



UNIVERSITI PUTRA MALAYSIA

**PERCEPTION OF MANAGEMENT PERSONNEL ON THE
INTRODUCTION OF HOME OFFICE SYSTEM IN
THEIR ORGANISATIONS**

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**PERCEPTION OF MANAGEMENT PERSONNEL ON THE
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THEIR ORGANISATIONS**

By

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**A Thesis Submitted in Partial Fulfillment of the Requirements for the
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Drastic development in the telecommunication and computer technology has encouraged the computerisation of private and public sectors in Malaysia. Advancement of this new information technology provides new opportunities for Malaysians and encourages the government to build an information-rich society by the year 2020. In vision 2020 development of home environment computer networking will be emphasised. This study was conducted to determine the perception of top managerial personnel on home office system. A total of 78 management personnel from organisations listed in KLSE participated in this study. Data were collected through structured mail questionnaire and analysed using



SPSS ver. 7.5 (W). The findings showed that management personnel were highly favourable towards adopting home office system. The study found a negative and weak relationship between perception and perceivable barriers. The assumption is that there is a basic demand and eagerness among the organisational practitioners in adopting home office system in their organisation. However the management need to be willing to exert considerable effort in introducing the system in their organisations. The present situation in their respective organisations strongly indicative that, utilisation of information technology is fundamental for employees' personal development and job satisfaction. This study concluded that home office system improve their employees job satisfaction and personal development. Therefore the management personnel should develop a policy to build a productive virtual workforce with the consideration of the existing perceivable barriers in order to be successful in introducing the system in their organisations.



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**TANGGAPAN PIHAK PENGURUSAN DALAM MEMPERKENALKAN
SISTEM PEJABAT DI RUMAH DI DALAM ORGANISASINYA**

Oleh

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Pembangunan drastik dalam industri telekomunikasi dan teknologi komputer merangsang pengkomputeran di sektor swasta dan kerajaan. Kemajuan dalam teknologi maklumat membuka era baru kepada masyarakat Malaysia dalam membentuk masyarakat bermaklumat. Sebagaimana yang dirancang dalam wawasan 2020 penggunaan rangkaian komputer (*networking*) di rumah akan diutamakan. Kajian ini dijalankan untuk menilai tanggapan pihak pengurusan dalam memperkenalkan sistem pejabat di rumah. Seramai 78 individu dari organisasi yang disenaraikan di Bursa Saham Kuala Lumpur telah mengambil bahagian dalam kajian ini. Pengumpulan data dilakukan melalui

borang soal selidik dan dianalisa dengan menggunakan SPSS ver. 7.5 (W). Kesimpulannya menunjukkan bahawa pihak pengurusan amat berminat dalam memperkenalkan sistem ini. Namun mereka juga bimbang dengan halangan-halangan yang mungkin timbul semasa melaksanakan sistem ini. Oleh yang demikian pihak pengurusan perlu merancang dan berusaha dengan lebih gigih dalam memperkenalkan sistem ini. Walau bagaimanapun, kajian ini menunjukkan hubungan negatif yang lemah antara halangan dan tanggapan pihak pengurusan terhadap sistem pejabat di rumah. Pihak pengurusan berpendapat bahawa penggunaan teknologi maklumat yang canggih ini adalah asas untuk meningkatkan kepuasan kerja kakitangan, untuk berkhidmat dengan lebih cemerlang dan produktif di organisasi mereka. Oleh itu, dalam memperkenalkannya pihak pengurusan perlu merangka polisi dengan mengambil kira halangan-halangan yang mungkin dihadapi demi menjayakan pelaksanaan sistem ini di organisasi mereka.

CHAPTER I

INTRODUCTION

Rapid changes are offering as Malaysia approaches the 21st century. Tremendous growth, especially that of the information sector is pushing Malaysia into the information age. Drastic development in the telecommunication and information technology sectors has encouraged the government to build an information-rich society. Information technology (IT) will bring new opportunities for economic, social and cultural development, changing the nature and pattern of work as well as the way people work. IT allows workers to perform their duties from home, instead of travelling to distant workplaces. Availability of technology enhances the computerisation of office activities in the public and private sectors. The product of IT such as e-mail, cellular phone, pager, local network and most significantly the internet, fuel this new working environment (NST, 1995).

The Malaysian IT scenario is the brainchild of the Prime Minister Dato' Seri Dr. Mahathir Mohammad, who envisaged the future of the country based on his "2020 Vision" and his "Way Forward" leadership. He pointed out that in the information age, the Malaysian society must be information-rich. It means that there is no information-rich country is poor and undeveloped (Mahathir, 1991).



The Malaysian government has undertaken steps to establish extensive fibre optic cable networks that link public and private as well as other major business complexes (Mahathir, 1997). Strategically, vision 2020 was designed to develop our society into a matured and knowledge-rich group of people. The projects associated with the improvement of IT assets are spreading throughout the nation. In addition, the abolishment of sales tax on all computer components and softwares in the 1996 budget indicates that the government is committed to encouraging the use of IT among Malaysians. This is projected to increase the quantity of computer use at home and workplace (Computimes, 1996).

In vision 2020, development of home environment computer networking will be emphasised. This will allow large amount of information to be accessed quickly and resulting in people working from home. Though it is a relatively new practice, it will become a much common arena in the near future, as information technology becomes more advanced and socially acceptable. This new paradigm of workplace, which is the latest trend in the working environment, is referred to as "Home Office System". The potential benefits of IT have made a home office system an attractive work arrangement for organisations in the developed countries.

Statement of Problem

The demand for increased quality work coupled with flexible working hours for better social life, is now at a critical stage (Low, 1997). Perhaps many highly experienced employees have given up their jobs at distant workplace to work closer to home and be with their children. The adoption of simple yet flexible-working methods in an organisation is necessary for retaining high quality personnel, especially in an era where recruitment or replacement of experienced personnel is difficult.

Organisations should change appropriately towards adopting new and growing trend to thrive and survive. The management personnel must know how to integrate information technology, the business process, and organisational activities to achieve their goals. This study aims to close the gap in ensuring the utilisation of IT towards existing work style. As such, the present study attempts to address the following research questions:

- a) Are the management personnel really aware of the capability of the information technology?
- b) What are the existing perceivable barriers for management personnel to introduce home office system in their organisation?

- c) What are the factors affecting the relationship between the management personnel and existing perceivable barriers towards introducing home office system in their organisation?

Objectives of the Study

The general objective is to address the perception of management personnel in adopting home office system. Specific objectives of the study include:

- 1) to determine the level of perception of management personnel on introducing home office system;
- 2) to determine the level of perception of management personnel on the existing perceivable barriers towards encouraging the introduction of home office system; and
- 3) to determine the relationship between the perception of management personnel and existing perceivable barriers towards introducing home office system.

Significance of the Study

This study is considered an exploratory study, which can possibly provide awareness to the organisational management on alternative work arrangement. Determining the significant variables, which will positively and significantly mediate the adoptability of home office system is valuable because the determination of the existing perceivable barriers will assist the government and organisational practitioners to increase job performance, and therefore increase productivity in their respective organisations.

The study could also provide further information on the usefulness and value of technological innovation through the understanding of the relationship between existing perceivable barriers and perception of management personnel per se. From the practical standpoint, the purpose of this study was to provide information and to make suggestions leading to the organisational effectiveness and efficient management. Perhaps the results of the study will enable organisational practitioners to develop policies and strategies to improve their respective organisations pertaining to availability of information technology in their organisation. This would help organisations to retain their employees against present high turnover rates and job-hopping between organisations.

Scope and Limitation of the Study

At the time of the study, Malaysia's economic growth was comparatively high. As such, most of the top management personnel were actively involved in their daily business activities and a difficult task for the researcher to get top-level permission allowing managerial-level participation in this study. It is important to note that data collection at the beginning was extremely difficult because the managers did not entertain disruption to their daily activities. In this regard, the researcher was only allowed to collect data through mail questionnaire.

The design of the study also posed a limitation. Although personal characteristics, organisational factors, and environmental factors affect the adaptability of home office system, the study did not look into all of such factors even though they might be equally important. To the best knowledge of the researcher, such a study is the first of its kind conducted in Malaysia. Thus, the extensive literature cited from foreign studies may not represent the actual situation here. Reliable data is difficult to obtain on this topic because much of the research findings remained undisclosed by the respective organisations due to competitive market reasons.

CHAPTER II

LITERATURE REVIEW

Perception

Perception is a process by which individuals select, organise and interpret the impact from their senses (vision, hearing, touch and taste) to derive meaning (Brunce *et al.*, 1995). It is the insight or understanding obtained from the interpretation of information received *via* a particular sense.

Perception is influenced by psychological factors, involving internal and external factors (Arthur *et al.*, 1985). Internal factors consist of ambition, emotion, attitude and effect of past experience. Censoring objects, incidents, people and groups are categorised as external factors. Perception is likely to be associated with the immediate environment, such as, availability of new technology, organisational trends and barriers during implementation of an innovation.

The interaction between individual person and surrounding factors, influences the acceptance or rejection of innovation (Rogers, 1986). This suggests that their experience, knowledge, needs and feelings of the perceiver that could possibly filter information may influence perception. If the perceiver thinks that home office system will

be beneficial then the perception is positive towards the change. Similarly, unfavourable perception will be expressed based on his or her dislikes. As a result interpretation of some observations varies between individuals.

In the context of this study, perception refers to the view or opinion of management personnel on introducing home office system in their organisations. Management personnel view is important, because critical changes in an organisation rely on their participation. Wright *et al.* (1994) mentioned that managerial participation would determine the potential benefits of innovation. Managerial participation is widely emphasised to avoid resistance towards any change. Prystash (1995) stated that the management often fears changes due to possible diminishing control and added responsibility. The perception people hold on home office system profoundly influences their actions or responses towards such technology. Therefore, a study on perception towards home office system is important especially prior to its introduction.

New Working Environment

Technology has solved many problems that posed as barriers for re-configuring the traditional organisation (Pancucci, 1995). The new working environment generally refers to a variety of flexible works, often

identified as remote employment, teleworking, telecommuting, satellite-office, virtual office, and home office (Venkatesh *et al.*, 1992). The new paradigm of work emerged for two reasons. First, work has become knowledge-based, thus it is possible to do more work outside the office than we could before. Second, technology permits work to be done anywhere at anytime, as equipment has become portable and development of telecommunication services is widespread. Paul (1994) stated that the rapid advancement and declining cost of IT are contributing factors for wide implementation of such new workplace.

Emergence of the new workplace is not only a reflection of technological advancement but also that of economic, demographic and sociological changes (Green, 1994). However, he emphasised that change is not caused by the transitory economic cycle, rather the shift from industrial to a knowledge-based economy.

Home Office System

As economies become more information-based, the trends towards a new workplace would continue to grow. The idea of home office represents a new workplace. The use of personal computer has become absolutely necessary and the introduction of the internet is revolutionary in ensuring information sharing. The researcher defines home office system as "work being carried out at home with the

integration of telecommunication and computer technologies' that should be undertaken with mutual agreement between employer and employee. It is not entitlement, rather it is based on the nature of organisation and job characteristics. Hamilton *et al.* (1996) reported that 83% of organisations in USA changed from traditional office to the new working environment.

Recent employment trends have aroused the need for home office system. Smith (1992) reported that for the past three year, the number of home office candidates increased approximately 26% per annum. According to Verespaj (1996) more than 8.1 million employees work from their homes for one or more days per month during a normal business hours. Decreasing cost of computer and telecommunication equipment makes home office system a feasible venture. Miller (1996) reported that households use of personal computers (PC) rose from 50% in 1994 to 59% in 1995. In such applications, telecommunication is used to overcome the constraints of distance and commuting time. An increasing interest in the use of internet and a wide acceptance of computer networking are projected to accelerate the introduction of home office system in Malaysia.

Benefits of Working at Home

Home office system has been viewed as a means to improve productivity and quality of worklife (DiMartino *et al.* 1990; Goldman, 1995; Lee, 1996). Theoretically, working at home can provide a more casual atmosphere. Green (1994) stated that potential benefits of new workplace renders conducive environment, flexible working hours, savings in commuting cost; all enhance productivity and provide quality of worklife. Based on a survey conducted in Sweden, it was found that employees generally preferred to work at home (Rognes *et al.* 1996). Accordingly, 41% of the population sampled attributed their preference to increased work efficiency, 15% due to family reason, and 12% due to decreased commuting time, and the balance is due to the nature of their job task.

Flexibility, autonomy, absence of interruption, and privacy are among the primary motives for people to work from home (Olson, 1989; Kraut, 1989; Kugelmass, 1995). In this study, special emphasis is given to literature related to productivity and quality of worklife. However, other variables have also been widely discussed. The following are the variables that were found to be very important in profit-based organisations.

Increased Productivity

The new workplace should provide an environment where employees could increase their productivity. In the context of home office, many workers have shown potential for increased productivity through work efficiency. Working at home entails lesser travel and more flexibility for work and leisure activities, resulting in lesser stress on the individual concerned, and greater availability of time for effective work. In such an environment, work becomes easier and faster to accomplish, resulting in an increased productivity.

Nilles (1994) reported that the time saved on travelling to office is the most obvious benefit of working at home. Premkumar *et al.* (1995) reported that a 20-30% increase in productivity when an employee works at home. It was mainly due to the immediate data sharing among the employees. Use of wireless mobile phone while travelling is a leading example. Wireless data communication between office computer networks and portable personal computer is a new capability being deployed to improve the productivity.

Productivity also increases as a result of reduced absenteeism for home office candidates, plus a few extra hours from marginally parents of sick children (Bouvet, 1996). Meaning that parent of sick children might take a few hours off in a home office environment during normal working hours, rather than a day off in traditional workplace.

Furthermore, the study also found that 25 hours of work at home were equivalent to 40 hours in a traditional office environment. Fewer interruptions and higher energy level on the job, due to the elimination of the time wasted on commuting queuing and other delays, will increase productivity. Such finding indicates that home working environment is an indirect reward in increasing employee productivity. Weiss (1994) found that more than 75% of current home office employees in the USA are more productive at home because they work in familiar, comfortable and tranquil work environments.

Enhanced Quality of Worklife

Working at home is a trend that addresses not only increased productivity but also provides “quality of worklife” for the workforce at large. Working at home offered a more flexible hour, which permitted a more active role in family life. Infact some of them underwent a change in family role, for example, some cooked their dinners and were more engaged with their children than before (Walton, 1997). As a result, many people felt happy about the improvement to their personal and work activities. Fundamentally, this new working environment had changed the employees’ home life for the better.

Argyris (1960) examined the satisfaction of higher order needs (self-esteem and self-actualisation) as a motivator of job performance. Results showed that job flexibility was positively correlated with job