cases</td>
<td>400</td>
<td>100.0</td>
</tr>
<tr>
<td>Excluded</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
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<td>100.0</td>
</tr>
</tbody>
</table>

a Listwise deletion based on all variables in the procedure.

Reliability Statistics

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>N of Items</th>
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</thead>
<tbody>
<tr>
<td>.701</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: analysis of survey data

Table 4.12 (b) Regression Analysis
(BSC Learning & Growth perspective)

Variables Entered/Removed(b)

<table>
<thead>
<tr>
<th>Model</th>
<th>Variables Entered</th>
<th>Variables Removed</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>NNLG(a)</td>
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<td>Enter</td>
</tr>
</tbody>
</table>

A All requested variables entered.
B Dependent Variable: NNatitude

Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<td>-.002</td>
<td>.33793</td>
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A Predictors: (Constant), NNLG

ANOVA(b)

<table>
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<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.027</td>
<td>1</td>
<td>.027</td>
<td>.236</td>
<td>.627(a)</td>
</tr>
<tr>
<td></td>
<td>45.451</td>
<td>398</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>45.477</td>
<td>399</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A Predictors: (Constant), NNLG
B Dependent Variable: NNatitude
Coefficients(a)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
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<td>.040</td>
<td>53.213</td>
</tr>
<tr>
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<td>.017</td>
<td>-.024</td>
</tr>
</tbody>
</table>

A Dependent Variable: NNatitude

Source: analysis of survey data

Table 4.13 (a) Reliability Statistics (BSC Finance perspective)

**Case Processing Summary**

<table>
<thead>
<tr>
<th>Cases</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>400</td>
<td>100.0</td>
</tr>
<tr>
<td>Excluded (a)</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>400</td>
<td>100.0</td>
</tr>
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</table>

a Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.702</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: analysis of survey data

Table 4.13 (b) Regression Analysis (BSC Finance Perspective)

**Variables Entered/Removed(b)**

<table>
<thead>
<tr>
<th>Model</th>
<th>Variables Entered</th>
<th>Variables Removed</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>NNFP(a)</td>
<td>.</td>
<td>Enter</td>
</tr>
</tbody>
</table>

A All requested variables entered.
B Dependent Variable: NNatitude
Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.177(a)</td>
<td>.031</td>
<td>.029</td>
<td>.33268</td>
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</tbody>
</table>

A Predictors: (Constant), NNFP

ANOVA(b)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<td>12.914</td>
<td>.000(a)</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>398</td>
<td>.111</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>45.477</td>
<td>399</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A Predictors: (Constant), NNFP
B Dependent Variable: NNatitude

Coefficients(a)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant) NNFP</td>
<td></td>
</tr>
<tr>
<td></td>
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<td>.046</td>
</tr>
<tr>
<td></td>
<td>-.060</td>
<td>.017</td>
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</table>

A Dependent Variable: NNatitude

Source: analysis of survey data

Table 4.14 (a) Reliability Statistics (Internal processes perspective)

Case Processing Summary

<table>
<thead>
<tr>
<th>Cases</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>400</td>
<td>100.0</td>
</tr>
<tr>
<td>Excluded (a)</td>
<td>0</td>
<td>.0</td>
</tr>
<tr>
<td>Total</td>
<td>400</td>
<td>100.0</td>
</tr>
</tbody>
</table>

a Listwise deletion based on all variables in the procedure.
### Reliability Statistics

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>N of Items</th>
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<tbody>
<tr>
<td>.712</td>
<td>4</td>
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</table>

Source: analysis of survey data

### Table 4.14 (b) Regression Analysis (BSC Internal Processes)

#### Variables Entered/Removed(b)

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<th>Model</th>
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<th>Variables Removed</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>NNPP(a)</td>
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<td>Enter</td>
</tr>
</tbody>
</table>

A  All requested variables entered.
B  Dependent Variable: NNatude

#### Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.245(a)</td>
<td>.060</td>
<td>.058</td>
<td>.32772</td>
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</tbody>
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A  Predictors: (Constant), NNPP

#### ANOVA(b)

<table>
<thead>
<tr>
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<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
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<td>1</td>
<td>2.733</td>
<td>25.444</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>42.745</td>
<td>398</td>
<td>.107</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>45.477</td>
<td>399</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A  Predictors: (Constant), NNPP
B  Dependent Variable: NNatitude

#### Coefficients(a)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant ) NNPP</td>
<td>1.886</td>
</tr>
</tbody>
</table>

A  Dependent Variable: NNatitude
Source: analysis of survey data

**Table 4.15 Reliability Statistics (Organisational Culture)**

<table>
<thead>
<tr>
<th>Case Processing Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>N</strong></td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Valid</td>
</tr>
<tr>
<td>Excluded (a)</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

* Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.717</td>
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</tbody>
</table>

Important Note: Item 12 has been removed because it has been found to be unreliable. Item 12 would affect the Cronbach's Alpha on culture's variable significantly and thus, the question has been eliminated from the studies and would not be tested further.

Source: analysis of survey data

**Table 4.16 Reliability Statistics (Employees’ attitude)**

<table>
<thead>
<tr>
<th>Case Processing Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>N</strong></td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Valid</td>
</tr>
<tr>
<td>Excluded (a)</td>
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<tr>
<td>Total</td>
</tr>
</tbody>
</table>

* Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

<table>
<thead>
<tr>
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<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.704</td>
<td>32</td>
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</tbody>
</table>

Source: analysis of survey data

256
Table 4.17 Regression Analysis (ANOVA): BSC Perspectives & Organisational Culture

<table>
<thead>
<tr>
<th>Variables Entered/Removed(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
</tbody>
</table>

A  All requested variables entered.
B  Dependent Variable: NNatude

Model Summary

<table>
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<th>Model</th>
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<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
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<td>.075</td>
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</tr>
<tr>
<td>2</td>
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<td>.097</td>
<td>.092</td>
<td>.32169</td>
</tr>
</tbody>
</table>

A  Predictors: (Constant), NNBSC
B  Predictors: (Constant), NNBSC, NNCulture

ANOVA(c)

<table>
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<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
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<td>3.528</td>
<td>33.469</td>
</tr>
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<td></td>
<td>Residual</td>
<td>41.950</td>
<td>398</td>
<td>.105</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>45.477</td>
<td>399</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Regression</td>
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<td>2</td>
<td>2.197</td>
<td>21.225</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
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<td>397</td>
<td>.103</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>45.477</td>
<td>399</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a  Predictors: (Constant), NNBSC
b  Predictors: (Constant), NNBSC, NNCulture
c  Dependent Variable: NNatude

Coefficients(a)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
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</tr>
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<td></td>
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<tr>
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<td>(Constant ) NNBSC</td>
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<tr>
<td></td>
<td>1.520</td>
<td>.096</td>
</tr>
<tr>
<td>2</td>
<td>(Constant ) NNBSC</td>
<td>.151</td>
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<tr>
<td></td>
<td>NNCulture</td>
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</tr>
</tbody>
</table>

a  Dependent Variable: NNatude
Excluded Variables (b)

<table>
<thead>
<tr>
<th>Model</th>
<th>Beta In</th>
<th>T</th>
<th>Sig.</th>
<th>Partial Correlation</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
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<td>.004</td>
<td>.144</td>
</tr>
</tbody>
</table>

a Predictors in the Model: (Constant), NNBSC
b Dependent Variable: NNatitude

Source: analysis of survey data

APPENDIX II

REGRESSION ANALYSIS

a) BSC Customer

Table 4.18 Model Summary

<table>
<thead>
<tr>
<th>Model</th>
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<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.428(a)</td>
<td>.183</td>
<td>.181</td>
<td>.30549</td>
</tr>
</tbody>
</table>

A Predictors: (Constant), NNCP

Table 4.19 ANOVA(b)

<table>
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<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
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<td>1</td>
<td>8.335</td>
<td>89.316</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>37.142</td>
<td>398</td>
<td>.093</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>45.477</td>
<td>399</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A Predictors: (Constant), NNCP
B Dependent Variable: NNatitude

Table 4.20 Coefficients(a)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant) NNCP</td>
<td>1.786</td>
<td>.038</td>
<td>46.672</td>
</tr>
<tr>
<td></td>
<td></td>
<td>.143</td>
<td>.015</td>
<td>9.451</td>
</tr>
</tbody>
</table>

A Dependent Variable: NNatitude

258
Y = bX + a
Y = Dependent variable
X = Independent variable
b = is the slope of the line
a = is where the line hits the Y axis
b = 0.143 (regression coefficient)
a = 1.786 (constant)
Regression equation is: Y = 1.786 X + 0.143X

Employee Attitude = 1.786 + 0.143xBSC Customer

B) BSC Finance

Table 4.21

Variables Entered/Removed(b)

<table>
<thead>
<tr>
<th>Model</th>
<th>Variables Entered</th>
<th>Variables Removed</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>NNFP(a)</td>
<td></td>
<td>Enter</td>
</tr>
</tbody>
</table>

A All requested variables entered.
B Dependent Variable: NNatitude

Table 4.22 Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
</table>
| 1     | .177(a) | .031    | .029              | .33268

A Predictors: (Constant), NNFP

Table 4.23 ANOVA(b)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>1.429</td>
<td>1</td>
<td>1.429</td>
<td>12.914</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>44.048</td>
<td>398</td>
<td>.111</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>45.477</td>
<td>399</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A Predictors: (Constant), NNFP
B Dependent Variable: NNatitude

Table 4.24 Coefficients(a)

259
<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant) 2.271</td>
<td>0.046</td>
<td>49.467</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>NNFP -0.060</td>
<td>0.017</td>
<td>-3.594</td>
<td>.000</td>
</tr>
</tbody>
</table>

A Dependent Variable: NNatitude

Source: analysis of survey data

Y = bX + a
Y = Dependent variable
X = Independent variable
b = is the slope of the line
a = is where the line hits the Y axis

b = 0.060 (regression coefficient)
a = 2.27 (constant)
Regression equation is: Y = 2.271 + 0.060X

Employee Attitude = 2.271 x 0.060xBSC Finance

C) BSC Internal Process

Table 4.25 Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.245(a)</td>
<td>.060</td>
<td>.058</td>
<td>.32772</td>
</tr>
</tbody>
</table>

A Predictors: (Constant), NNFP

Table 4.26 ANOVA(b)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression 2.733</td>
<td>1</td>
<td>2.733</td>
<td>25.444</td>
<td>.000(a)</td>
</tr>
<tr>
<td></td>
<td>Residual 42.745</td>
<td>398</td>
<td>.107</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total 45.477</td>
<td>399</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A Predictors: (Constant), NNFP
B Dependent Variable: NNatitude

260
Table 4.27  Coefficients(a)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.886</td>
</tr>
<tr>
<td></td>
<td>NNPP</td>
<td>.072</td>
</tr>
</tbody>
</table>

A Dependent Variable: NNatltude

\[ Y = bX + a \]
\[ Y = \text{Dependent variable} \]
\[ X = \text{Independent variable} \]
\[ b = \text{the slope of the line} \]
\[ a = \text{where the line hits the Y axis} \]

\[ b = .072 \text{ (regression coefficient)} \]
\[ a = 1.886 \text{ (constant)} \]

Regression equation is: \[ Y = 1.886 + .072X \]

Employee Attitude = 1.886 x 0.072xBSC Internal Process

D) BSC Learning and Growth

Table 4.28  Variables Entered/Removed(b)

<table>
<thead>
<tr>
<th>Model</th>
<th>Variables Entered</th>
<th>Variables Removed</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>NNLG(a)</td>
<td></td>
<td>Enter</td>
</tr>
</tbody>
</table>

A All requested variables entered.
B Dependent Variable: NNatltude

Table 4.29  Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.024(a)</td>
<td>.001</td>
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</tbody>
</table>

A Predictors: (Constant), NNLG
Table 4.30  

<table>
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<tr>
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<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
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<td>.027</td>
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<tr>
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<td>Residual</td>
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<td>398</td>
<td>.114</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>45.477</td>
<td>399</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A Predictors: (Constant), NNLG
B Dependent Variable: NNatitude

Table 4.31  

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
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<td>.040</td>
<td>.000</td>
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<tr>
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<td>.017</td>
<td>-.486</td>
</tr>
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</table>

A Dependent Variable: NNatitude

Source: analysis of survey data

\[ Y = bX + a \]

Y = Dependent variable
X = Independent variable
b = is the slope of the line
a = is where the line hits the Y axis

b = .008 (regression coefficient)
a = 2.135 (constant)
Regression equation is:  \[ Y = 2.135 + .008X \]

Employee Attitude = 2.135 x 0.008x BSC Learning and Growth
Multiple Regression

Table 4.32  
Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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</tbody>
</table>

a Predictors: (Constant), NNPP, NNLG, NNCP, NNFP

Table 4.33  
ANOVA(b)

<table>
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<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
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<td>2.229</td>
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</tr>
<tr>
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<td>Residual</td>
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<td>.093</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>45.477</td>
<td>399</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a Predictors: (Constant), NNPP, NNLG, NNCP, NNFP
b Dependent Variable: NNatitude

Table 4.34  
Coefficients(a)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.712</td>
<td>.095</td>
<td></td>
</tr>
<tr>
<td></td>
<td>NNCP</td>
<td>.132</td>
<td>.016</td>
<td>.394</td>
</tr>
<tr>
<td></td>
<td>NNLG</td>
<td>-.012</td>
<td>.015</td>
<td>-.035</td>
</tr>
<tr>
<td></td>
<td>NNFP</td>
<td>.005</td>
<td>.018</td>
<td>.015</td>
</tr>
<tr>
<td></td>
<td>NNPP</td>
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<td>.016</td>
<td>.118</td>
</tr>
</tbody>
</table>

a Dependent Variable: NNatitude
Table 4.35  Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.441(a)</td>
<td>.195</td>
<td>.191</td>
<td>.30372</td>
</tr>
</tbody>
</table>

a Predictors: (Constant), NNPP, NNCP

Table 4.36  ANOVA(b)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>8.855</td>
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</tr>
<tr>
<td></td>
<td>Residual</td>
<td>36.622</td>
<td>397</td>
<td>.092</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>45.477</td>
<td>399</td>
<td>.092</td>
<td></td>
</tr>
</tbody>
</table>

a Predictors: (Constant), NNPP, NNCP
b Dependent Variable: NNatitude

Table 4.37  Coefficients(a)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
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<td>.050</td>
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</tr>
<tr>
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<td>NNCP</td>
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<td>.016</td>
<td>.390</td>
</tr>
<tr>
<td></td>
<td>NNPP</td>
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<td>.014</td>
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</tr>
</tbody>
</table>

a Dependent Variable: NNatitude
Appendix III

FACTOR ANALYSIS

i) Organisational Culture

Table 4.38

<table>
<thead>
<tr>
<th>Opinion</th>
<th>Initial</th>
<th>Extraction</th>
</tr>
</thead>
<tbody>
<tr>
<td>opinion1</td>
<td>1.000</td>
<td>.516</td>
</tr>
<tr>
<td>opinion2</td>
<td>1.000</td>
<td>.534</td>
</tr>
<tr>
<td>opinion3</td>
<td>1.000</td>
<td>.645</td>
</tr>
<tr>
<td>opinion4</td>
<td>1.000</td>
<td>.781</td>
</tr>
<tr>
<td>opinion5</td>
<td>1.000</td>
<td>.534</td>
</tr>
<tr>
<td>opinion6</td>
<td>1.000</td>
<td>.604</td>
</tr>
<tr>
<td>opinion7</td>
<td>1.000</td>
<td>.738</td>
</tr>
<tr>
<td>opinion8</td>
<td>1.000</td>
<td>.696</td>
</tr>
<tr>
<td>opinion9</td>
<td>1.000</td>
<td>.666</td>
</tr>
<tr>
<td>opinion10</td>
<td>1.000</td>
<td>.679</td>
</tr>
<tr>
<td>opinion11</td>
<td>1.000</td>
<td>.566</td>
</tr>
<tr>
<td>opinion12</td>
<td>1.000</td>
<td>.627</td>
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<tr>
<td>opinion13</td>
<td>1.000</td>
<td>.769</td>
</tr>
<tr>
<td>opinion14</td>
<td>1.000</td>
<td>.530</td>
</tr>
<tr>
<td>opinion15</td>
<td>1.000</td>
<td>.879</td>
</tr>
<tr>
<td>opinion16</td>
<td>1.000</td>
<td>.711</td>
</tr>
<tr>
<td>opinion17</td>
<td>1.000</td>
<td>.754</td>
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<tr>
<td>opinion18</td>
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<td>opinion19</td>
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</table>

Extraction Method: Principal Component Analysis.

Source: analysis of survey data
## Total Variance Explained

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvalues</th>
<th>Extraction Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% of Variance</td>
</tr>
<tr>
<td>2</td>
<td>2.294</td>
<td>12.075</td>
</tr>
<tr>
<td>3</td>
<td>1.577</td>
<td>8.298</td>
</tr>
<tr>
<td>4</td>
<td>1.521</td>
<td>8.003</td>
</tr>
<tr>
<td>5</td>
<td>1.393</td>
<td>7.332</td>
</tr>
<tr>
<td>6</td>
<td>1.295</td>
<td>6.816</td>
</tr>
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<td>7</td>
<td>1.071</td>
<td>5.637</td>
</tr>
<tr>
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<td>.799</td>
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<td>.579</td>
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</table>

Extraction Method: Principal Component Analysis.

Source: analysis of survey data
### Component Matrix

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<thead>
<tr>
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<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
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<td></td>
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<td>.553</td>
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<td></td>
<td></td>
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<td></td>
</tr>
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<td></td>
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<td>.435</td>
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<td></td>
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Extraction Method: Principal Component Analysis.

a. 7 components extracted.

### i) Organisational Culture

#### Case Processing Summary

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a. Listwise deletion based on all variables in the procedure.

## Reliability Statistics

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268
Note: Item 12 has been removed due to the reliability factor. From the test of the studies, the Cronbach’s Alpha shown that the reliability is less than 0.7 if include item 12. Thus, item 12 is removed.

ii) BSC Customer

**KMO and Bartlett's Test**

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy | .603 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 1976.011 |
| Df | 171.000 |
| Sig. | .000 |

**Table 4.39 BSC Customer**

<table>
<thead>
<tr>
<th>Communalities</th>
<th>Initial</th>
<th>Extraction</th>
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</thead>
<tbody>
<tr>
<td>opinion21</td>
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Extraction Method: Principal Component Analysis.

**Total Variance Explained**

<table>
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<th>Component</th>
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<th>Extraction Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
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<tr>
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<td>4</td>
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<td>5</td>
<td>.596</td>
<td>11.926</td>
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Extraction Method: Principal Component Analysis.
Component Matrix

<table>
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<th>Component</th>
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<tr>
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<td>.620</td>
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<td>.681</td>
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Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Source: analysis of survey data

Case Processing Summary

<table>
<thead>
<tr>
<th>Cases</th>
<th>N</th>
<th>%</th>
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</thead>
<tbody>
<tr>
<td>Valid</td>
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a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

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KMO and Bartlett's Test

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | .781 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 295.707 |
| Df | Sig. |
| 10.000 | .000 |
i)  **BSC Finance**

**Table 4.40 BSC Finance**

**Communalities**

<table>
<thead>
<tr>
<th></th>
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<tbody>
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Extraction Method: Principal Component Analysis.

**Total Variance Explained**

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</thead>
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<td>3</td>
<td>.618</td>
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Extraction Method: Principal Component Analysis.

**Component Matrix**

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<td>.743</td>
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Extraction Method: Principal Component Analysis.

a. 1 components extracted.
### Case Processing Summary

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a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

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### KMO and Bartlett's Test

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy | .736 |
| Bartlett's Test of Sphericity                  |    |
| Approx. Chi-Square                            | 270.834 |
| Df                                               | 6.000 |
| Sig.                                             | .000 |

Source: analysis of survey data

#### ii) BSC Internal Processes

**Table 4.41 BSC Internal Processes**

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Extraction Method: Principal Component Analysis.
Total Variance Explained

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Extraction Method: Principal Component Analysis.

Component Matrix

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Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Case Processing Summary

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a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

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273
KMO and Bartlett's Test

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy: | .722 |
| Bartlett's Test of Sphericity                  |      |
| Approx. Chi-Square                             | 289.932 |
| Df                                              | 6.000 |
| Sig.                                            | .000 |

Table 4.42 BSC
Learning & Growth

Communalities

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Extraction Method: Principal Component Analysis.

Source: analysis of survey data

Total Variance Explained

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Extraction Method: Principal Component Analysis.
iii) BSC Learning & Growth

Component Matrix

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<td>opinion28</td>
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Extraction Method: Principal Component Analysis.

a. 2 components extracted.

KMO and Bartlett's Test

<table>
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<tr>
<td>Approx. Chi-Square</td>
<td>454.887</td>
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<tr>
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<td>Sig.</td>
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Source: analysis of survey data

BSC Learning and growth

Case Processing Summary

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a. Listwise deletion based on all variables in the procedure.
Reliability Statistics

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Source: analysis of survey data

Source: analysis of survey data

Cronbach’s Alpha for all items

**Case Processing Summary**

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</tr>
<tr>
<td>Excluded(^a)</td>
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<tr>
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\(^a\) Listwise deletion based on all variables in the procedure.

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### Case Processing Summary

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<td>0.0</td>
</tr>
<tr>
<td>Total</td>
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</tr>
</tbody>
</table>

### KMO and Bartlett's Test

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy | .641 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 5225.060 |
| Df | 496.000 |
| Sig. | .000 |

Source: analysis of survey data

### iv) Employee Attitude

**Table 4.43**

<table>
<thead>
<tr>
<th>Communalities</th>
</tr>
</thead>
</table>

<table>
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</thead>
<tbody>
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<td>opinion40</td>
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<td>opinion41</td>
<td>1.000</td>
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Source: analysis of survey data

*a: Excluded cases are those that were not analyzed due to various reasons.*
**Appendix IV**

**LIST OF STATUTORY BODIES IN MALAYSIA**

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Lembaga Urus Air Selangor (LUAS)
Majlis Peperiksaan Malaysia
Maktab Kerjasama Malaysia
Perbadanan Kemajuan Filem Nasional Malaysia (FINAS)
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| - Air Kelantan Sdn Bhd |
| - Hospital Universiti Sains Malaysia |
| - Lembaga Kemajuan Kelantan Selatan (KESEDAR) |
| - Lembaga Kemajuan Pertanian Kemubu (KADA) |
| - Lembaga Tembakau Negara |
| - Majlis Agama Islam dan Adat Istiadat Melayu Kelantan |
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| - Perbadanan Muzium Negeri Kelantan |
| - Perbadanan Perpustakaan Awam Kelantan |
| - Perbadanan Stadium Kelantan |
| - Universiti Malaysia Kelantan (UMK) |
| - Yayasan Islam Kelantan (YIK) |

| - Yayasan Kelantan Durul Naim (YAKIN) |
| - Perbadanan Labuan |

| - Majlis Agama Islam Melaka |
| - Perbadanan Kemajuan Negeri Melaka |
| - Perbadanan Muzium Negeri Melaka (PERZIM) |
| - Perbadanan Perpustakaan Awam Melaka |
| - Syarikat Air Melaka |
| - Universiti Teknikal Malaysia Melaka (UTEM) |
| - Yayasan Melaka |

| - Lembaga Muzium Negeri Sembilan |
| - Lembaga Pemegang Amanah Yayasan Negeri Sembilan |
| - Majlis Agama Islam Negeri Sembilan |
| - Perbadanan Kemajuan Negeri Sembilan |
| - Perbadanan Perpustakaan Awam Negeri Sembilan |
| - Universiti Sains Islam Malaysia (USIM) |
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2. Lembaga Muzium Negeri Pahang
3. Lembaga Pelabuhan Kuantan
4. Lembaga Pembangunan Tioman
5. Majlis Agama Islam & Adat Istiadat Melayu Negeri Pahang
6. Perbadanan Kemajuan Bukit Fraser
7. Perbadanan Kemajuan Negeri Pahang
8. Perbadanan Perpustakaan Awam Pahang
9. Perbadanan Stadium Darul Makmur
10. Universiti Malaysia Pahang (UMP)
11. Yayasan Pahang

- Lembaga Air Perak
- Majlis Agama Islam & Adat Melayu Perak
- Perbadanan Kemajuan Negeri Perak
- Perbadanan Pembangunan Pertanian Negeri Perak
- Perbadanan Perpustakaan Awam Negeri Perak
- Universiti Pendidikan Sultan Idris (UPSI)

Source: www.KWAP.gov.my
Appendix V

QUESTIONNAIRE SURVEY
INFORMATION SHEET

The Effects of the Performance Management System and the Organisational Culture on the Employees Attitude in Malaysian Government Statutory Bodies: A Case Study of Majlis Amanah Rakyat (MARA)

June 15, 2011

Dear Respondent

I am Mohd Haizam bin Mohd Saud, a student in the Graduate School of Business at the Southern Cross University, Australia undertaking a Doctorate of Business and Administration Degree and Prof Juhary Ali of Universiti Utara Malaysia, Sintok Kedah is my research supervisor. As part of the requirements, I need to conduct a research project titled "The Effects of Organisational Culture and the Performance Management System on the Firm’s Employees’ Attitude in BSC Government Statutory Bodies in Malaysia: A Study on MARA".

You are invited to take part in this research project. My thesis is to examine the relationship between work performance and employees’ attitude in MARA. Please help to complete a questionnaire on Performance Management System (PMS) and job satisfaction in MARA. We are interested only in the overall relationship between the PMS, organisational culture and work performance of MARA employees. We are therefore not interested in the specific responses of any particular individual. The anonymity of your responses is guaranteed because you are not required to provide your name nor any other information that can be used to identify you. The confidentiality of your responses is assured as only Mohd Haizam and Prof Juhary Ali will have access to the completed questionnaires, which will be shredded after the data have been entered into a spreadsheet.

On completion of the research, MARA management will be provided with a report of this research. The findings of this research may be published in a scholarly journal but neither you nor your organisation will be named or be able to be identified from the published report. Participation in this study is entirely voluntary. The questionnaire will be distributed by the MARA Human Resource Manager in your office. However, your decision to participate or to not participate will have no effect on your employment and no one will know whether or not you have participated in this study. Responding to the questionnaire will be done at a location of your choice. Please return of the questionnaire using the stamped and self-addressed envelopes to the researcher in Kuala Lumpur.
Responsibilities of the Researcher

To ensure the confidentiality of the information provided by you, your name and other identifying information will not be attached to data collected. Your participation in this study is on a voluntary basis. This Information Sheet and the covering letter accompanying the survey questionnaire should adequately address the concern of Informed Consent. Consent will be implied when a person returns a completed survey response.

All completed questionnaires will be held in safe storage at the researcher’s premise. You are free to withdraw your consent and to discontinue participation at any time. The research findings may be submitted for publication. Unless agreed on otherwise, all data collected is anonymous and confidential. Other than your role or position within the organisation, no personal data will be used in this research. All information collected will be presented as overall data. In the final research report, the participating organisations will only be referred to as cases with numbers. The results of the research will be made available to interested parties in final thesis format through Southern Cross University’s library.

Responsibilities of the Participant and Possible Risks

The only requirement of you as part of this research, should you agree to participate, is a commitment of time and willingness to share your opinions and experience about the research topic. There are no foreseeable risks or discomforts involved for you in this research.

Inquiries

This completed questionnaire must be returned to the researcher. If you have any questions, please feel free to contact us any time:

**Researcher**

Mohd Haizam bin Mohd Saudi  
c/o City University College  
Phone: +6 012 3871257  
E-Mail: haizam_my@yahoo.com

**Supervisor**

Prof. Dr. Juhary Ali  
Universiti Utara Malaysia  
Telephone: +6 013 4214706  
E-Mail: juhary.ali@uum.edu.my

*The ethical aspects of this study have been approved by the Southern Cross University Human Research Ethics Committee. The Approval Number is ECN-11-085. If you have any complaints or reservations about any ethical aspect of your participation in this research, you may contact the Committee through the Ethics Complaints Officer, Ms Sue Kelly, (telephone (02) 6626-9139, or fax (02) 6626-9145, email: sue.kelly@scu.edu.au) Any complaint you make will be treated in confidence and you will be informed of the outcome.*
CONFIDENTIAL

Questionnaires

Part 1

In the following questions, please indicate the extent to which you agree or disagree with each statement by circling the corresponding numeric value on a scale of 1 to 5 that is closest to your response. Please use the following key to understand the scale.

1= Strongly Agree     2= Agree     3= Neutral/Undecided   4= Disagree   5= Strongly Disagree

Questions

The organisation where I work…

Please circle your response

1. Is interested only in the work that the employees deliver

   1  2  3  4  5

2. Only specific kind of people fit into the organisation.

   1  2  3  4  5

3. Has little concern for personal relations of employees

   1  2  3  4  5

4. Is a secretive organisation where information is very hard to be accessed

   1  2  3  4  5

5. Is cost conscious regarding time and resources

   1  2  3  4  5

6. The employees are following institutional rules

   1  2  3  4  5
7. The decisions are centralized at the top.


8. Is relying on social and family background information in hiring


9. Gives employees open access to information


10. Believes in job competence is the only criterion in hiring people


11. Practices open communication and share information


12. Has many strict rules and regulations to be adhered


13. Believes that employees private life is treated as their own business


14. Believes that new employees need more than a year to feel at home


15. Employees always speak seriously of organisation and job.


16. Is a mechanistic or bureaucratic organisation which is rich in rules and procedures


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17. Emphasizes on meeting customer needs has the top priority

   1  2  3  4  5

18. Is having high standards with respect to the ethics and fairness in doing business, even at the expense of short-term results

   1  2  3  4  5

19. Focuses on results more than procedures

   1  2  3  4  5

20. Deals with each other in an informal style

   1  2  3  4  5

The Performance Management System using Balanced Scorecard where I work….

Customer Perspective... Please circle your response

21. Increases the citizen’s or entrepreneur’s interest in government programmes performance

   1  2  3  4  5

22. Emphasizes on the behaviour of employees that instilled confidence in customers

   1  2  3  4  5

23. Understands the specific needs of the customer, thus increase customer satisfaction

   1  2  3  4  5

24. Is improving responsiveness to the customer

   1  2  3  4  5

25. Is communicating with the public about performance

   1  2  3  4  5

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Learning and Growth Perspective

26. Is increasing awareness of factors that affect performance results
   1   2   3   4   5

27. Is improving effectiveness of the agency programmes
   1   2   3   4   5

28. Help staff monitor progress toward intended programmes/service results
   1   2   3   4   5

29. Increases staff participation in the process of developing performance measures
   1   2   3   4   5

30. Provides training for management and staff about performance measurement
devlopment and selection
   1   2   3   4   5

Financial Perspective

31. Is improving cost-saving of the agency programmes
   1   2   3   4   5

32. Provides a link of performance measures to budget decision
   1   2   3   4   5

33. Is improving the effectiveness of the agency programmes and focuses on results
   1   2   3   4   5

34. Measures and help staff monitor program toward intended service results
   1   2   3   4   5

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Internal Processes Perspective........... Please circle your response

35. Is improving the communication between legislature and legislative staff
   1  2  3  4  5

36. Help to reduce duplicating services
   1  2  3  4  5

37. Communicates of the purpose for using performance measurement to employees
   1  2  3  4  5

38. Improves cross-agency cooperation/coordination (within agency/internal)
   1  2  3  4  5

JOB SATISFACTION QUESTIONNAIRE

Part 2

Job Descriptive Index (JDI)

Listed below are a series of statements that represents feelings that you may have about your present job. There is no right or wrong answers. Your responses will be treated as strictly confidential.

Level of satisfaction Please circle your response

WORK IN PRESENT JOB

39. My organisation gives me the chance to do something that make use of my abilities
   1  2  3  4  5

40. My organisation gives me the chance to do different things from time to time
   1  2  3  4  5
41. My organisation gives me the freedom to use my own judgment

| 1 | 2 | 3 | 4 | 5 |

42. The job that I perform is challenging

| 1 | 2 | 3 | 4 | 5 |

### PRESENT PAY

**Please circle your response**

43. I am satisfied with my pay and amount of work that I do

| 1 | 2 | 3 | 4 | 5 |

44. Income adequate for normal expenses

| 1 | 2 | 3 | 4 | 5 |

45. Less than I deserve

| 1 | 2 | 3 | 4 | 5 |

46. My salary is highly paid

| 1 | 2 | 3 | 4 | 5 |

47. My salary is underpaid

| 1 | 2 | 3 | 4 | 5 |

### SUPERVISION ON PRESENT JOB

**Please circle your response**

48. My supervisor is competent in making decisions

| 1 | 2 | 3 | 4 | 5 |
49. The supervisor is hard to please
   1 2 3 4 5

50. I am satisfied that the supervisor is around when needed
   1 2 3 4 5

51. I am satisfied with the way my boss handle his/her worker
   1 2 3 4 5

52. I think that the supervisor knows the job well and praises good work
   1 2 3 4 5

PRESENT OPPORTUNITIES FOR PROMOTION Please circle your response

53. The chances and opportunities for advancement/promotion are available
   1 2 3 4 5

54. Opportunities are somewhat limited
   1 2 3 4 5

55. Promotion is based on ability
   1 2 3 4 5

56. I am satisfied with the feeling of accomplishment I get from the job
   1 2 3 4 5

57. The agency has an unfair promotion policy
   1 2 3 4 5
PEOPLE IN YOUR PRESENT JOB  

Please circle your response

58. I work with people who cooperate well with one other
   
   1  2  3  4  5

59. The people in my organisation talk too much
   
   1  2  3  4  5

60. The people in my organisation are loyal
   
   1  2  3  4  5

61. The people in my organisation are ambitious
   
   1  2  3  4  5

62. I am having good working relationship with my superior
   
   1  2  3  4  5

Affective Commitment  

Please circle your response

63. I would be happy to spend the rest of my career with this organisation
   
   1  2  3  4  5

64. I enjoy discussing my organisation with people outside.
   
   1  2  3  4  5

65. I feel as if this organisation’s problems are my own.
   
   1  2  3  4  5

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66. I feel like “part of the family” at my organisation

1 2 3 4 5

67. I feel emotionally attached to this organisation.

1 2 3 4 5

68. This organisation has personal meaning for me

1 2 3 4 5

69. I feel a strong sense of belonging to my organisation

1 2 3 4 5

70. I do not think I could become as attached to another organisation as I am to this one

1 2 3 4 5

Part 3: Respondent’s Demographic Data

1. Age: ____Years___Months

2. Gender (please circle) Male/Female

3. Educational level: Primary School / High School / College / University

4. How long have you worked in this Organisation? ____Years____Months

5. What is your Level in the Organisation? Lower Mgmt/Middle Mgmt/Senior

6. Are you confirmed in your job within the normal time frame? Yes/No

7. For those working for 3 years of more, have you been promoted? Yes/No

Thank you

Date: _____ January 2012