



UNIVERSITI PUTRA MALAYSIA

**PERCEIVED-ORGANIZATIONAL CLIMATE,
JOB SATISFACTION AND JOB PERFORMANCE
AMONG PROFESSIONAL AND SUPPORT GROUP OF BANK
PERTANIAN MALAYSIA IN SABAH.**

VICTOR CAGAMPANG

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By

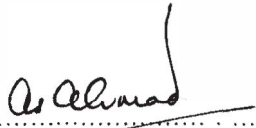
VICTOR CAGAMPANG

MASTER OF SCIENCE
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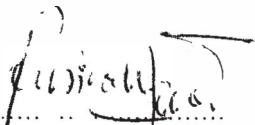


Project paper entitled “Perceived Organizational Climate, Job Satisfaction and Job Performance Among Professional And Support Group of Bank Pertanian Malaysia (BPM) in Sabah” by Victor Cagampang in partial fulfillment of the requirement for the degree of Master of Science (Human Resource Development) in the Faculty of Educational Studies, Universiti Putra Malaysia

Approved by:



.....
Hajah Asma binti Ahmad, Ph D
Lecturer
Extension of Education
Faculty of Educational Studies
Universiti Putra Malaysia
(Supervisor)



.....
Hajah Rusinah binti Joned
Lecturer
Extension of Education
Faculty of Educational Studies
Universiti Putra Malaysia
(Examiner)

Date 2 . 2 . 99



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VICTOR CAGAMPANG

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LIST OF ABBREVIATIONS

BPM	:	Bank Pertanian Malaysia
RIAT	:	Risk, Identity and Affective Tone towards people
REW	:	Rewards
IA	:	Individual Autonomy
ACCT	:	Accountability
RULESOR	:	Rules Orientation
IPS	:	Individual Performance Standard
IC	:	Individual Commitment
OR	:	Organizational Role
OA	:	Organizational Autonomy
OS	:	Organizational Standards
PY	:	Pay
PMT	:	Promotion
SPN	:	Supervision
FB	:	Fringe Benefits
CR	:	Contingent Rewards
OC	:	Operational Conditions
CW	:	Co-Worker
NOW	:	Nature of Work
COM	:	Communication



TOTORGCLI : Total Organizational Climate
TOTSAT : Total Satisfaction
TOTJOP : Total Job Performance

Abstract of project paper submitted to the Department of Extension Education, Faculty of Educational studies, Universiti Putra Malaysia in partial fulfillment of the requirements for the degree of Master of Science in Human Resource Development

PERCEIVED ORGANIZATIONAL CLIMATE, JOB SATISFACTION, AND
JOB PERFORMANCE AMONG PROFESSIONAL AND SUPPORT GROUP
OF BANK PERTANIAN MALAYSIA (BPM) SABAH

By

VICTOR CAGAMPANG

MAY 1998

Chairperson Dr Hj Asma Bt Ahmad

Faculty Department of Extension Education
Faculty of Educational Studies

This study was conducted to determine and explore BPM's professional and support group perceptions on the Organizational Climate in relation to Job Satisfaction and Job Performance. A total of 166 respondents consisting of branch managers, credit and finance officers, and the clerical staff were selected by using the cluster sampling method.

The study used self-administered structured questionnaire encompassing the Organizational Climate instrument, Job Satisfaction Survey and Job Performance instruments. Factor analyses of climate items yield 10 dimensions, namely risk, identity and affective tone toward people, rewards, individual autonomy, accountability, rules orientation, individual performance



standards, individual commitment, organizational role, organizational autonomy and organizational standards. Perceived organizational climate shows contentment with the derived climate constructs mentioned above, except on rewards and an item on 'loyalty to the bank'. Whereas, perceived Job Satisfaction shows concern on the facet of pay, promotion, fringe benefits, contingent rewards and operating conditions but shown contentment on the supervision, communication, co-workers and nature of work. Perceived Job Performance indicate moderately high above 43 %.

The organizational climate was found to have a moderate correlation, substantial positive relationship with job satisfaction ($r=0.588, p<0.000$). This is consistent with findings in the west. The study also found that organizational climate have a slight and almost negligible positive relationship with Job Performance ($r=0.177, p<0.050$), whereas there were no relationship found between Job Satisfaction and Job Performance.

Overall Job Satisfaction level shows that more than 50 % of the professional and support group are contented and happy with their job.

Though generalizations of this study must be made in caution, the bank's management should endeavor to devise positive climate changes: redesigning jobs, favorable reward and fringe benefits system, implementing a merit based promotion system, redefined rules and procedures, proper job description and conducive working environment, to enhance organizational effectiveness.



For future research studies, the same topic could be adopted but focusing on a commercial bank, to compare different organizational climate that prevails therein. However, different approaches of analysis can be used and the climate dimensions be fine-tune so as to be more applicable to the context of the research study.



Abstrak kertas projek yang dikemukakan kepada Jabatan Pendidikan Pengembangan, Fakulti Pengajian Pendidikan, Universiti Putra Malaysia sebagai memenuhi sebahagian daripada keperluan untuk Ijazah Sarjana Sains dalam Pembangunan Sumber Manusia

PERSEPSI IKLIM ORGANISASI, KEPUASAN KERJA, DAN PRESTASI
KERJA DIANTARA KUMPULAN PROFESSIONAL DAN SOKONGAN DI
BANK PERTANIAN MALAYSIA (BPM) WILAYAH SABAH

Oleh

VICTOR CAGAMPANG

MEI 1998

Pengerusi Dr Hjh Asma Bt Ahmad

Fakulti Jabatan Pendidikan Pengembangan
Fakulti Pengajian Pendidikan

Kajian ini dijalankan untuk menentukan dan menyelidik persepsi kumpulan professional dan sokongan BPM terhadap iklim organisasi dengan kepuasan kerja dan prestasi kerja Seramai 166 responden yang terdiri daripada pengurus-pengurus cawangan, pegawai-pegawai kredit dan kewangan, serta kakitangan kerani dipilih sebagai sampel kajian melalui kaedah persampelan rumpunan

Kajian menggunakan soalselidik berstruktur yang ditadbir sendiri oleh responden, yang mengandungi peralatan kajian Iklim organisasi, kepuasan kerja



dan prestasi kerja. Analisa faktor terhadap iklim organisasi menghasilkan 10 dimensi yaitu risiko, identitas dan suasana suka terhadap manusia, ganjaran, autonomi individu, pertanggungjawaban, prestasi pegawai individu, komitmen individu, peranan organisasi, autonomi organisasi dan pawai organisasi. Persepsi iklim organisasi menunjukkan kepuasan hati responden terhadap dimensi-dimensi yang tersebut diatas, kecuali dimensi ganjaran dan item 'kesetiaan kepada bank Manakala, persepsi kepuasan kerja menunjukkan keprihatinan terhadap aspek gaji, kenaikan pangkat, ganjaran luaran, ganjaran kontingen dan keadaan operasi, tetapi menunjukkan kepuasan terhadap aspek kawalan, rakan sekerja, komunikasi dan bentuk kerja. Persepsi prestasi kerja menampilkan prestasi sederhana tinggi melebihi 43 %.

Iklim organisasi didapati mempunyai korelasi sederhana, perkaitan yang tinggi dengan kepuasan kerja ($r=0.588$, $p<0.000$). Ini adalah konsisten dengan kajian-kajian di barat. Kajian juga mendapati iklim organisasi mempunyai perkaitan positif yang rendah dengan prestasi kerja ($r=0.177$, $p<0.050$), manakala tiada perkaitan didapati diantara kepuasan kerja dengan prestasi kerja.

Paras kepuasan kerja keseluruhannya menunjukkan lebih 50 % responden daripada kumpulan profesional dan sokongan adalah berpuas hati dengan kerja mereka.

Pernyataan umum mengenai kajian ini seharusnya dibuat secara berwaspada. Namun demikian pihak pengurusan bank haruslah berusaha

membentuk perubahan iklim positif : seperti kajian semula kerja, sistem ganjaran dan faedah yang baik; melaksanakan sistem kenaikan pangkat berdasarkan merit;kajian semula peraturan dan prosidur;deskripsi kerja yang komprehensif dan mengadakan suasana kerja yang mengembirakan.Ini adalah untuk meningkatkan keberkesanan organisasi.

Untuk kajian lanjut,dicadangkan topik yang sama digunakan tetapi ditumpukan kepada bank swasta ;untuk membandingkan perbezaan dimensi iklim organisasi yang wujud.Namun demikian,pendekatan analisis yang berbeza digunakan dan dimensi-dimensi dibaiki untuk lebih sesuai kepada konteks kajian.

CHAPTER I

INTRODUCTION

Background

Organizational climate is a concept in organizational behavior that has generated much interest as well as controversy among researchers. Despite the controversy, there is a widespread agreement that organizations should strive hard to establish the right climate to achieve organizational effectiveness. This is because, there is a bearing towards the organization productivity and bottom line.

Research have shown that organizational climate is related to measures of organizational effectiveness such as job performance and job satisfaction. If the right organizational climate is not conducive, then problems of absenteeism will abound, high labor turnover among employees and low morale atmosphere will be created. No doubt, costs are difficult to quantify. As such, an organization has to set a favorable climate dimensions in its internal environment to boost productivity and organizational effectiveness.

Organizational climate deals with inter-perceptions of employees toward their own organization, hence, different organizations with different practices and

procedures will therefore have different climate construct. It will be a challenge to any organizations irrespective of its industry to have the best organizational climates it is said to be a predictor of organizational effectiveness.

Private sector organizations have always been perceived to have better organizational climate than public sector organizations. Hence, the agriculture sector is no exception. It has the largest development agencies under it compared to the other sectors of the economy. These development agencies are divided into implementing, research and training agencies respectively.

The implementing agencies include the Agriculture department, National Padi and Rice Authority (LPN), Federal Agricultural Marketing Authority (FAMA) to name a few, whereas, research agencies includes Palm Oil Research Institute of Malaysia (PORIM), Rubber Research Institute of Malaysia (RRIM), Malaysian Agricultural Research and Development Institute (MARDI) to name a few. Not forgetting the only agricultural financial institution under the agriculture ministry- Bank Pertanian Malaysia (Agricultural Bank of Malaysia). It is a statutory body formed under the Parliament Act No. 9. 1969 to act as a development agent and catalyst in providing credit to boost the agricultural sector in producing more food based activities in line with the National Agriculture

Being in the banking industry, BPM are bound to give quality and comprehensive banking services to its customers. Its bottom line reflects the strength and prudent banking practices that are adopted. In the past 5 years, BPM's profit are: 1992 (17.8 million) , 1993 (20.1 million) ,1994 (28.0 million) ,1995 (34 million),1996(20.4 million) and 1997(deficit : 25.5 million) due to the recent economic slump that have hit the Malaysian economy. The idea of privatization was mooted somewhere in 1992 and only in 1996 that the concept of BPM privatization by the government in principle was approved. Its purpose is to enhance the quality banking services especially in the agricultural sector on par with the commercial banks.

Organizational climate being the predictor of organizational effectiveness is crucial in any organizations. They are considerable diversity in the number and type of dimensions used to explain the climate construct due to the heterogeneous organizations and employee's perceptions of their environment plus the differing practices and procedures used.

No doubt each of the agencies mentioned earlier have their own organizational climate, but to achieve vision 2020 effectively, an improved strategy of productivity-driven initiatives linked to human resource development must be emphasized. One of the initiatives is a conducive organizational climate.

Problem Statement

The Agriculture Bank of Malaysia (BPM) being a government agency pending privatization process in due course, should improve its existing organizational climate towards an open, supportive and friendly work atmosphere, high performance standards, performance-base reward systems, and well defined jobs and policies, coupled with a participative and venturesome leadership style that will likely have a positive impact upon employees satisfaction. According to the ex-career development manager of BPM, Pn Zainah Idrus “ There are at least a person every month submitting their optional retirement papers or resignation letter. High turnover staff occur in the computer section and support group (clerical category)” As such, it is a major concern to the bank’s management as it is gearing towards privatization and the problem should be resolve as quickly

Researchers have shown that organizational climate have a significant impact on the individual job satisfaction and higher job performance (work effectiveness). As such, what organizational climate dimensions does BPM have? Does organizational climate has an influence on employee’s level of job satisfaction and perceived job performance? Will the organizational climate relate more highly to job satisfaction than to job performance? What are the levels of job satisfaction in BPM? These are the questions that need answers and since there is no such study being done in BPM,

therefore it is timely to undertake such study and see the underlying climate dimensions and causes of dissatisfaction if any.

Research Objectives

General Objectives

The general objective of the study is to determine and explore professional and support groups perceptions on Organizational Climate in relation to Job Satisfaction and Job Performance in Bank Pertanian Malaysia, Sabah.

Specific Objectives

The specific objectives of the study are:

1. To determine the dimensions that constitutes the Organizational Climate constructs in the Agricultural Bank of Malaysia (BPM)
2. To determine the facets that contributes to the perceived Job Satisfaction level of the BPM professional and support group

3. To determine the perceived Job Performance level of Professional and Support Group.
4. To examine the relationship between the Organizational Climate and Job Satisfaction level of the BPM professional and support group.
5. To examine the relationship between the Organizational Climate and the perceived Job Performance of the BPM's professional and support group.
6. To examine the Organizational Climate dimensions will Relate more highly to Job Satisfaction than to Job Performance in the BPM's professional and support group.
7. To determine the overall Job Satisfaction level of the professional and support group in BPM.