

# HUMAN RESOURCE MANAGEMENT PRACTICES TOWARDS ORGANIZATIONAL PERFORMANCE FOR ACADEMICIANS IN MALAYSIA PUBLIC UNIVERSITIES.

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ORGANIZATIONAL PERFORMANCE FOR ACADEMICIANS  
IN MALAYSIA PUBLIC UNIVERSITIES

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THESIS PRESENTED TO QUALIFY FOR A DOCTOR OF PHILOSOPHY

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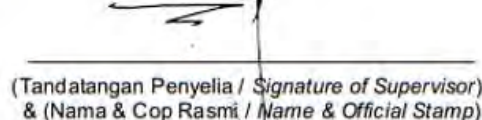
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## RECOGNITION

In the name of Allah, the Most Gracious, the Most Merciful, thanks be to Allah because with His taufik and guidance, I was able to complete this thesis as fulfilling the conditions for the award of the Doctor of Philosophy (Business Management) Degree at UPSI.

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MOHAMAD SUWARDI  
IPOH, PERAK



## ABSTRACT

This aimed of this study is to examine the relationship between Human Resource Management (HRM) practices on organizational performance (OP) in 20 Malaysian public universities. HRM practices such as recruitment and selection (RS), training and development (TD), reward and recognition (RR), as well as work environment (AE) are said to be factors in improving the performance capabilities of academicians. The OP evaluation was evaluated in this study based on a strategic planning and management system methodology known as the Balanced Scorecard (BSC) which consists of four perspectives namely financial, customers, internal processes and learning and growth. A quantitative survey study was conducted on 383 academicians selected from 20 Malaysian public universities based on proportional stratified random sampling technique. Questionnaires using 6 point Likert scale were distributed using official emails of academicians. Correlation and multiple regression analyses were performed using SPSS v.22. In conclusion, the results of multiple regression analysis showed that the tested independent variables could explain 69.7% of the variance against OP. This proves that the four factors of HRM practice in this study can help to improve OP in Malaysian public universities. While the AE factor has shown the strongest positive correlation with a significant level of 0.804. A measurement tool based on the Analytical Hierarchy Process (AHP) to identify faculties that implement HRM practices with excellence has been developed known as the Human Resource Management Option System tool (HRMOST). This tool was validated by five UPSI faculty officers in determining the suitability of the OP. It is hoped that this study can help faculties / universities in the implementing of HRM practices so that Malaysian public universities becomes more efficient and effective in improving academician performance. The selection of HRM practice activities that provide the best impact will definitely become a benchmark to other Malaysian educational institutions.





## AMALAN PENGURUSAN SUMBER MANUSIA TERHADAP PRESTASI ORGANISASI UNTUK AHLI AKADEMIK DI UNIVERSITI AWAM MALAYSIA

### ABSTRAK

Kajian ini bertujuan untuk mengkaji hubungan di antara amalan Pengurusan Sumber Manusia (HRM) terhadap prestasi organisasi (OP) di 20 universiti awam Malaysia. Amalan HRM seperti pengambilan dan pemilihan (RS), latihan dan pembangunan (TD), penghargaan dan pengiktirafan (RR), serta persekitaran kerja (AE) dikatakan sebagai faktor dalam meningkatkan kemampuan prestasi seseorang ahli akademik. Penilaian OP dalam kajian ini dinilai berdasarkan metodologi sistem perancangan dan pengurusan strategik yang dikenali sebagai *Balanced Scorecard* (BSC) yang terdiri dari empat perspektif iaitu kewangan, pelanggan, proses dalaman dan pembelajaran dan pertumbuhan. Kajian kuantitatif melalui tinjauan telah dilakukan terhadap 383 ahli akademik universiti yang dipilih berdasarkan teknik pensampelan rawak berstrata berkadaran. Soal selidik menggunakan skala Likert 6 diedarkan melalui e-mel rasmi ahli-ahli akademik. Analisis korelasi dan regresi berganda dilakukan dengan menggunakan SPSS v.22. Kesimpulannya, hasil analisis regresi berganda menunjukkan bahawa pemboleh ubah bebas yang diuji dapat menjelaskan 69.7% varians terhadap OP. Ini membuktikan bahawa empat faktor amalan HRM dalam kajian ini dapat membantu meningkatkan OP di universiti awam Malaysia. Manakala faktor AE telah menunjukkan korelasi positif terkuat dengan tahap signifikan 0.804. Alat pengukuran berdasarkan *Analytical Hierarchy Process* (AHP) untuk mengenal pasti fakulti yang melaksanakan amalan HRM dengan cemerlang telah dibangunkan dikenali sebagai *Human Resource Management Option System tool* (HRMOST). Alat ini telah disahkan oleh lima pegawai fakulti UPSI dalam menentukan kesesuaian OP. Diharapkan kajian ini dapat membantu fakulti / universiti dalam melaksanakan amalan HRM agar universiti awam Malaysia menjadi lebih cekap dan berkesan dalam meningkatkan prestasi ahli-ahli akademik. Dengan pemilihan aktiviti HRM yang memberikan kesan terbaik, ia pasti akan menjadi suatu penanda aras kepada institusi pendidikan lain di Malaysia.



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## LIST OF ABBREVIATIONS

AE	Working Environment
AHP	Analytical Hierarchy Process
AMO	Ability, Motivation and Opportunities
BSC	Balanced Scorecard
CI	Consistency Index
CR	Consistency Ratio
DV	Dependent Variable
EFA	Exploratory Factor Analysis
ETP	Economic Transformation Program
HEIs	Higher Education Institutions
HR	Human Resource
HRM	Human Resource Management
HRMOST	Human Resource Management Option System tool
ID	Identification
IIUM	International Islamic University Malaysia
IGS	Institute of Graduate Studies
IR 4.0	Industrial Revolution 4.0
KMO	Kaiser-Meyer-Olkin
KPM	<i>Kementerian Pendidikan Malaysia</i>
MoHE	Ministry of Higher Education Malaysia
MQA	Malaysian Qualifications Agency
MyIPO	Intellectual Property Corporation of Malaysia

OP	Organizational Performance
PMS	Performance Measurement System
PPPM	<i>Pelan Pembangunan Pendidikan Malaysia</i>
RBV	Resource Based View
RMIC	Research Management and Innovation Centre
RR	Reward and Recognition
RS	Recruitment and Selection
$R^2$	Squared Multiple Correlation
SD	Standard Deviation
SPSS	Statistical Package for School Science
TD	Training and Development
UITM	Universiti Teknologi Mara
UKM	Universiti Kebangsaan Malaysia
UM	Universiti Malaya
UMK	Universiti Malaysia Kelantan
UMP	Universiti Malaysia Pahang
UMS	Universiti Malaysia Sabah
UMT	Universiti Malaysia Terengganu
UNIMAP	Universiti Malaysia Perlis
UNIMAS	Universiti Malaysia Sarawak
UNISZA	Universiti Sultan Zainal Abidin
UPM	Universiti Putra Malaysia
UPNM	Universiti Pertahanan Nasional Malaysia
USM	Universiti Sains Malaysia



USIM	Universiti Sains Islam Malaysia
UUM	Universiti Utara Malaysia
UTEM	Universiti Teknikal Malaysia Melaka
UTHM	Universiti Tun Hussein Onn
UTM	Universiti Teknologi Malaysia
UPSI	Sultan Idris Education University
VIF	Variance Inflated Factor

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## CHAPTER 1

### INTRODUCTION

#### 1.1 Introduction



In this chapter we will discuss the introduction of this study to provide a clear picture of this research. The discussion in this chapter is about human resource management (HRM) practices, such as recruitment and selection (RS), training and development (TD), rewards and recognition (RR), and work environment (AE). This chapter includes some basic knowledge related to research, including research background, problem statement, research goals, research questions, research hypotheses, research framework and operational definitions of the general aspects of the research.



## 1.2 Background of the Study

Increasing the number of universities, especially public universities, has succeeded in boosting the achievement and quality of the country's public universities so as to be comparable to overseas universities. The rapid development of Higher Education Institutions (HEIs) in Malaysia especially the private HEIs has given rise to government concerns over the absence of clear rules and controls to ensure the quality and equity of higher education (Ambigapathy, Haslina & Sarjit as cited in Lazim & Yusof, 2012).

Liberalization and globalization of higher education also bring with it great competition among local universities. Major universities are beginning to redefine their visions and goals towards becoming world-class research-led universities, thus, propelling them to become world-leading universities. While it is undeniable that a credible higher education system requires an international perspective in all aspects of its operations to enable it to gain international recognition, competition among local universities must be monitored to avoid the issue of justice at the national level. In order to uplift the profession of university lecturers in Malaysia to compete with university lecturers in developed countries, the government must implement a comprehensive transformation process particularly in the development of HRs at public universities. (Mustapha & Zakaria, 2013).

According to the Economic Transformation Program (ETP) report, three million jobs will be provided in the next 10 years (Kementerian Penerangan Malaysia, 2013). Based on the country's transformation agenda, HEIs will be the catalysts or key platforms in the future for producing skilled manpower. The need for more competitive



human resource (HR) expertise performing different activities both in private and public sectors is very much needed at this time (Bernama, 2017). Until 2018, there are 20 public universities in Malaysia which employ more than 31,528 local and foreign academicians (Ministry of Higher Education Malaysia, 2018). According to Grapragasem, Krishnan, and Mansor (2014), the establishment of local and foreign colleges and universities in Malaysia has contributed more to the supply and development of human capital. The ability of five national research universities to improve their rankings in the list of QS World University Rankings recently, bodes well to prove that public institutions of higher educations are able to provide competition to world-class institutions (Rusmin, 2014).

The study conducted by Sarip and Royo (2014) found that almost all HRM-related tasks at public universities in Malaysia carry out routine HRM functions such as salary related matters, preparation of training-related documents and even in the process of of new staff and departments. HRM in every university is also involved at almost every stage and after the top management has endorsed the decision of the recruitment committee, then only can the recruitment proceed. The Malaysian Ministry of Higher Education (MoHE) has granted autonomy status to all public universities in stages since 2012 with the latest being in October 2018. This autonomy includes HRM functions, such as the hiring and dismissal of employees, employment and promotion (Kementerian. Pendidikan. Malaysia, 2015). The HRM department of the university is fully responsible for the process of screening and recruitment (Hoque et al., 2010). The active involvement of Malaysian public universities in the collaboration and dissemination of their expertise in the international arena also indirectly increases the





number of international staff at universities and this will definitely improve their standings in the list of QS World University Ranking.

The emergence of Industrial Revolution 4.0 (IR 4.0) involving automation technology has presented new challenges to every sector in the country, especially in the education sector, which requires changes in accordance with digital transformation to remain competitive. A more flexible university approach and willingness to face new challenges is essential so as to not be left behind in the era of globalization and digital. However from the perspective of HR development, the needs of academicians to hone and improve their skills in the new millennium needs to be emphasized. The 21st Century skill is aimed at the mastery of three types of knowledge - basic, meta and humanistic. Mastering the knowledge in the field of study and other



related fields is very crucial during his period of time. Recognizing the importance of promoting university performance, most Malaysia public universities have devised various strategies on HRM practices. In order to achieve this goal, the university must attract and retain outstanding and experienced academicians in the initial initiative, and implement effective HRM practices so that academicians can devote themselves to their work to achieve good university performance (Zaleha, Rasid, Daverson, & Selemani, 2014).

The professional knowledge, TD of highly qualified and motivated academicians will depend on the university's performance in designing and implementing different combinations of HRM practices (such as RS, training, career planning, and rewards), depending on the university's performance which performed (Zaleha et al., 2014), compensation, employment security, performance management







and so on, the provision of a conducive work environment are among the key factors that are often considered by the study to see the level of employee satisfaction and the performance of an organization. Employees should be motivated and encouraged to ensure that their achievements and work commitments can be sustained and enhanced from time to time. It is essential to ensure that employees have the knowledge, skills and abilities to improve their performance.

Likewise, appreciation and recognition of employees, for example, will enable the workplace to be more pleasant and satisfying. Based on Johan (2014), rewards such as remunerations, promotions and wages are significant throughout a career in teaching. The performance of the organization can be evaluated based on the implementation of HRM in the organization's management. Since HR are regarded as important assets of mobilization organizations, it is necessary to determine whether HRM activities are effectively implemented in public universities. An organization that practices HRM effectively will usually gain a high level of performance and OP (Arsad, 2011).

There are various ways and methods to assess the level of performance of an organization among public universities. Among the most popular and attentive methods are through the Balanced Scorecard (BSC) assessment as it is considered as a platform in providing a comprehensive view of the strategies required at universities (Hladchenko, 2015). This is due to several factors such as pressure from internal and external environment in a challenging era for academic which requires implementation of strategies and guidance directed towards improving OP (Ahmad & Kim Soon, 2015). In addition, it can also enhance communication and strategy execution in HEIs. (Reda, 2017).



This measure is important as it can determine the direction of the universities especially in helping the country provide a sustainable economy by 2020 through the creation of innovative and innovation sciences and inventions. The contribution of Malaysian academicians, be it from public or private universities towards the community is very important and significant as they are the regarded as the 'expert human capital' of the country. The main role of HRM is to ensure that the organization succeeds through its human capital. Therefore, management practices for employees are important because they will increase the positive impact within the organization.

### 1.3 Problem Statement

Several studies have been conducted to examine and evaluate the impact of HRM practices on the performance of public universities in Malaysia and abroad. The results of many studies show that HRM practices have a positive impact on OP (Almomani, 2016; Amin, Ismail, Rasid, & Selemani, 2014; Arsad, 2011; Azzam & Jaradat, 2014; Chandra & Priyono, 2015; Ekankumo et al., 2011; Hussein, Omar, Noordin, & Ishak, 2016a; J. M. Johan, 2014; Lucky, 2013; Nura, 2014; Okechukwu, 2017; Ondieki, 2017; Osakwe, 2015; Rahim & Daud, 2013; Yee, 2015). It is interesting to discuss the relevance of these two factors (HRM and OP). This is because in order to achieve the best OP, it is best to start from the recruiting sources of employees who are believed to be able to work excellently in the organization, hence these workers should be praised and valued based on the results of their efforts that have met or exceeded expectations. Employees also need to develop their skills and knowledge with



various effective trainings. What is less important is that the organization provides a pleasant AE in addition to just equal service.

There are many factors in HRM practices which are associated with OP conducted by several researches on HRM practices using different sets of practices. There are previous studies as illustrated in Figure 1.1 below that shows OP depends on the interactive relationship between various factors in HRM practices. Most organizations remain sceptical about the most appropriate practices to be followed or tested. In fact, there has been no consensus on which elements of HRM practices are best adopted (Trivedi & Raval, 2015). HRM practices as seen from the configuration perspective argue that their impact on OP will depend on the use of different combinations and practices of HRs. This means that different HRM practices when linked to one another will shape the organization's performance improvement in a coherent method (Triguero-Sánchez, Peña-Vinces, & Sánchez-Apellániz, 2013).

Based on Lamba and Choudhary (2013), there is not a single HR practice that can best be used as a guide to the evaluation of HRM practices. There are various different HRM practices that can be used which an organization combines to manage which ultimately forms the "Number of Best HR Practices" which they should implement. "Best practices" in HRM are subjective and transitory. The combination of robust and ideal HR practices in a complementary group and mutually reinforcing or synergistic sets can form the basis of research in improving an organization's performance (Trivedi & Raval, 2015). The more diversified HRM practices used in the organization, the stronger the impact on OP (Vermeeren, Kuipers, & Steijn, 2014) and



of course it depends on the level of organizational objectives, strategies, operations and vision in improving their HRs (Manafi & Subramaniam, 2015).

From Table 1.1 that most articles discuss a lot of factors such as RS, TD, compensation, reward and benefit and also work environment and job design in HRM practices and this clearly shows that the factors this is at the core of many of the current issues that are the focus of OP globally. For researchers, these four factors are certainly something very interesting to study because it will look at the issues of HRM practices towards OP based on the perspective of Malaysian public universities. It is not surprising that today's general discussion on universities has shifted its focus to 'academia,' which is academic filling, including the membership of the academic community within the university (Baharuddin, 2010).

These issues are very relevant to study and analyze as Ministry of Higher Education Malaysia education policies such as in the Strengthening Academic University Career and Leadership Development Pathways : University Transformation Programme (Orange Book) 2017, the Enhancing University Board Governance and Effectiveness: University Transformation Programme (Green Book) 2017, the Enhancing University Income Generation, Endowment & Waqf : University Transformation Programme (Purple Book) 2017, the Enhancing Academic Productivity and Cost Efficiency: University Transformation Programme (Silver Book) 2017 and the Annual Report Malaysia Education Blueprint 2013-2025 at the higher education in Malaysia have discussed many issues of academicians competence and on how to strengthen academic career pathways and leadership development where there are concerns about the need for scope and talent search criteria that meet regional and

international standards (Ministry of Higher Education, 2017) and on how to empower the capabilities of Malaysian public universities to the global level.

This situation needs to be emphasized as it can adversely affect the skills of graduates to obtain employment as soon as they graduate from the university. The situation is very different from the past when lecturers have industry experience to guide university students to be more skilful in their field of study.

Table 1.1

*Selected Factor Selection in Literature Based on Previous Studies*

HRM PRACTICES	Factors of HRM practices applied in the study by the researcher (*)																										
	AUTHORS																										
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	TOTAL
Recruitment And Selection	*	*	*	*			*	*	*	*	*		*	*	*	*	*		*	*	*	*	*				17
Training And Development	*	*	*	*	*	*	*	*	*	*	*		*		*	*	*	*	*	*	*	*	*	*	*	*	23
Compensation, Reward And Benefit	*	*	*	*	*	*	*	*	*	*			*	*		*	*	*	*	*		*	*	*		*	20
Work Environment, Job Design			*			*		*	*			*			*			*	*	*		*			*		12
Employment Security				*																						2	
Performance Appraisal And Achievement	*				*								*		*		*		*	*	*		*	*	*		10
Career Development						*	*			*					*											4	
Manpower Planning								*		*		*														5	
Quality Circle								*		*																2	
Employee Relations And Communication											*				*											3	
Formal induction, Information sharing																					*					1	
																										1	

(continued)







The percentage of Malaysia's unemployed graduates shows a rising trend. Most university graduates cannot meet the needs and requirements of employers due to the lack of soft skills and uncompetitive communication skills. An improved effort is needed to revamp the overall quality of graduates and institutional systems (Zain, Aspah, Mohmud, Abdullah, & Ebrahimib, 2017).

According to the 2012-2017 National Graduate Employment Blueprint issued by the Ministry of Higher Education Malaysia (2012), as shown in Figure 1.1 below, the most common problem encountered by most employers in hiring fresh university graduates is poor command in English (55.8%), followed by poor personality, attitude or character (37.4%), 33% for records related to unrealistic wages/benefits, and 30.2% for skills mismatches, selected in work/company 27.7%, unproven problem-solving ability (25.9%) and 23.8% are related to insufficient skill knowledge.

From the graph shown (Figure 1.1), it is clear that most of these skills are lacking among fresh graduates. Various possibilities need to be examined to identify the cause of this situation, including from the aspect of the level of competence and ability of academics in most public universities in Malaysia in producing graduates who have the skills mentioned above.



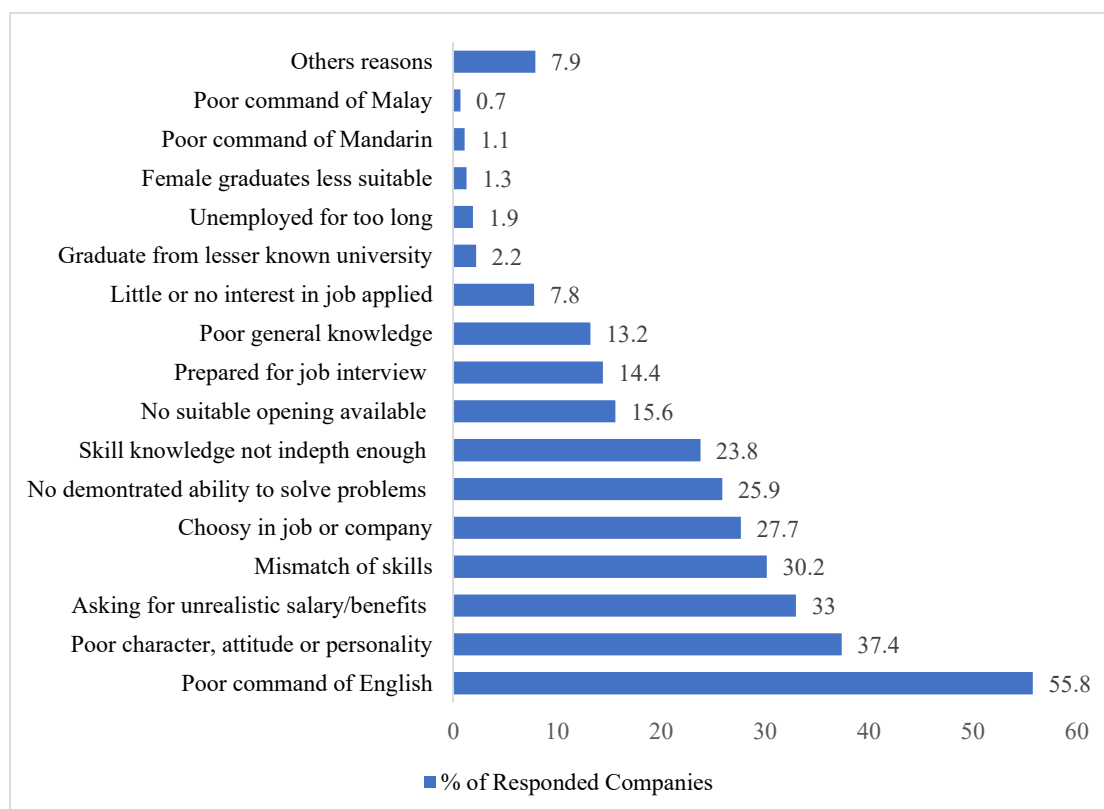


Figure 1.1. Problem Faced by Employers in Hiring Fresh Graduates. by Ministry of Higher Education Malaysia, 2012

The decline in teaching quality is also related to the decrease in the number of full-time academic staff and the increase in dependence on temporary staff hired by part-time employees (Jaes, Ismail, Damin, & Anida, 2017). The increasing recruitment of foreign academicians is one of the effects of OP (Hoque et al., 2010) with the inclusion of below par lecturers in a loose environment and those who lack the necessary skills and qualifications, providing inadequate quality education, substandard curriculum and so on (Jaes et al., 2017; Rusmin, 2017).

According to Lucky (2013), a teacher should have a teaching and competence qualification if they want the best for their students in terms of achievement. This has also been supported by Oussama (2012) who stated that efficient and effective HRs will

lead to productive and quality individual end product and will avert the presence of difficult employees and consequently have a positive impact on all other employees in the organization. According to M. of H. E. Malaysia, (2017), academicians must balance roles in teaching, research, and leadership. An academicians must be an excellent researcher, and vice versa. Knowledge gained through research should be shared and taught to students.

The academic discussion also discussed the possibility of a decline in the level and quality of university teaching (K. Johan, 2015; Khadirah & Rahman, 2018; Shanthi, Kadiresan, Mohamed, & Yusof, 2012). This is related to the increasing trend of the proportion of faculty. This can be seen from other aspects: academicians are becoming more and more burdened in teaching, class sizes are getting bigger and bigger, and efforts are being made to replace face-to-face education with “online” education (Deni, Zainal, & Malakolunthu, 2014; Ministry of Higher Education Malaysia, 2017a).

Over the past few decades, Malaysia’s higher education system has grown exponentially. In the past ten years, the number of students enrolled has increased, and the global recognition of key aspects (such as institutional quality, research publications and patents) has also increased, and it has quickly become a major destination for international students. However, the MoHE acknowledges that the system needs to keep evolving to keep up with global trends. Under the Malaysian Education Blueprint 2015-2025 ; Higher Education (Kementerian Pendidikan Malaysia, 2015), the Malaysia MoHE has set a target to expand higher education enrolment

involving various public and private HEIs either under the MoHE or the Ministry of Education Malaysia (MOE).

The target number of enrolments involving public universities in Malaysia by year 2025 is 764,000 students, which involves an annual growth of 2.6% compared to 545,000 students in 2012. This can be explained in Figure 1.2 below. To compensate for the increase in the number of students, then the increase in the number of academics must also be in line with the set targets. If not addressed effectively, the productivity of academics will definitely decline and cause an impact on the OP of a university.

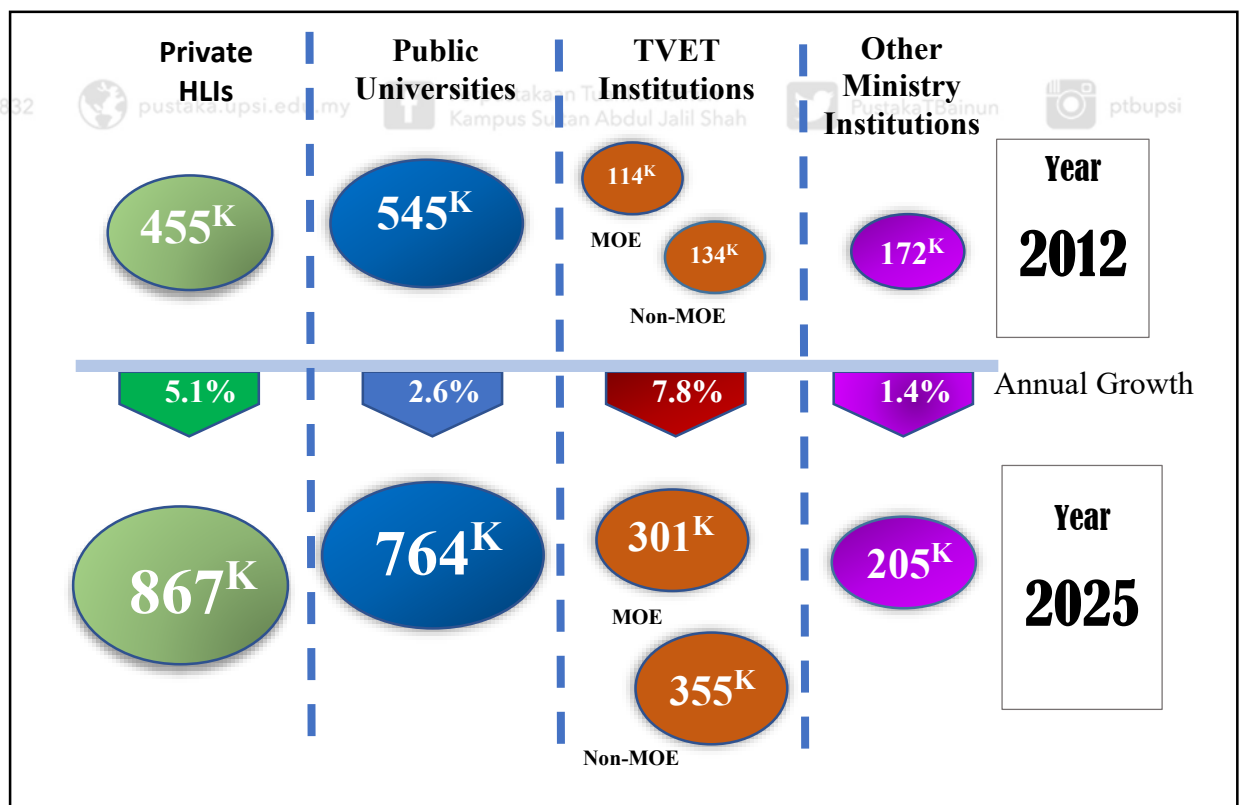


Figure 1.2. Higher Education Student Enrolment. by Ministry of Education, 2015



In the formation of knowledge, economics and society, public universities play an important role in the nation's generation of knowledge (Jaes et al., 2017). The universities need academicians who are motivated and well trained so that all tasks that involve the involvement of academicians such as conducting research or lecturing will give a better impact to the organization (Amin et al., 2014). The HRM's accountability and transparency of universities involved in the recruitment and selection process in identifying qualified academic candidates can be disputed.

A 'mistake' in the RS of new staff may increase costs on the organization's part and may also result in disruption at the workplace; employees who are unable to perform up to the desired level can inadvertently cause other employees to be less productive (Leijdekkers, 2017). Fixing this problem will involve a lot of money and time. Therefore, a very transparent and systematic RS method is essential before the lecturers can be accepted to enter the profession of a lecturer at a Malaysia public university. As the demand for education grows, the costs that public universities must bear will also increase. However, public funds for higher education cannot grow at the same rate as the cost. In order to cope with increased costs and limited funding, public universities in Malaysia will need to maximize the value of each ringgit (Ministry of Higher Education Malaysia, 2017a).

The existence of the IR4.0 that has influenced technologies such as Artificial Intelligence (AI), Internet of Things (IoT), digitalisation and automation has influenced everyday life and work. The IR4.0 brings uncharted forward and new challenges and opportunities (Education, 2015). Academicians need to equip themselves with IR 4.0 skills to showcase their scholarly degrees and positions in the university (Yusof, 2016).

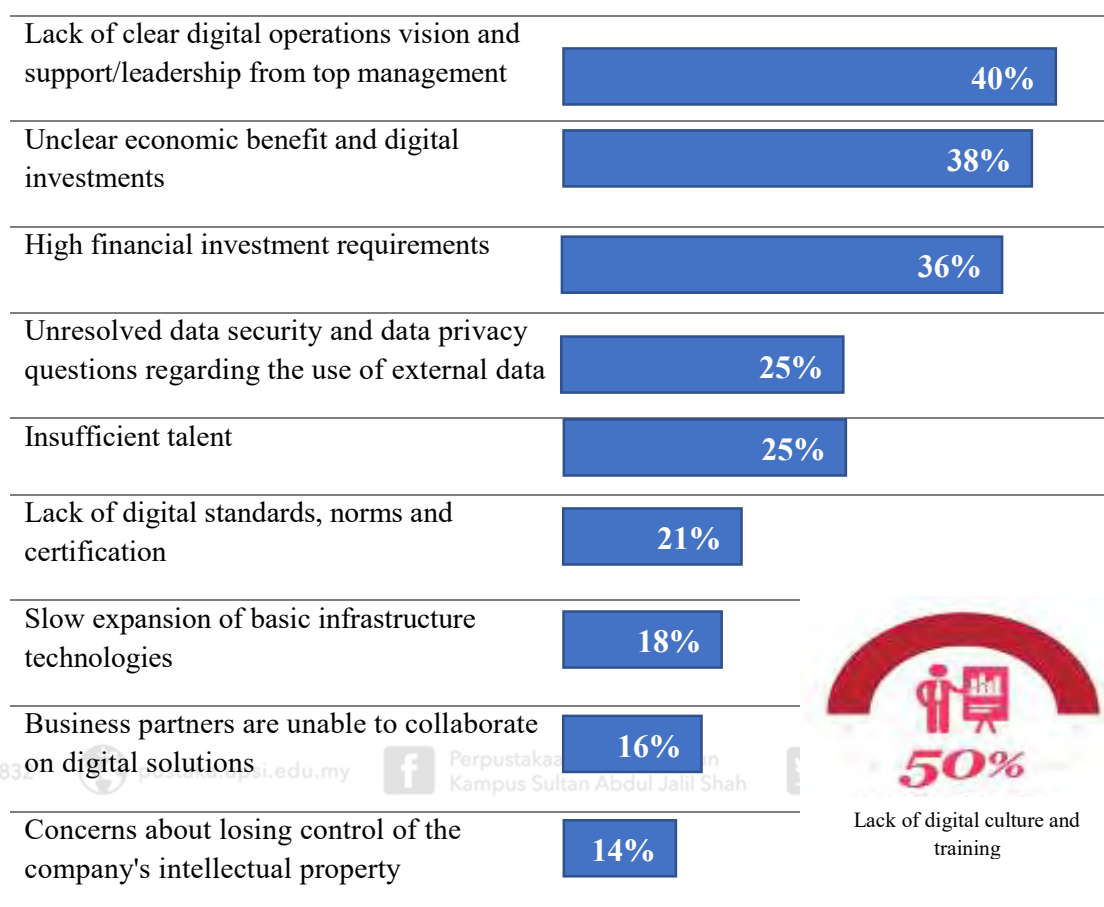


They need to be versatile, more sensitive to issues that engulf the community and able to contribute ideas to solve them. This is because the national academic experts are hoping to jointly develop a holistic and integrated curriculum that will produce efficient and productive citizens in congruence with the Malaysian Education Blueprint 2015 – 2025 (Higher Education).

Based on the 2016 Global Industry 4.0 Survey obtained from Reinhard Geissbauer (2017) it is found that some (50%) of the global workforce still lacks digital culture and training. The percentages of these shortcomings are shown in Table 1.2. 40% of them are due to lack of clear digital operation vision and support/leadership from senior management, unclear economic benefits and digital investment (38%), higher financial investment requirements (36%), and so on.

The ministry plans to increase the use of blended learning solutions through the implementation of MEB (HE) to make it account for 30% of the total number of courses. In Malaysia, all universities have begun to experiment with Massive Open Online Courses (MOOC). However, more can be done. In order to reduce teaching costs in the long term and maintain the latest teaching models, universities can explore a variety of teaching design approaches, including the use of adaptive learning tools and the holding of formal student-led tuition classes (Ministry of Higher Education Malaysia, 2017a).

Table 1.2

*Lack of Digital Cultures and Training*

by: 2016 Global Industry 4.0 Survey

Figure 1.3 below is a brief statement that was pioneered by Xing and Marwala, (2017) related to teaching in the IR4.0 which is based on three functions; The first function is related to Teaching; in a university it is very closely related to educating the youth. Being chosen is a necessity for the university for effective and appropriate strategies as well as learning experiences in a way that encourages learning. Applicable teaching, learning and training is one of the teaching and learning methods that uses tools to predict and analyse the state of the real world physical system. Learning methods with the existence of cyber-physical systems have formed a new norm such as numerical simulation has been increasing and is important in both educational and



practical applications. MOOCs are also a form of learning that provides online self-directed instruction. In cultivating innovative talent, students and lecturers need to be trained in an interdisciplinary environment where technology will interact and understand the humanities and social sciences and vice versa.

The another second function (Figure 1.3) is related to Research; In an environment of global competition among HEIs, continuous research efforts among academicians are very important and placed as the core business of the university in the production of a research and development (R&D). studies in this IR4.0 era will certainly involve new technology deployment to global cooperation and collaboration. Methods and concepts such as open innovation, evolutionary and revolutionary innovation, research and development driven by new technological advances, and shortened innovation cycles are criteria for new standards in research and third service-related functions; for knowledge of the competitive performance and efficiency of the Malaysian higher education system is with the world's higher education system, radically improving the services required.

For competitive success among the world's higher education systems, we need to radically improve services. In particular, we need to increase innovation and greater competition in education. Concepts such as University-as-a-Platform (UaaP) where it provides an opportunity for this compilation higher education system to direct their business towards platform business for better service performance. Education-as-a-Service (EaaS) is the belief that academic and student needs must be met effectively. These HEIs such as universities are entrusted to various stakeholders such as government, management, public and private funding sources, support staff, academics





and students. International-related programs will focus on offering more versatile study programs and professional qualifications. With the duties and responsibilities of an academic will be more challenging and comprehensive training is a necessity.

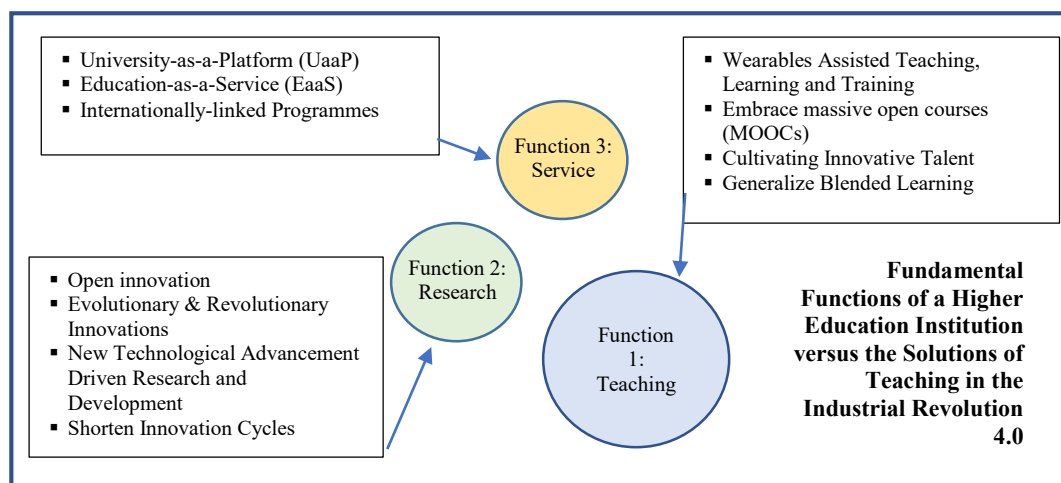


Figure 1.3. Teaching in the IR 4.0. by: Haron (2018)

In the education sector, this change has led to the need of redesigning the system and reskilling as well as upscaling talents and skills at the workplace. The issue of talent planning is necessary to ensure Malaysia's long-term sustainable economic growth and development. This is in line with the fact that Malaysia relies heavily on the ability of the workforce to innovate and apply the latest knowledge and technology (Ministry of Higher Education, 2017; Selamat, 2017). The role of the university and the ministry at this time is to form and make plans in shaping future technology by providing a platform for the purpose of innovation in educating future generations. So with the development of web services, physical boundaries are no longer barriers to education, both nationally and internationally (Mezied, 2016).



All academicians need to equip themselves with changes especially in the mastery of educational and teaching technology and at the same time they also need to be prepared to provide future graduates with skills and knowledge, empower them to enhance productivity and contribute to the nation's economic development (Ministry of Higher Education Malaysia, 2018a). In Malaysia the higher education system has begun to focus on four different areas, namely globalization, governance, teaching and learning and knowledge-based society. In general, the aim is to enhance the unification of higher education as a regional and international hub for academic and educational excellence (Zain et al., 2017). At the national and institutional level, cooperation and competition are also part of the internationalization process by transferring and learning best practices from foreign partners to further improve the quality of higher education and institutions (Chan, 2013).



A study by Norashikin, Amnah, Fauziah, and Amir, (2014) shows that it is important and necessary to instill the culture of learning organization among academicians whose purpose is not only towards their jobs but also as an added value and useful input that affects OP and innovativeness, as such, relevant resources should be allocated and efforts need to be taken to ensure that everything goes accordingly. Researchers should be provided with opportunities for continuous learning through training programs, research grants and fellowships to add value to their existing knowledge and skills for higher outcomes. Collaborative opportunities and a culture of team learning through research interest groups and on-the-job activities need to be improved and strengthened to promote better innovation in the organization (Hussein, Omar, Noordin, & Ishak, 2016b). As such, it has become a priority for the university





due to financial constraints, to choose the TD programs that have the most impact and at the same time satisfy most of all the lecturers.

Due to competition, the lecturer's profession is still lagging behind in terms of recognition and attractive reward scheme although the country is moving towards becoming a developed nation by 2020 (Hassan, 2014; Malaysia Ministry of Education, 2015). The existing payroll scheme of the Malaysian Remuneration Scheme (SSM) is unable to attract and retain the talent of high-quality HRs at public universities. Improvements in the service schemes of academicians need to be reviewed as it is crucial to influence the productivity and efficiency of academic staff to be more aggressive, effective and progressive (Hassan, 2014; Ministry of Higher Education, 2017; N. R. Singh & Kassa, 2016) to meet the aspirations of the country.



With the best scheme, talented brains can be attracted while professionals will remain within the public universities scheme to contribute to the development of world-class human capital (Arokiasamy, 2011; Hassan, 2014). That is why the responsible parties should consider the level of job satisfaction among academicians for the purpose of improving the quality of education services and subsequently in the production of outstanding graduates. Dissatisfaction with work will cause stress among academicians and have a major impact on the quality and performance of their work (Mustapha & Zakaria, 2013).

The system of promotion to public universities in Malaysia is quantitative and this formula varies by university. This difference exists because appointment and promotion decisions are made on the basis of the responsibilities of the boards of the





respective public HEIs. Promotion opportunities are based on the lecturer's number of teaching hours, research, publications, consultancy and community services, etc (Azman, Pang, Sirat, & Yunus, 2014; Ministry of Higher Education, 2017; Mustapha & Zakaria, 2013).

However, the promotion process is not easy. Many related problems related to different aspects of promotion. Pay system working hours with the same grade and salary system, basic Malaysian public universities and different academic promotion practices. Therefore, it is not uncommon to hear of individuals from established universities who have published books and journal articles that have not yet been promoted to higher ranks, while individuals in universities whose relationships among few men are published or researched are promoted early in their academic careers.



As a result, most academics state that publishing and research make little difference in promotion (Mustapha & Zakaria, 2013). This situation will cause discomfort in academics. Today, most academicians are more willing to leave the institutions where they work, when they do not receive equal promotion opportunities compared to other educational institutions, especially among young academicians who are looking for more work experiences from various institutions before they decide to stay on at one place. From the study of Mustapha and Zakaria, (2013) shows that low compensation will result in an increase in the intention of lecturers to leave from the current organization.

In equity theory there is also a description of this negative relationship where an employee who is in the same job who performs the same duties and responsibilities





in the same organization will make comparisons on himself in making an assessment. Compensation should be given to academics to boost their motivation level and rewards continuously (Rathakrishnan, Siew Imm, & Kok, 2016).

The outstanding candidates for the lecturer's post in public universities prefer not to work in public universities, but in private sector instead (Baharuddin, 2010). Academics serving in Malaysian public universities are government employees who are subject to the rules and regulations of the public services statute. Each of the rewards and compensation provided is different from the rewards and retirement schemes from other private organizations. Therefore, there is a general convergence in the career patterns of academics serving in Malaysian public universities (Azman et al., 2014). As the study of Irshad, Muhammad Zohaib Irshad, and Mahmood, (2012) have found, academic experts at private universities are more satisfied with their pay, promotional opportunities and supervisions as compared to the academicians at public universities. The brain-drain process from public universities to private universities takes place because of the remuneration rewards and AE outside the university.

The other challenge and issue for academicians at this point is the dilemma of 'research versus teaching'. The need to change the mind set of management design in a university is necessary to make it more sustainable such as student-lecturer friendly and more compact distances between facilities (Tajuddin, 2018). A statement stated that the tasks of academicians today are more to unnecessary amounts of administrative tasks than to classroom teaching. This is because in the concept of promotion at the university it is understood that an academician who has credibility, he should be a respected researcher. The higher the level of an academician, the more emphasis there





is on research on teaching. As a result, some academicians spend a lot of time doing research rather than teaching in order to get a place for promotion.

There is also a perception that the quality of teaching is difficult to assess and measure compared to research and publications. This has been proven when there are reports that from nine hours a week are allocated for teaching during the nonteaching sessions. Similarly, the workload of the entire number of working hours on teaching and research for academicians is equally high (Azman et al., 2014). Therefore, it is necessary for a better understanding of institutional and national benchmarking to avoid its negative impact on productivity and quality of academic work. Therefore, to ensure that the workload is aligned with the productivity of academicians based on quantity and quality performance, then rewards and promotion of this group should be given due



consideration. However, there are still problems with the structure of academic remuneration to ensure a fairer approach to assessing the level of research and teaching performance in the promotion process due to increasing competition and rules and standards for the evaluation of promotion in research universities. This has led to the rise of an academic movement among public universities, especially from research universities to comprehensive and technical universities. This academic mobility must have an impact that will create differences in status and credibility in the public university system (Azman et al., 2014). It is a compensation requirement given to each lecturer to boost their motivation level and reward them for the excellent tasks and efforts that have been given. In short, appropriate rewards should be given to encourage an academician to serve longer in a university. Management also needs to ensure that each



lecturer is rewarded as promised to gain the trust and credibility of the organization (Rathakrishnan et al., 2016).

For this purpose, each university need to plan and implement an appointment and promotion processes scheme to ensure that the university can encourage, develop and maintain quality academics and at the same time be able to attract candidates who have the ability and obtain the 'best brains'. Therefore it is important for HR staff to review the alternatives of RR to the academicians that can inspire and motivate them and thus prevent universities from 'losing' quality HRs.

AE can also affect the performance of academicians in public universities. Efforts should be taken to create a positive AE for academicians and curtail the feeling of dissatisfaction since academicians play an important role in all HEIs (Ministry of Education Malaysia (MoE), 2018; Yee, 2015). For instance higher levels of dissatisfaction are associated with workload, stress, overtime, boredom, unclear job expectations, rigid rules and regulations, lack of support from the organization and fatigue are among the factors that are responsible for job dissatisfaction (Vashistha, 2015). Good management practices are the key to staff performances (Shanthi et al., 2012).

From this perspective, good governance can help reduce the barriers to uncertainty related to management, such as high resilience to change, lack of institutional identity, vision, strategy and absenteeism. This means, the effort to increase university performance lies with all university stakeholders consisting of academicians, students and also the administration (Rahim & Daud, 2013).



The availability of conducive and appropriate learning infrastructure should be given attention in teaching institutions. It is irrelevant when all the plans and strategies are exceptional but unfortunately not supported by good infrastructure. Infrastructure facilities do not necessarily require expensive tools and equipment. Productivity may decline due to the environment in the workplace. In many industries, workers face serious problems in the workplace, such as environmental and physical factors. (Chandrasekar, 2011). Spending some money to improve the workplace environment is probably the most effective way to increase productivity (Mathews & Khann, 2016). An organisation's talented, well-qualified and capable workforce is needed to achieve its strategic goals. To increase employee motivation, efficiency and productivity, the leadership style is considered the most important determinant. (Fiaz, Su, Ikram, & Saqib, 2017).



From the discussion in each paragraph of the problem statement, it is evident that this study is very interesting. HRM practices greatly affect the organization's performance. HRM practices as seen from the configuration perspective argue that their impacts on OP will depend on the use of different combinations and practices of HRs. This means that different HRM practices if linked to one another will shape the organization's performance improvement in a coherent method. In reality, it has never been easy to make decisions on the various alternatives available and selecting the ones that can provide results that will increase the motivation, skills, knowledge and opportunities for the employees and at the same time improve OP.







Based on the points that have been raised and discussed from the beginning of this chapter, it is particularly advisable that this study develops a high-quality tool that can serve as an implementation guide while also helping you decide how to evaluate and measure results. Therefore, as a solution, it is imperative that organizations develop a systematic tool based on the Analytical Hierarchy Process (AHP) which is considered a friendly, simple, more systematic and structured tool to assist in the decision making process to evaluate the opportunities of any HRM practice conducted in the organization. In this research, researchers have developed a tool called Human Resource Management Option System tool (HRMOST) which works in assisting the faculty management in evaluating HRM practices that can give a good performance impact to a public faculty and university in Malaysia.



the HRMOST will first be authenticated by a pool of experts comprising of academicians from Malaysian public universities. It is hoped that the development of HRMOST will be able to assist and resolve organizational issues in making choices in HRM practices that can lead to a positive impact on academicians and their respective universities. At the same time, the university's HRM can identify the strengths and weaknesses of existing HRM practices so that improvements can be made in the future. Once this tool has been developed it is hoped that the university will reduce the cost of their operations, minimize the errors of selecting less qualified candidates, ineffective TD programs and come up with rewards and recognitions that provide the best impact on motivation as well as the highly anticipated work environment of the academician at the university.



## 1.4 Research Objectives

Overall, this study aims to investigate the correlation and impact of HRM practices and BSC-based OP among academicians at public universities in Malaysia. Therefore, the purpose of the study will answer a few questions:

- i. To examine the relationship between recruitment and selection (RS) in HRM practices towards organizational performance (OP)
- ii. To examine the relationship between training and development (TD) in HRM practices towards organizational performance (OP)
- iii. To examine the relationship between reward and recognition (RR) in HRM practices towards organizational performance (OP)
- iv. To examine the relationship between working environment (AE) in HRM practices towards organizational performance (OP)
- v. To examine the effect between HRM practices towards organizational performance (OP)
- vi. To develop a tool to assess the effectiveness of HRM practices towards organizational performance (OP)

## 1.5 Research Questions

Based on the dimensions of the problem presented, the questions in this study are as follows:



- i. Do recruitment and selection (RS) in HRM practices have a relationship with organizational performance (OP)?
- ii. Do training and development (TD) in HRM practices have a relationship with organizational performance (OP)?
- iii. Do reward and recognition (RR) in HRM practices have a relationship with organizational performance (OP)?
- iv. Does working environment (AE) in HRM practices have a relationship with organizational performance (OP)?
- v. Do HRM practices effect organizational performance (OP)?
- vi. Does the tool of assessment measure the effectiveness of HRM practices on organizational performance (OP)?



## 1.6 Hypothesis

In this part, the construction of the research hypothesis will be presented based on the research questions and research objectives. All of these hypotheses will be assessed and tested to prove and answer the questions posed.

H<sub>1</sub>: There is a relationship between recruitment and selection (RS) with organizational performance (OP)

H<sub>2</sub>: There is a relationship between training and development (TD) with organizational performance (OP)

H<sub>3</sub>: There is a relationship between reward and recognition (RR) with organizational performance (OP)



H<sub>4</sub>: There is a relationship between working environment (AE) with organizational performance (OP)

H<sub>5</sub>: There are effects in HRM practices on organizational performance (OP)

## 1.7 Theoretical Framework

According to Hiltrop (1996), theories and models serve as a tool for explaining, predicting and guiding the research that is to be undertaken. With a theoretical framework, the researcher will have assistance in expressing his stand philosophically, methodologically, epistemologically and analytically (Grant & Osanloo, 2014a) based on theories on the study as a guide as it is linked to the research problem under study.

In other words, based on the theoretical framework, it can provide assistance to the researcher in finding appropriate research approaches, procedures and analysis tools for his or her research. This can provide a more meaningful and generalizable research finding (Adom, Hussein, & Agyem, 2018).

In contrast, normative methods are firmly rooted in organizational psychology and are based on smaller, more specific behavioral theories. The appropriate HRM practices take advantage of employee enthusiasm, organizational commitment, job design, and goal setting. The main feature of this method is that HRM can consistently integrate these behavioral theories and clarify the connection between practice and performance.



Encouraging high-skilled and capable HRM practices such as careful selection and investment of large amounts of funds for training; high motivation, such as employee participation and possible performance-related compensation would impact of company profits or factory output or even the level of absenteeism. Therefore, we need theories about when human resources are more important. For example, human factors may be more important in the service industry. We also need a theory about how many differences can be explained by human factors.

More specifically, scholars argue that HRM practices can enhance individual performance by improving employees' skills and abilities. Examples of HRM practices include careful selection of prospective employees and good investment in training, employee engagement with work design that provides effective motivation as well as performance appraisal (Guest, 1997; Hiltrop, 1996; Kooij et al., 2013). This can directly impact the organization by improving overall financial and non-financial outcomes of the organization. In formulating a comprehensive, simple and dynamic theoretical framework, the AMO Theory, the HRM-Performance Research Model of Guest (1997) and several related literature review references are referred in this study.

In describing the relationship between the issues related to the problem statement that has been discussed earlier, the AMO Theory is seen as the most ideal theory in relating HRM practices with OP in this study.





### 1.7.1 AMO Theory

The relevance in the selected AMO (ability, motivation, and opportunity) Theory is that it provides guidance on which HRM practice options to be used to improve AMO performance (Leijdekkers, 2017). The AMO framework was developed by Appelbaum et al. (2000), based on the model previously proposed by Bailey (1993). The individual-level of job performance can be influenced by the level of skills, knowledge and abilities possessed by the employee and the extent to which he or she is motivated to perform the job effectively (Leijdekkers, 2017). In other words, employee achievement can be achieved based on their ability, motivation, and opportunity to participate (Marin-Garcia & Tomas, 2016).



ability (A), skills and knowledge (Bos-Nehles, Van Riemsdijk, & Kees Looise, 2013) such as systematic hiring techniques, appropriate selection, training instruments, competently assessing subordinates' performance, etc. (Uyargil & Ozcelik, 2015). In AMO Theory there is a description of Abilities (A) which is closely related to RS factors which in order to obtain quality human resources, identification of potential new academician communication and management skills as well as knowledge of what an academician should have in a university is necessary.

Involved in the process of consumption of RS practices; assessment of potential new academician communication skills and management skills and knowledge of what an academician should have in a faculty / university. The second factor in element (A) that can be linked in AMO Theory is related to TD i.e. an academicians from time to



time throughout the service needs a form of training in improving communicative skills and to do something with it.

Similarly with the Motivations (M) element which involves compensation and reward where an academician expects credit for the work they do and this will affect their level of motivation during service. It is more directed towards the willingness and desire of an employee which can be enhanced by intrinsic or extrinsic motivation (Marin-Garcia & Tomas, 2016) such as RR for their effective behaviours (Uyargil & Ozcelik, 2015). In this study, it was found that the method of RR offered by the university management is said to be lagging behind and it failed to attract quality lecturer candidates to participate in the field of teaching at the university. Furthermore, the rewards given are not commensurate with the workload incurred (Ministry of Higher Education Malaysia, 2017b).

While the third factor is opportunities (O) for employees, considering not only individual characteristics but also the work environment by providing necessary resources (support, autonomy, money, time, trust, and assets) for them to do their jobs (Leijdekkers, 2017; Marin-Garcia & Tomas, 2016). In the adaptation of the AMO Theory and OP triggered by Appelbaum, Bailey, Berg, and Kalleberg (2000) is related to High Performance Work Systems (HPWS) or the relationship between HR systems and company performance. Bailey (2001) argues that only through the effective discretionary effort such as a work system can HRs be influenced and positively impacted by the organization.



This theory also emphasizes the importance of management in improving performance whereby perceptions of workers, they expect that by making changes in HR practices, the workers' willingness to contribute discretionary effort will also have a positive effect (Appelbaum et al., 2000). The 'O' or Opportunity elements that can be linked in this study are related to the workplace environment that can have the best impact on an employee's motivation. Problems such as dissatisfaction caused by workload, stress, overtime, boredom, unclear job expectations, rigid rules and regulation, lack of support and fatigue caused by management workload that applies too many technological elements in each task performed are among the factors which hinders the existence of opportunities towards motivating employees.

However in this Chapter One only explains roughly related to AMO Theory on the variables involved in this study. A comprehensive explanation of this theory will be explained in Chapter Two later in the literature review section.

### **1.7.2 HRM-Performance Research Model of Guest (1997)**

The core assumption is that if a comprehensive set of HRM practices are applied to achieve a high level of commitment to the organization and the normative goals of high quality and flexibility, then higher employee performance will be produced. It is assumed that this will have a positive impact on the OP. Unlike other methods, this normative view believes that specific practices and specific HRM goals are always superior (Guest, 1997).





In the research on the relationship between HR practice, employee well-being and performance, well-being is conceptualized in many ways (Van de Voorde et al., 2011). According to Danna and Griffin (1999), employee benefits take into account the entire employee. Similarly, work-related happiness where in this study is based on appropriate RS methods, TD required by employees, RR methods that can increase employee productivity and AE that meets current needs of employees as the overall quality of employees' experience and functions at work. Therefore, employee well-being refers to the overall experience or influence of employees on work and the organization.

This model as illustrated in Figure 1.4 below will look at outcomes based on HRM outcomes, behavioural outcomes, performance outcomes, and financial outcomes. (return on investment (ROI) and profits). An effective HRM strategy planned by the university management is able to ensure that the organization can improve performance based on competitive advantage among local and foreign universities through innovation programs implemented, focus on quality of output that is students in addition to cost reduction in implementation various HRM related practices.

Problems that occur in a university related to HRM practices such as procedures in conducting RS sessions in obtaining qualified and suitable lecturers, conducting training sessions that are based on training needs and can save costs and time of lecturers, providing reward methods that can maximize motivation and also create a workplace environment that can stimulate the productivity of a lecturer are things that

need to be given attention based on the targeted HRM strategy. Consequently, good HRM practices will affect employees' commitment, quality and flexibility.

The effect is also on the behavior of employees in the organization, performance outcomes and financial outcomes. In this study, the performance appraisal method by BSC method is very suitable to assess the level of ability and level of competitiveness of the university in producing quality university graduate products comprehensively. This is because the BSC method will evaluate performance based on financial and non-financial perspectives (customer, learning and growth and internal process). HRM-Performance Research Model of Guest (1997) is a model framework that will look at the continuity of financial and non-financial performance separately while in this study the resulting conceptual framework will look at financial and non-financial performance based on the four perspectives of BSC together and thorough. A more detailed description of this HRM-Performance Research Model of Guest will be discussed in more detail in Chapter Two later.

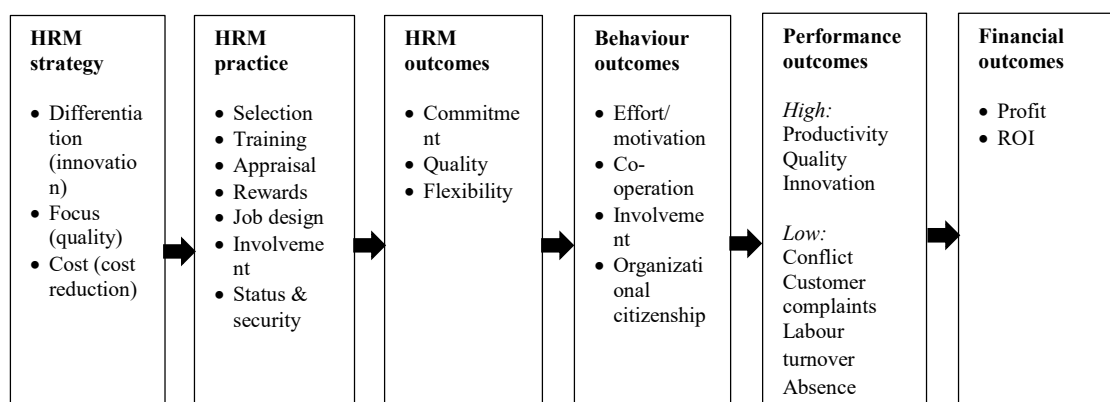


Figure 1.4. HRM-Performance Research by Model of Guest, 1997



## 1.8 Research Framework

The framework for this study is a modification and improvement from the AMO Theory, the Model of Guest (1997), the HR value chain Model of Paauwe and Richardson (1997), Smelt (2017), Kellner, Townsend, Wilkinson, Lawrence, and Greenfield (2016), Leijdekkers (2017) and Runhaar (2017). This is true and in line with the statement given by Kothari, Kumar, and Uusitalo, (2014) where the conceptual / research framework is the basis of research problem which comes from a combination of a variety of theories and ideas that help researchers to identify problems, develop the questions for relevant literature and it will usually focus on the parts that are the basis of the study.

Based on the findings of various reading sources related to HRM practices, the need to develop an appropriate framework has been developed. This framework will, of course, explain more easily the relevance of dependent and independent variables among HRM practices with OP based on a BSC assessment. Proceeds from this framework will be used to study the impact of HRM practices towards OP among academicians at public universities in Malaysia.

Overall, the current research framework predicts that in order to achieve excellent OP, HRM practice factors that play a role in shaping and influence an individual's performance at work need to be emphasized on a combination of factors such as ability, motivation, and opportunity (Muhammad Arifin, 2015) as expressed in the AMO Theory. This is because according to Leijdekkers (2017) there is no specific list of HRM practices that can clearly influence the performance of the organization,



rather it depends on how well the management plans the HR architecture to achieve the organizational goals (Katou & Budhwar, 2014).

Briefly the framework proposed for this research is displayed in Figure 1.5 below. The sequence of discussion of the relevant literature reviews later will be discussed further in chapter two.

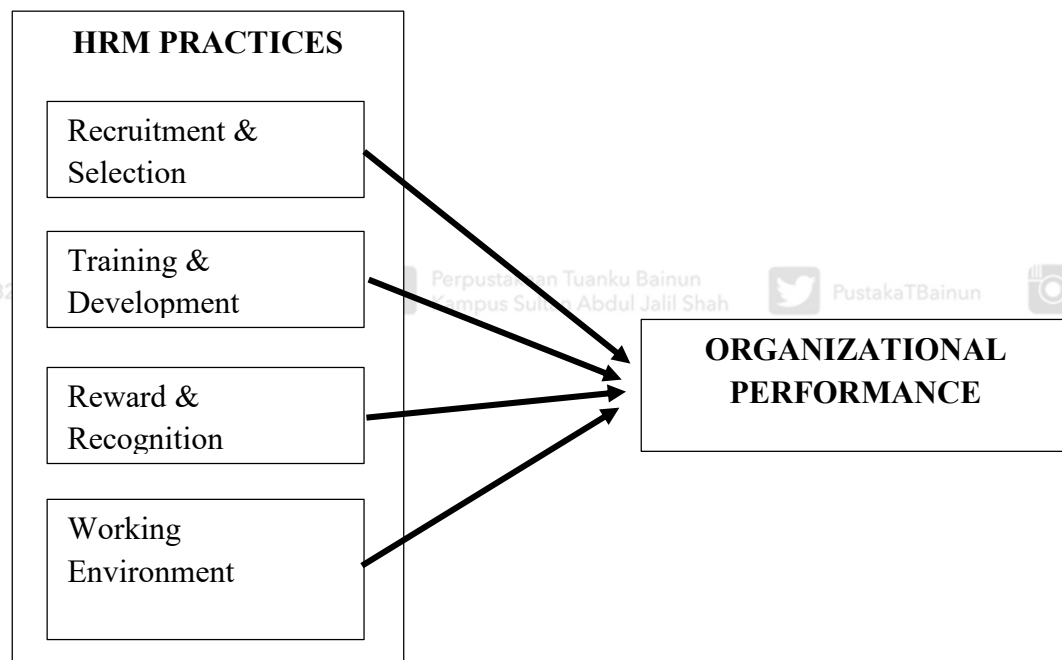


Figure 1.5. Conceptual Framework

## 1.9 Significance of the Study

Based on the assessment of the existing literature, it is clear that theoretical basis and empirical research in the HRM practices domain on the performance of organizations



in public universities in Malaysia have not been fully developed. There is a relatively large gap based on previous studies on the impact of the implementation of HRM practices on performance in higher education (Akhtar et al., 2014; Allui & Sahni, 2016; Mehmood et al., 2017). Past studies that conduct HRM practices on OP are more focused on the manufacturing, business and services sectors. In fact, many studies conducted only look at one HRM practice separately although other HRM practices also exist in the organization (Currall, Towler, Judge, & Kohn 2005; Payne & Huffman 2005).

In Malaysia, the study conducted focuses on the impact of HRM practices on OP on the private sector, manufacturing and services. (Sushila 2007; Datta et al. 2005; Zheng, Morrison, & O'Neil 2006). There are also studies conducted on Malaysia public universities that involve all academic and non-academic staff together. It should be noted that the field of academic and non-academic staff is different in terms of training requirements, job definition and compensation (Zaleha et al., 2014). For example academicians carry out different routine work with non-academic staff. The system of promotion of academicians is also very different from other non-academic staff. Meanwhile Johan (2014) stated that most studies focus on certain educational organization issue only and do not involve the entire educational issues especially on total quality management (TQM).

There is empirical evidence that country-specific HRM practice is influenced by country-specific factors. It is very important to do more in the field of HRM research in Malaysia. Most of the research done in this area takes place in the United States and Great Britain. The social culture, government policy, industrial relations





environment, and the history of industrial development and management in Malaysia are different from these countries. The theories generated in these countries reflect the situation there and may be different from a developing country like Malaysia. Based on R. Othman (1995), there are two issues that need to be addressed in the study of HRM in Malaysia. There are the development of ; 1) multi-contingent HR theory and 2) methods of evaluating the performance of HRM.

In this study has been applied a theory that is still less pioneered, especially involving HRM in the field of education in Malaysia, namely AMO Theory, as has been briefly explained in topic 1.7 which is Theoretical Framework above and will be explained in detail in Chapter Two later. While methods of evaluating the performance of HRM in this study will be discussed more comprehensively in the next topics. There are various methods used by researchers in evaluating the performance of HRM practices. Each method will measure a certain dimension. One thing that stands out is that these methods measure the performance of HRM practices from a top management perspective. Performance appraisal based on the perspective of BSC has been used in this study and the development of AHP model that has produced a tool called HRMOST has also been produced to evaluate and select HRM practices that are appropriate to the organization by identifying faculties that have and have not reached the expected standards.

Based on previous studies, there is a lack of effort especially from Malaysia about why and what is the relevance of HRM practices, with OP based on this BSC approach to be implemented in the field of education in Malaysia especially in Malaysian public universities. This is because most OP -related studies in Malaysia





focus on areas related to the manufacturing industry or business organizations. BSC concept has been widely practiced in the business sector in particular but is largely inadequate in the field of education (Karathanos & Karathanos, 2005). So this study will try to extends and moves to a more comprehensive perspective on the impact on OP by looking at the four perspectives within the BSC. The BSC is an approach that will narrow down the results to more specific answers between various HRM activities and an organization's strategic objectives.

It will illustrate a causal relationship between four sets of objectives related to university financial aspects, customers or clients of the universities, university internal processes and also learning and growth practiced / achieved within the organization (Cunningham & Kempling, 2011). It is clear that the BSC is a platform in providing a comprehensive view of the strategies required at HEIs (Hladchenko, 2015). It helps to visualize what success factors need to be taken into account and how the set goals can be achieved in order to reach the desired goals (Nilipour, Omran, Hashemi, & Sedaghat, 2017).

This study will be focusing on academicians in Malaysia public universities. Its HRs and management skills in an organization will guarantee the quality, productivity and best solution to the problems faced by the organization. These academicians will certainly strive to achieve organizational goals and be emotionally engaged to the organization. This will certainly lead to increased efficiency, productivity, customer satisfaction and lower turnover rates (Yemeshvary Ashok Upadhyay & Palo, 2013). While there is appeal to financial indicators as an effective method of convincing management in evaluating performance, financial indicators can sometimes be





misleading. In addition, there is a need to measure various outcomes, especially on how and why HRM has an impact on financial results.

In this study, researchers argue that HRM practices have made a significant contribution to the four perspectives of the BSC. In relation to customer satisfaction, management actions and behaviors are key factors in shaping customer satisfaction, especially when considering the direct interaction between administrators and customers in the service organization. Many studies have shown that there is a significant relationship between HRM practices and customer satisfaction (Abdelhamied, 2019; C. S. Lee et al., 2015; Nivethitha Santhanam et al., 2016). A well-designed HRM practice helps make university administrators more capable of providing customers with satisfactory services and meeting their needs. The positive experience of these customers is essentially an indicator of organizational effectiveness and performance. Therefore, more and more customer feedback is considered to be the determinant of employee performance and service quality, especially in the service sector (Lamba & Choudhary, 2013)(Subramaniam, 2013).

HRM practices can also promote the development of internal processes in enterprises. The internal processes of the organization as stated in one of the BSC perspectives include the ability to develop, produce, and improve efficiency by using the most effective methods to produce goods and services. By providing skilled, knowledgeable, capable and motivated employees, HRM can help organizations achieve internal growth (Ángel Calderón Molina, Manuel Hurtado González, Palacios Florencio, & Luis Galán González, 2014). In addition, the relationship between HRM practices and accounting profits has been well established. Well-designed HRM







practices can help employees demonstrate their initiative and abilities, and encourage them to provide excellent services that satisfy customers and bring financial profits (Yudatama & Sarno, 2016).

HRM practices may be beneficial in organizational learning as in HEIs. According to the literature, organizational learning as in one of the BSC perspectives can be conducted at three different levels: individual, group, and organization (Hladchenko, 2015). The vast majority of researchers believe that the learning process is carried out by individuals and in this study is focused on academicians, and that it is very important for organizations seeking to learn and grow to use individual learning as a means of organizational as in universities Malaysian public.



studies and their impact on OP based on the four perspectives in BSC, especially in education. Subsequently, this HRMOST tool was also developed as an alternative to the strategic organizational system to assist the decision-making process for the evaluation of suitable candidates (RS) by identifying the academicians training that can best impact universities (TD) in addition to helping to assess the best motivational factors needed by academics (RR) as well as provide the work environment desired by academics (AE).

To ensure that this tool is relevant and can be used optimally in the academic industry, the importance of the HRMOST tool by identifying strengths and weaknesses, as well as recommendations for methodological guidelines, has been implemented by several authoritative parties related to HRM practices at the university's faculty. Later





it will provide the information to the management in the Malaysia HEIs, to the Ministry of High Education (MoHE) and also to other researchers to further explore HRM studies and their impact on OP, especially in Malaysian public universities and contribute to the success of an organization. It is imperative to obtain data to analyse and to state whether the contributions of academicians to HEIs in achieving the national vision is in line with MoHE (Ali Abdulridha Jabbar, 2015).

It is hoped that it will inevitably contribute significantly to the knowledge body in the area of HRM and can directly provide guidance to public universities to strategize their HRM practices on how to ensure the improvement and effective employee performance management (Nura, 2014). A summary of the contribution of this study is shown in Table 1.3 below as a guide. It should also be a reference to various parties in the academic field, especially to the MoHE in terms of supportive policies that can reap productivity and provide better outcomes in Malaysia.



Table 1.3

*Level and Area of Contribution*

Level of contribution	
Replication	Extension
Area of contribution	Conceptual
	Clarify the concept of HRM practices, OP, BSC and AHP tool.
	<ul style="list-style-type: none"> <li>•BSC instruments are used to evaluate the performance of organizations in Malaysian public universities</li> <li>•AHP tool called HRMOST was developed according to the needs of HRM practices in Malaysian public universities.</li> </ul>
	Methodological
	Testing the level of validity and reliability of the instrument in measuring the dimensions of HRM practices and OP.
	<ul style="list-style-type: none"> <li>•Test the level of suitability of AMO Theory and HRM-Performance Research Model of Guest in the context of HRM practices and OP.</li> <li>•To examine the relationship between HRM practices and OP.</li> <li>•To examine the effect between HRM practices and OP.</li> </ul>
	Empirical
	Confirm the interaction between HRM practices and OP.
	<ul style="list-style-type: none"> <li>•Verify the relationship and effect of RS and OP, TD and OP, rewards and recognitions and OP, AE and OP .</li> </ul>
	Managerial
	Provide accurate and comprehensive guidance on how to plan and justify engagement strategies.
	<ul style="list-style-type: none"> <li>•Provide a tool to evaluate OP.</li> </ul>



## 1.10 Operational Definition

This section will briefly explain some of the key concepts that will be used in this study. However, detailed and scientific explanations will be discussed in the literature review in Chapter Two.

### 1.10.1 Human Resource Management (HRM) Practices

In this study, HRM practices are composed of four factors namely RS, TD, RR and AE that play a role in the operation of the organization to ensure the achievement of organizational goals related to HR activities can be implemented. The impact in this HRM practice will test whether all of these factors influence the performance of a university. Good, planned and systematic HRM practices are said to improve OP. The organization in this study refers to all 20 public universities in Malaysia.

**Recruitment and Selection (RS):** In this study, recruitment is mentioned as one of the factors in HRM practices which refers to the process of finding qualified academic candidates and involving them in a public university in Malaysia. While the selection is part of the recruitment process and involves determining which applicant or candidate is suitable to be appointed for their respective jobs. In HRM practice, this function should be considered to attract academics with competent abilities and skills and in turn be able to guide and assist in improving the performance of a university.





**Training and Development (TD):** Training is a course provided by the university that can improve the effective, psychomotor and cognitive skills of academicians and is one of the best methods to increase the productivity of university academicians. In this study, the elements of TD are highly emphasized due to the influence of changing times and teaching methods in this new era in facing the challenges of the IR 4.0. It is very important for academics to master all the skills related to daily tasks because it will indirectly affect the performance of the organization.

**Reward and Recognition (RR):** Rewards are all forms of financial and non-financial returns as well as benefits received by academicians as part of employment relationships. Recognition is one of the processes in giving a certain status to the academicians in the organization. These two elements are relevant in this study because with appropriate RR fairly and as promised given by the university can motivate and encourage an academician to serve longer in a university more productively and at the same time to gain the trust and credibility of the organization.

**Working Environment (AE):** A positive work environment can make an academicians feel part of a team with shared values and goals. In the case of Malaysian public universities, a workplace provision is important to create a positive AE. In this study, the elements of AE that can affect OP are trust between the academicians and the management, safe AE, policy of university management, equity on academician workload, flexible AE and workplace facilities. All these elements will increase the employees' motivation and thus improve OP.





### **1.10.2 Performance Measurement System (PMS)**

PMS as in this study is used to determine the efficiency and effectiveness of products and service systems as well as to identify strengths and weaknesses for improvement purposes. PMS is made with the main objective is to monitor and report indicators to improve performance. PMS is seen as a medium in integrating HRM activities with organizational objectives, where management together with HR activities will work together to influence individual and collective action on organizational strategies.

### **1.10.3 Organizational Performance (OP)**



In the context of this research, OP refers to the results of various organizational processes occurring in its day-to-day activities in Malaysian public universities based on financial or non-financial performance. To make a more effective impact, it is recommended that OP be represented by four perspectives based on the BSC evaluation approach because in the BSC concept, performance appraisal is comprehensive in nature that will include RS, TD, RR, as well as AE. It will be measured by the efficiency and effectiveness of the success and the performance against the established benchmarks.





#### 1.10.4 Balanced Scorecard (BSC)

BSC is a form of instrument developed by R. Kaplan and Norton (2001) which allows the university to develop and allocate resources strategically. Originally it was a performance measurement tool. In addition, it helps to visualize what success factors need to be taken into account and how the set goals can be achieved in order to reach the desired goals. In this study, four BSC perspectives will be used to identify the performance level of a university from the financial, customer, internal process and learning and growth point of views. The explanation for each of these perspectives is described in the description below.

**Financial Perspective:** In this study, financial perspective refers to the extent of performance achieved by a university based on how effective is the resource used such as the efficiency of management in preparing a budget for the purpose of faculty development, efficiency in the use of assets to obtain funds, business cooperation in capitalizing financial opportunities and so on related to the acquisition and use of assets and funds. OP can be analysed and interpreted according to the level of involvement such as and revenue per sales visit, profitability and sales growth.

**Customer Perspective:** This perspective refers to the extent to which the university can meet customers' wants and needs. The parties associated with the customer consist of parties who are categorized as university shareholders such as students, academicians, faculty and parents and community satisfaction. OP from a customer perspective can be assessed based on the differences between competitor's





performance. As a result, the university can provide the needs needed by customers to ensure that the university can form consistent strategies.

**Learning and Growth Perspective:** Perspectives are among the four most important elements that need to be taken into account by a university. In this study it is related to the organizations' internal capabilities and skills. Among the elements that are focused are such as training and education of the employees in order to improve their skills and knowledge. A university can achieve competitive advantage as well as sustainable development and operations through human capital development as well as continual innovation learning and growth.

**Internal Process Perspective:** This perspective is different from the other three perspectives mentioned earlier where in this study an organization should excel and be proactive in adding value for customers and shareholders by providing the highest quality of services and products. The university needs to assess the level of internal ability especially on how well the curriculum has been developed and react according to the market needs.

#### 1.10.5 Analytical Hierarchy Process (AHP)

AHP is a form of analytical tool that uses a mathematical technique approach to make complex multi-criteria decisions that is increasingly widely used in various fields and sectors. AHP is well suited to be used in decision making and selection of the relative importance of elements by using paired comparisons to evaluate the performance of





faculties/universities that have implemented HRM practices well and effectively. In this study, a performance evaluation tool of faculties/universities has been developed called the Human Resource Management Option System tool (HRMOST) which will be used by the management in the HR Department of the respective universities.

### 1.11 Outline of Thesis

In general, this thesis is organized into six chapters. The first chapter of this study will discuss on an introduction based on the background of why this study should be conducted. The second chapter of this thesis will also be provided with a literature review based on past studies to understand the issues and research trends in the HRM practices, BSC, the theories that led to the development of the theoretical framework of the study and the initial exposure to AHP tools. The third chapter presents details about the methodology, research design and procedures involved in data acquisition. The fourth chapter elaborates and discusses the research analysis and findings based on the data obtained. The fifth chapter will explain how the AHP-HRM tool was developed and the validation process involved. Conclusions and recommendations based on the results of the study will be discussed later in the sixth chapter. The organization of work is presented in Figure 1.6.



## 1.12 Summary

Chapter one describes the background of the study and the reasoning for why this research was conducted. Subsequently in the problem statement section, the research provides an outlook on the issues and problems which are the main focus of this research. Based on research objectives and research questions, a research framework together with a hypothesis study has been developed to illustrate the following chapter. This chapter also notes the significance and limitation of the study. In the next Chapter 2, we will continue to discuss previous literature reviews on the concepts that need to be discussed, including those related to the formation of theoretical frameworks based on references to recent theories and models, descriptions of constructs in independent variables and variables relied on as well as the AHP which is the focus of this study.



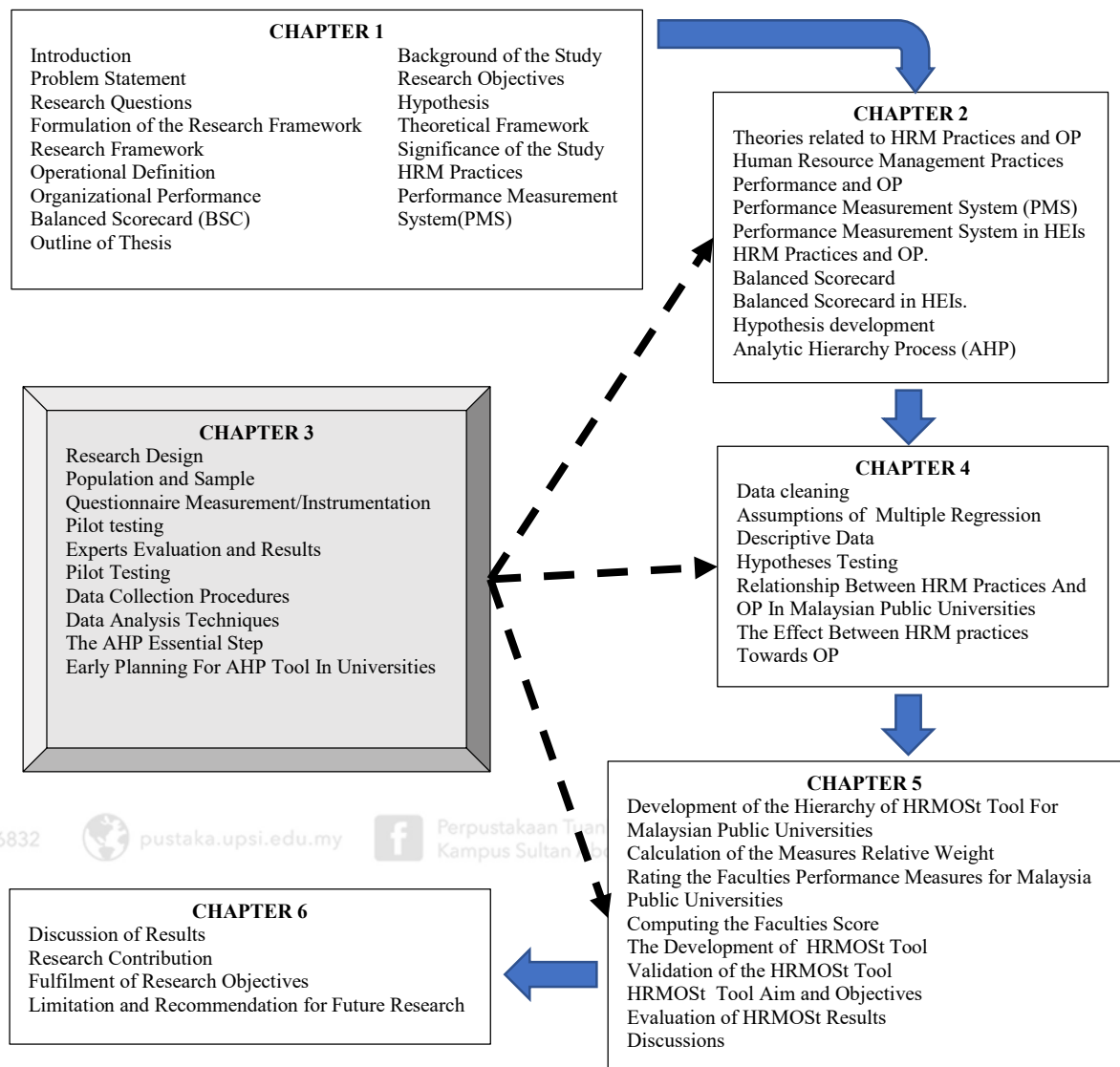


Figure 1.6. Organization of Thesis