EMPLOYEE MOTIVATION, WORKPLACE ENVIRONMENT AND
WORKPLACE DIVERSITY INFLUENCE ON ORGANIZATIONAL
PERFORMANCE

: A CASE OF YAMAHA ELECTRONIC MANUFACTURING .

BY
MAZATUL NADIAH BINTI SAHIRI

MASTER OF SCIENCE (INTERNATIONAL BUSINESS)

UNIVERSITI UTARA MALAYSIA

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EMPLOYEE MOTIVATION, WORKPLACE ENVIRONMENT AND WORKPLACE DIVERSITY INFLUENCE ON ORGANIZATIONAL PERFORMANCE

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A Thesis Submitted to the Ghazali Shafie Graduate School of Government

Universiti Utara Malaysia

In Fulfillment of the Requirement for the

Master of Science (International Business)

June 2015
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ABSTRAK

ABSTRACT

This research studies the relationship between employee motivation, workplace environment and workplace diversity factors on the organizational performance of a manufacturing firm. The study is conducted at Yamaha Electronic Manufacturing (YEM), which is a Japanese based firm located in Ipoh, Perak, Malaysia. The primary objective is to identify the relationship between employee motivation, workplace environment and workplace diversity on organizational performance of YEM. At the same time, this study tries to highlight the current situation at the company in terms of employee motivation, workplace environment and workplace diversity. A quantitative research design was employed and data were collected using survey questionnaires. A total of 161 employees from various departments and demographic background were randomly selected as a sample for this study. Upon data analysis, the result shows that all three variables do have a positive significant relationship with organizational performance. Employee motivation and workplace environment have stronger relationship with performance if compared to workplace diversity.
ACKNOWLEDGEMENT

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Sincere with love from Mazatul Nadiah Binti Sahiri.

June 2015.
TABLE OF CONTENTS

CONTENT                                    PAGE

Permission to Use                           i
Abstrak                                     ii
Abstract                                    iii
Acknowledgement                            iv
Table of Content                            v-viii
List of Tables                             ix-x
List of Figures                            xi

CHAPTER 1 : INTRODUCTION

1.1  Background of the Study                1-3
1.2  Problem Statement                      3-6
1.3  Research Questions                     7
1.4  Research Objectives                    7
1.5  Definition of Key Terms                8
    1.5.1 Organizational Performance        8
    1.5.2 Employee Motivation               8
    1.5.3 Workplace Environment             8
    1.5.4 Workplace Diversity               8-9
1.6  Significant of the Study               9
1.7  Scope of the Study                     9-10
1.8  Organization of Remaining Chapters     10
## CHAPTER 2: LITERATURE REVIEW

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Introduction</td>
<td>11</td>
</tr>
<tr>
<td>2.2</td>
<td>Organizational Performance</td>
<td>11-16</td>
</tr>
<tr>
<td>2.3</td>
<td>Employee motivation</td>
<td>17-19</td>
</tr>
<tr>
<td>2.4</td>
<td>Workplace environment</td>
<td>19-20</td>
</tr>
<tr>
<td>2.5</td>
<td>Workplace diversity</td>
<td>20-23</td>
</tr>
<tr>
<td>2.6</td>
<td>Underpinning Theory</td>
<td>23</td>
</tr>
<tr>
<td>2.6.1</td>
<td>Goal Setting Theory</td>
<td>23-24</td>
</tr>
<tr>
<td>2.6.2</td>
<td>Maslow’s Hierarchy of Needs Theory</td>
<td>24-25</td>
</tr>
<tr>
<td>2.7</td>
<td>Conceptual Theoretical Framework</td>
<td>25-26</td>
</tr>
<tr>
<td>2.7.1</td>
<td>Hypotheses</td>
<td>26-27</td>
</tr>
</tbody>
</table>

## CHAPTER 3: METHODOLOGY

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Introduction</td>
<td>28</td>
</tr>
<tr>
<td>3.2</td>
<td>Research Design</td>
<td>28</td>
</tr>
<tr>
<td>3.3</td>
<td>Population and Sampling Design</td>
<td>29</td>
</tr>
<tr>
<td>3.4</td>
<td>Data Collection Procedures</td>
<td>30</td>
</tr>
<tr>
<td>3.5</td>
<td>Data Collection Method</td>
<td>31</td>
</tr>
<tr>
<td>3.6</td>
<td>Survey Questionnaire Development</td>
<td>32</td>
</tr>
<tr>
<td>3.7</td>
<td>Pilot Study</td>
<td>33-34</td>
</tr>
<tr>
<td>3.8</td>
<td>Data Analysis / Techniques</td>
<td>34</td>
</tr>
<tr>
<td>3.9</td>
<td>Summary</td>
<td>34</td>
</tr>
</tbody>
</table>
CHAPTER 4 : DATA ANALYSIS AND FINDINGS

4.1 Introduction 35
4.2 Survey Response Rate 35
4.3 Demographic Data 35
  4.3.1 Gender 35-36
  4.3.2 Age 36
  4.3.3 Race 37
  4.3.4 Religion 37-38
  4.3.5 Status 38
  4.3.6 Years of Employment 39
  4.3.7 Position 39-40
  4.3.8 Department 40-41
4.4 Descriptive Analysis Mean and Standard Deviation 41
  4.4.1 Organizational Performance 42-43
  4.4.2 Employee motivation 43-44
  4.4.3 Workplace environment 45-46
  4.4.4 Workplace diversity 47-48
4.5 Hypothoses Testing 49
  4.5.1 Pearson Correlation 49-50
  4.5.2 Hypothoses 1 50
  4.5.3 Hypothoses 2 51
  4.5.4 Hypothoses 3 51
4.6 Summary 51
CHAPTER 5 : DISCUSSION AND CONCLUSION

5.1 Introduction 52

5.2 Discussion 52

5.2.1 Organizational Performance and Employee Motivation 52-53

5.2.2 Organizational Performance and Workplace Environment 54

5.2.3 Organizational Performance and Workplace Diversity 55

5.3 Research Contribution 56

5.4 Limitation of the Study and Recommendation for Future Research 57

5.5 Conclusion 58

References

Appendix A

Appendix B
LIST OF TABLES

TABLES          PAGE

Table 1.1: Sales quantity and value of YEM in 2014     4

Table 2.1: Summary of Previous Studies Influence     16

Organizational Performance

Table 3.1: Fact and Figures YEM 2014                  26

Table 3.2: Contents of Questionnaire                  29

Table 4.1: Gender of Respondents                     32

Table 4.2: Age of Respondents                        32

Table 4.3: Race of Respondents                       33

Table 4.4: Religion of Respondents                   34

Table 4.5: Status of Respondents                     34

Table 4.6: Years of employment of Respondents         35

Table 4.7: Position of Respondents                   36

Table 4.8: Department of Respondents                 37

Table 4.9: Means and Standard Deviation for          39

Organizational Performance

Table 4.10: Means and Standard Deviation for         41

Employee Motivation

Table 4.11: Means and Standard Deviation for         43

Workplace Environment

Table 4.12: Means and Standard Deviation for         45

Workplace Diversity
Table 4.13: Strength of the Relationship 46
Table 4.14: Pearson Correlation 46
# LIST OF FIGURES

<table>
<thead>
<tr>
<th>FIGURES</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 1.1</td>
<td>5</td>
</tr>
<tr>
<td>Sales value of YEM in 2014</td>
<td></td>
</tr>
<tr>
<td>Figure 2.1</td>
<td>23</td>
</tr>
<tr>
<td>Maslow’s Hierarchy of Needs</td>
<td></td>
</tr>
<tr>
<td>Figure 2.2</td>
<td>24</td>
</tr>
<tr>
<td>Conceptual Framework of The Study</td>
<td></td>
</tr>
</tbody>
</table>
CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

In today’s global business environment, multinational corporations (MNC) face huge challenges in order to successfully survive in the current highly competitive international business market. As a consequence, MNCs should continuously improve their performance in order to remain competitive in their industry for a long period of time. Performance of the firm depends very much on the performance of the employees working at that company. According to Covey (2004), organizational performance is related to the development of personnel’s performance in terms of knowledge, skills and experiences of the employees. As a consequence, it is important to conduct a study on the factors that may influence organizational performance. Previous studies have identified many factors that may influence firm’s performance and three of them are employee motivation, workplace environment and workplace diversity.

Highly motivated employees are expected to directly influence the firm’s performance by contributing positively towards their work. Previous study proved that motivation of employees may increase if they get their expected reward and recognition that will initially contributes to high performance (Kalimullah et al, 2010). The employees will also put more effort for achieving organizations goal if they are motivated. Motivation actually can give success to organization because it enhances employees to do their work with full concentration and determination. Hence, there will be more output from the
production line, less product defect, less cost and job may be completed within the stipulated timeframe.

The next factor that is expected to influence the firm’s performance is workplace environment. Workplace environment defines as the communication and instruction between employee and management which act base on power, rules and responsibilities to controlled and coordinated the environment in workplace (Robbins, 2008).

Factors such as workstation design, furniture, ventilation, lighting, noise, safety and equipment at the workplace are some of the elements that make up the workspace environment. These elements are expected to give an impact on employees and the overall organizational performance.

The third factor that may influence organizational performance is workplace diversity. According to Dessler (2011) workplace diversity refers to the variety or multiplicity of demographic features that characterize a company’s workforce, particularly in terms of race, sex, culture, national origin, handicap, age and religion. Workplace diversity is expected to play a role in determining the firm’s performance because MNC may gain benefit from diverse members, work group and culture that exists in the organization if they could exploit this diversity for their own advantage.
Malaysia is one of the favourite destinations for foreign direct investment among MNCs and one of them is a Japanese based company known as Yamaha Corporation. The company has established Yamaha Electronics Manufacturing (YEM) Pte. Ltd. in Ipoh, Perak. The subsidiary manufactures consumer video and audio products, and sales of consumer audio and video service parts to clients. Specifically, YEM specialized in production of home audio system, Hi-Fi amplifiers and receivers, blue ray disc players, desk top audio and digital sound projector. The company currently employs 909 employees and has been in operation for 25 years. In year 2014, Yamaha Corporation which is the parent company has chosen YEM as one of their research and development (R&D) centre for transfer their skills and expertise to YEM.

1.2 Problem Statement

Even large multinational firms such as Yamaha and its subsidiaries are feeling the pressure of global competition and need to remain competitive in order to survive. They need to ensure that their performance remain at the best level by addressing the issues that may influence their personnel’s performance. YEM manufactured various types of products and the firm’s performance is measured based on the total sales and profit generated for each financial year.

Table 1.1 shows the monthly sales quantity and value of YEM from January until December 2014 and figure 1.1 shows the sales value for the same period of time. There is a steady growth in sales value from January to August 2014 as evidence from both the table and figure. One of the reasons for this increase is due to introduction of a new
product model in January that receives high response from the customer. Unfortunately, the volume and sales revenue starts to drop in September and they never recover from that declining trend until the end of the year 2014. This raise a question on the performance of the company and something must be done in order to rectify the issue or to identify the root cause of the problem.

Table 1.1: Sales quantity and value of YEM in 2014

<table>
<thead>
<tr>
<th>MONTH</th>
<th>SALES VALUE (RM)</th>
<th>SALES QUANTITY (UNIT)</th>
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<tr>
<td>JAN</td>
<td>19,521,910.89</td>
<td>46,239</td>
</tr>
<tr>
<td>FEB</td>
<td>26,230,984.33</td>
<td>60,075</td>
</tr>
<tr>
<td>MARCH</td>
<td>28,913,697.93</td>
<td>64,273</td>
</tr>
<tr>
<td>APR</td>
<td>27,578,227.58</td>
<td>62,950</td>
</tr>
<tr>
<td>MAY</td>
<td>34,686,309.87</td>
<td>70,394</td>
</tr>
<tr>
<td>JUNE</td>
<td>43,770,601.72</td>
<td>80,407</td>
</tr>
<tr>
<td>JULY</td>
<td>48,471,493.06</td>
<td>91,174</td>
</tr>
<tr>
<td>AUG</td>
<td>51,842,504.79</td>
<td>109,596</td>
</tr>
<tr>
<td>SEPT</td>
<td>45,257,804.70</td>
<td>103,090</td>
</tr>
<tr>
<td>OCT</td>
<td>44,703,935.11</td>
<td>101,558</td>
</tr>
<tr>
<td>NOV</td>
<td>36,651,781.49</td>
<td>84,236</td>
</tr>
<tr>
<td>DEC</td>
<td>28,310,910.90</td>
<td>59,055</td>
</tr>
</tbody>
</table>

As mentioned earlier, prior studies have identify many factors that may influence firm’s performance but this study will focus on three issues currently relevant to YEM namely employee’s motivation, workplace environment and workplace diversity. Employees initially want reasonable salary and payment to motivate and encourage them to work relentlessly towards the success of an organization (Houran, 2010). Therefore, salaries should match with the qualifications of employees, based on their level of education. However, there is an issue where the diploma level employees received a salary of RM 1000.00 per month whereas the salary paid should be in the range of RM1500.00 to RM1600.00 if based on the current employment market in Malaysia. This issue may give a huge impact on employee motivation, which may result in them working casually and recklessly.
According to Burton et al (2005), the workplace condition that includes physical environment, technology and tools may also influence employee’s performance and contribute towards the performance of an organization. The management of YEM does care about their workplace environment and do their best to ensure the safety and comfort of their employees. Smoking area, rest area, prayer room for Muslim prayers and adequate vehicle parking places are all provided for employee’s comfort. However, there are still some areas for improvement where workers at the production line complaint about a narrow working space that limit their movement and uncomfortable. There is also a complaint on noise that comes from the machine that is quite disturbing.

YEM is a diverse workplace as the company employs workers from various ethnicities especially Malay, Chinese and Indians who are the majority race in this country. At the same time, there are also foreign workers who consist of the Japanese expatriate that fill the top management position of the company, or production workers that come from Bangladesh, Indonesia, Myanmar and Nepal. The employees are given a same fair treatment regardless of age, gender, race, religion, and educational background. However, there are some tensions exists between employees from different race for some reason and dissatisfaction among the local employees towards the foreign workers that might jeopardize the harmony at YEM. Obviously, there is a need for a study that look at either the above three issues faced by YEM influence the company’s performance or not so that, the management can identify some of the reason for the decline in firm’s performance lately.
1.3 **Research Question**

Based on the above research problem statement, these are the research questions developed for this study:

1.3.1 What are the YEM employee’s perception on the level of employee motivation, workplace environment and workplace diversity at the company?

1.3.2 Does YEM’s employee motivation influence the level of organizational performance?

1.3.3 Does YEM’s workplace environment influence the level of organizational performance?

1.3.4 Does YEM’s workplace diversity influence the level of organizational performance?

1.4 **Research Objective**

These are the research objectives of this study:

1.4.1 To investigate employee’s perception on their motivation, workplace environment and workplace diversity at YEM.

1.4.2 To identify the relationship between YEM’s employee motivation and organizational performance.

1.4.3 To identify the relationship between YEM’s workplace environment and organizational performance.

1.4.4 To identify the relationship between YEM’s workplace diversity and organizational performance.
1.5 Definition of Key Terms

1.5.1 Organizational Performance
Organizational performance is defined as a set of financial or nonfinancial indicators which offer information on the degree of achievement of objectives and goals (Lebans & Euske, 2006).

1.5.2 Employee Motivation
Employee motivation refers to goal directed behaviour of employee to achieve organization’s objectives by cooperation and collaboration from other people and give their moral up in order to secure their commitment and enthusiasm (Dogra, 2010).

1.5.3 Workplace Environment
Workplace environment refer to the physical environment features in the workplace like lighting, ventilation rates, and acoustic environment that give positive impact to the employees productivity and their workspace satisfaction (Humphries, 2005).

1.5.4 Workplace Diversity
Workplace diversity refers to the variety of differences between people in an organization. That sounds simple, but diversity encompasses race, gender, ethnic group, age, personality, cognitive style, tenure, organizational function, education,
background, and more. Diversity involves not only how people perceive themselves but also how they perceive others (H.A. Patrick & Kumar, 2012).

1.6 Significant of the Study

This study aims to give a clear understanding on the current situation in terms of employee motivation, workplace environment and workplace diversity at YEM. The perception of employees on these three factors might give an indication on the impact to YEM current organizational performance. This study hopefully will provide a detail clarification on the factors that may influence YEM organizational performance and therefore, the company may take the necessary actions to rectify the issues that currently exist inside the company. At the same time, this study will provide empirical evidence on the influence of employee motivation, workplace environment and workplace diversity on the organizational performance. It will enhance the body of literature in organizational performance specifically from the context of MNCs operating in Malaysia.

1.7 Scope of the Study

This study is specifically conducted at Yamaha Electronic Manufacturing facilities located in Ipoh, Perak. The respondent’s for this study focuses only on employees that currently working in 10 departments at YEM Ipoh. Data collection was conducted on February 2015. In terms of variables of the study, this study will only focus on three factors namely employee motivation, workplace environment and workplace diversity. There are many factors that may influence organizational performance as identified by
previous research but these three factors were chosen as they are deemed to be relevant with the current issues faced by YEM.

1.8 Organization of the Remaining Chapters

Chapter one has discussed about the introduction about the research problems that initiate this study. It consists on the background of study, problem statement, research questions, research objectives, definition of key terms, significant of the study and scope of the study. Chapter two will discuss the literatures and previous studies relevant to the topic of this research. It consists of the review of related literature that justifies the selection of both the dependent and independents variables of the study. It is then followed by the conceptual framework and discussions on the hypothesis of the study. Chapter three will discuss the methodology adopted for this study together with survey instrument development for data analysis. It consists on the introduction, research design, population and sampling, data collection and procedures, also measurement and instrumentation. Chapter four discussed the outcome of the data analysis stage and findings after the data were collected from the respondent at YEM Ipoh. Chapter five ends with the conclusions, discussions and research implications with also some recommendation for future researchers.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction
This chapter discusses the relevant literature related to the variables of the study which are organizational performance, employee motivation, workplace environment and workplace diversity. This chapter also discusses the related theory and develops a conceptual framework and hypotheses that guide the study.

2.2 Organizational Performance
Organizational performance is defined as a set of financial or nonfinancial indicators which offer information on the degree of achievement of objectives and goals (Lebans & Euske, 2006). Organizations have to measure the performance in order to determine whether they have successfully achieved their organization goals, by reviewing and using a structured approach of measurement. In addition, the purpose of measuring organizational performance is to set future goals, detect the existing problems and rectify the problems effectively. Hence, organizational performance becomes an instrument and measurement that is used to evaluate and assess the success of organizations in creating and delivering value to their external and internal stakeholders (Antony & Bhattacharyya, 2010). Organizational performance has been the focus of many studies before for the purpose of understanding the processes, antecedents, and other factors that can enhance organizational outcome (Jing & Avery 2008).
According to Kanji (2002), there are four ways to measure performance such as improvement in organizational learning, customer satisfaction, maximize stakeholder value and process excellence. In addition, organizational performance may also be measured by financial indicators, but in order to overcome some shortcomings from the financial indicators, non-financial indicators sometimes are also used (Demirbag et al., 2006). However, effective framework of performance is measured by combining both measurements, which are financial and also non-financial (Berrah et al., 2006).

Financial measurement is the easiest way to measure performance because it has clear rules and guidelines (Otley, 2001). Nowadays, researchers mostly used financial measurement to measure the organization performance. Financial measurement like sales and profit gave the clear indication for company in their planning, directing and controlling process, based on the organizational objective. Performance measurement systems play a key role as a source of information about financial outcomes and the internal operations shown in the financial statements (Yeniyurt, 2003).

According to Speckbacher et al., (2003), non-financial measurements are things that organizations use to measure the overall company situation such as employee’s participation and manufacturing related practices such as total quality management and just in time. In addition, combinations of both the financial and nonfinancial measurement are the best way for organizations in measuring their performance measurement system. However, non-financial performance measurement should be improved in nowadays business environment because of the competitive competition. In
this study, organizational performance was measured using the financial and nonfinancial performance.

Besides performance measurement, past researchers also studied the other variables that may influence organizational performance. Some studies look on job satisfaction as the factor that influences organizational performance. Nancy and Mine (2004) for example examined the relationship between job satisfactions on organizational performance in Uganda’s oil sub-sector. Job satisfaction in their study is measured by the wage, working hours, working conditions and career development of employee in organization. Second factor is training and skill by Luis et al., (2010). Training is the process of inculcating specific skills to employees that purposely to enhance their performance. Third factor is on management involvement which is Stephen (2007) examined the relationship between management involvements on organizational performance. Management involvement includes the practices such as team working, empowerment and customer feedback. It includes high involvement in workplace with social and problem-solving skill. Strategic Human Resource Management (SHRM) is studied by Ayanda (2011). The author examined the relationship between SHRM on organizational performance. SHRM includes issues between human resource management practices and organizational strategic goals. It also includes employee selection, compensation and also performance appraisal. Previous studies also highlight the importance of employee motivation, workplace environment and workplace diversity on organizational performance.
According to Matthew et al., (2009), employees that are highly motivated contribute towards the company’s performance through their work efficiency and effectiveness as productive employees. Mc et al., (2014) found that the employee motivation and job satisfaction were both positively related to organizational performance. They added that if employees are well motivated through, for example, fair promotions and justifiable salary differences, they will work more towards a better performance of the organization. In addition, Malik et al., (2011) who examine the relationship between employee motivation and organizational effectiveness in telecommunication and banking sector in Pakistan also observed a significant relationship between the employee motivation and organizational effectiveness (organizational performance).

For workplace environment Srivastava (2008) indicates that there are two major categories in workplace environment in organization namely as physical and psycho-social environment. According to Hajjar et al., (2010), physical workplace environment is defined as the external and internal office layout, temperature, comfort zone and the arrangement of office work setting in the workplace. Psycho-social refers to the values or organizational culture inside the company. It consists of working organization, attitudes, beliefs, practices and daily routine of the organizational workplace environment (Burton, 2010).

Other studies like Lundqvist (2013) found that physical workplace environment is positively related to organizational performance. Organization should provide physical workplace environment that is conducive in order to enhance the productivity of
employees, hence improve the performance of the employees in the organization. In addition, Srivastava (2008) also examines the relationship of work environment and organizational effectiveness and found out that there is a significant relationship between these two variables.

In terms of workplace diversity, Jayne and Dipboye (2004) found out that the level of diversity in organization creates teamwork relationships. They conclude that strong workplace diversity in organization actually developed teamwork that positively contributes towards organizational performance. Furthermore, Chatman and Spataro (2005) stated that diversity in the workplace is good as they found out that organization which practice collectivism gain more benefits than organization that practice individualism.

As a summary, table 2.1 summarizes some studies on the factors that influence organizational performance. This study focus on three factors namely employee motivation, workplace environment and workplace diversity influence on organizational performance as dependent variable. Employee motivation and workplace environment have been used as independent variables by four previous studies, while workplace diversity has been used by two previous studies. Other factors that have been studied by previous researchers include are job satisfaction, training and management involvement.
Table 2.1: Summary of Previous Studies Influence Organizational Performance

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</tr>
<tr>
<td><strong>Total</strong></td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

2.3 Employee Motivation

Motivated employees are one of the criteria that contribute to organizational success. Motivated employees will concentrate their effort and direction towards the achievement of organization’s goal (Kalimullah et al., 2010). Motivation is very important because it can drive an individual to work hard or perform well in their work. According to Reena and Shakil (2009), employee motivation toward works refers to the way employee does their work and expresses it by their service or work to the organization. Employees that have high motivation will be more loyal and dedicated to their job and always perform
for the best interest of the organization. Previous studies stated that employee motivation do have a positive relationship with organizational performance. Muogbo (2013) study showed that there are relationships between employee motivation and the organizational performance. The study reveals that motivated workers in an organization has a significant influence on their performance. This is in line with equity theory which emphasizes that fairness in the remuneration package tends to produce higher performance from workers.

Other researchers like Jesarati et al., (2013) identified that employee motivation has significant relationship with performance where the motivational factors inside an employee will enhance their productivity in organization. Other than that, Chowdhury (2007) also found that there is positive relationship between employee motivation and organizational performance. The study shows that firm’s performance increase when the employee motivation increases. Financial rewards actually influence the employee performance and boost their motivation. Hence, financially satisfied workers contribute to firm’s performance (Kalimullah et al., 2010). In contrast, there is also study that says payment does not influence or improve employee motivation but non-financial factors like non-financial rewards, social recognition and performance feedback actually give positive influence to employee motivation (Whitley, 2002).
2.4 Workplace Environment

The importance of workplace environment and the impact on organizational performance are evidence. Workplace environment includes the surrounding environment in organization which can be controlled and coordinated, and also the communication between all employees in the organization. It also includes the administrative, technological, economic and socio-culture interaction in the organization (Robbins, 2008). Malik et al., (2011) state that workplace environment actually affect the organizational performance. Employees will be motivated and work productively when they are working in comfortable and ergonomic office design (Hameed & Amjad, 2009). The physical layout of workplace in an office will boost the employee’s productivity and increase organizational performance (Gensler et al., 2006). According to Huges (2007), employee’s attitude and productivity will be affected by the workspace quality. Moloney (2011) also stated that worker productivity will be affected by the building design such as proper ventilation and availability of natural light and air. In manufacturing industries, ergonomic workplace environment is one of the issues that were supposed to be addressed since it is one of the ways to increase the production workers productivity.

Bruce (2008) study showed that workplace distractions such as excessive noise will decrease employee productivity for 40% and increase errors by 27%. Srivastava (2008) also stress on the effect to workers’ productivity due to factors such as office illumination, temperature, noise, lighting and atmospheric conditions. In addition, factors such as tools availability, materials and equipment used, working conditions, leader
behaviours, and organization objectives also are considered as part of workplace environment.

2.5 Workplace Diversity

Workplace diversity exists when companies hire employees from various background and experiences to gain business advantage even though they might face many challenges. It is important for managers and also employees to understand the challenges and know how to deal with workplace diversity, so that they may deal with it for their advantage. Workplace diversity refers to the aspects of different dimension of employees in the workplace such as age, race, gender, ethnic, origin, group, language, skin colour, attitudes, values, beliefs and religions (Rau & Hyland, 2003). In addition, Christian et al., (2006) stated that demographic dimension such as age, gender, race-ethnicity and educational background are most popular dimensions of workplace diversity studied by previous researchers. Cole and Kelly (2011) differentiate workplace diversity into two categories. First is from a perspective of equal employment opportunity such as races, colour, religion, sex and national origin. Second is from a broader view such as education, sexual orientation, differences in value, abilities, organizational function, tenure and personality. This study however will only focus on these four dimensions, namely age, gender, ethnicity and educational background, which are deemed as relevant to the current issues faced by YEM.
Workplace diversity is an issue that any organization cannot ignore it (Robinson, 2002). In order to improve the workplace productivity and firm’s performance, the management of a company should manage the diversity that exists (Black Enterprise, 2001). Employees from diverse background can create a synergistic performance when they were able to understand each other and contribute based on their different experiences, knowledge’s and perspectives (Choy, 2007). According to Rosado (2006), workplace diversity contributes towards worker’s satisfaction and performance improvement in organization. Workplace diversity may maximize the workers contribution towards organizational goal and objectives when all the different individuals in the organization work in harmony.

According to Gelner and Stephen (2009), age heterogeneity can give positive impact to organization. However, there is also some negative side from age heterogeneity where the differences of age will create different values which may negatively affect productivity. Youngsters in organization create positive influence to organization because they want to learn new things and accept new ideas. However, older employees have more life experience and are more matured in solving problems with their expertise. Hence, it is good for the organization to have employees from different age range (Winnie, 2008).

Gender diversity may also relate to firm’s performance because it affects the employees working relationship (Kochan et al., 2003). Even high levels of gender diversity is considered as a competitive advantage that the organizations have, but moderate levels of gender diversity result in competitive disadvantages in organization (Ali et al., 2000).
Diversity in ethnicity creates variety in terms of languages, religions, races and cultures (Alesina et al., 2005). Differences in cultural background are an advantage because firm can create a problem solving team with various ideas (Zgourides et al., 2002). However, Dahlin (2005) argues that high level of ethnic diversity may also create conflict in the organization.

Pitts et al., (2010) argue that different educational background of employees’ may encourage greater innovation and encourage creative solutions to the problems. This is supported by Daniel (2009) states that employees with good education level will be more productive due to the education level they have. Organizational goals and performance will be achieved when employees use their educational diversity to work effectively. It is also an indicator to their knowledge, skills and capability (Gwendolyn, 2002).

2.6 Underpinning Theory

2.6.1 Goal Setting Theory

Many studies used goal setting theory as their key indicator of performance (Locke & Latham, 2002). According to Locke (1968) firms should have specific goals to be achieved, that will guide the company towards achieving high performance. High and difficult goals will result in higher level of performance. At the same time, goal setting is useful to individual employees in the organization. This is due to the fact that employees will work at their best and try to achieve their highest level of performance, and gain high level of satisfaction when they achieve the goals been set to them (Taylor, 1981).
Benner and Jones (1995) explain goal setting may influence the motivation and performance of an employee as it may improve individual’s position, together with the financial and physical payoff from the company such as profit sharing, wages, commissions, and better working conditions once the goals are achieved. Kennish (1994) states that a proper goal setting may increase employees motivation and involvement and will create more productive environment towards achieving high firm’s performance. In addition, he also mentioned three ways on how goal-setting contributes towards higher organizational performance. Firstly, goal-setting will create a goal commitment where an individual will have an internal locus of control for achieving the goal. Secondly, goal-setting will increase individual level of self-efficacy when an individual use their ability to work and strive to achieve the goal. Finally, goal-setting can encourage employees to challenge the goal set earlier and try to improve the performance of their work.

2.6.2 Maslow’s Hierarchy of Needs Theory

Maslow needs theory is useful to company’s management as it had a practical implication towards the organization (Greenberg & Baron, 2003). Many studies used Maslow’s Theory to understand employee’s motivation based on hierarchical pyramid provided (Robbins, 2001). Abraham Maslow (1943) divided this need theory to five different levels of hierarchy that influence behaviour. Maslow said if the person achieves each stages or levels, he or she will move up the pyramid and have the motivation to successfully achieve the next needs. The Five levels are shown in figure 2.1. They consist of psychological needs, safety needs, social (love or belonging) needs, esteem needs and self-actualization needs.
Maslow stated that an individual’s need to achieve and satisfy the lower needs first in order to realize higher needs. In addition, achievement of higher level needs will bring more satisfaction and advanced what that person previously gets (Maslow, 1954). As Maslow Hierarchy of Need Theory give a huge contribution in terms of how to motivate employees at the workplace so that the organization may achieve the best result (Kaur, 2013).

Figure 2.1: Maslow’s Hierarchy of Needs

2.7 Conceptual Framework

Figure 2.2 shows the conceptual framework of the study, developed based on the study of the literature. The frameworks consists three independent variables namely employee motivation, workplace environment and workplace diversity, together with the relationship with the dependent variable which is organizational performance.
2.7.1 Hypotheses of the study

The hypotheses from this study are as below:

**Employee motivation and Organizational performance**

H1: There is a significant positive relationship between YEM’s employee motivation and organizational performance.

**Workplace environment and Organizational performance**

H2: There is significant positive relationship between YEM’s workplace environment and organizational performance.

**Workplace diversity and Organizational performance**

H3: There is significant positive relationship between YEM’s workplace diversity and organizational performance.
CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter will explain the methodology used for this study. It begins with the description on research design, population and sampling design, data collection, instrumentation and data analysis techniques. The purpose of this chapter is to discuss the research process and data collection procedures in order to answer the research questions.

3.2 Research Design

Research design defines as the plan and structure of the research with the objective is to obtain answer for the research question that is of interest of the study (Cooper & Schindler, 2008). This study is a quantitative type of study conducted to test the hypotheses and to explain the relationships that exist between variables. The dependent variable is organizational performance and the independent variables are employee motivation, workplace environment and workplace diversity. In order to obtain the data, this study employs survey methods using survey questionnaire as the data collection method. The statistical test is conducted using SPSS software.

3.3 Population and Sampling Design

According to Sekaran and Bougie (2009), population is define as entire group of people, things of interest or events that researcher want to investigate. In this research, the populations of the study involve all employees in ten different departments at YEM Ipoh,
Perak. The total number of employees is 909 people. Sample is defined as a subset of the population and help researcher to easier draw conclusions from the population’s interest. The number of sample needed for the above mentioned population is 269 (Sekaran&Bougie, 2009). Therefore, 269 names have been randomly chosen as a sample of this study. A systematic random sampling approach was used in order to determine the 269 respondents. This systematic random sampling approach involves two steps. First, the list of name of all employees was obtained from the Human Resource Department. Then, every second name from the list was selected until 269 names were drawn as a sample for this study. However, only 161 respondents returned their survey questionnaire which is equal to 60% response rate.

<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th>NO. OF EMPLOYEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>692</td>
</tr>
<tr>
<td>Logistic</td>
<td>61</td>
</tr>
<tr>
<td>Engineering (ENG)</td>
<td>60</td>
</tr>
<tr>
<td>Final Assembly (FA)</td>
<td>20</td>
</tr>
<tr>
<td>Quality Assurance (QA)</td>
<td>15</td>
</tr>
<tr>
<td>Global Service Part Centre (GSPC)</td>
<td>15</td>
</tr>
<tr>
<td>Research and Development (R&amp;D)</td>
<td>15</td>
</tr>
<tr>
<td>Supply Chain Management (SCM)</td>
<td>13</td>
</tr>
<tr>
<td>Final Quality Assurance (FQA)</td>
<td>10</td>
</tr>
<tr>
<td>Manufacturing Internal System (MIS)</td>
<td>8</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>909</strong></td>
</tr>
</tbody>
</table>

3.4 Data Collection Procedures
Questionnaires were distributed to the respondent in ten departments at YEM. Questionnaires are dual language, which is in Bahasa Malaysia and English. In order to conduct data collection, the researcher needs to get an approval from the Human Resources Department Manager. It is also to obtain the list of workers at YEM so that sample may be selected and the questionnaires may be distributed to the selected employees. The application was made in early February 2015 and once the permission is obtained, survey questionnaires were distributed in mid February 2015. The survey were collected by the head of department at the end of February 2015 and handed over for further analysis. As stated earlier, 269 survey questionnaires were distributed. However, only 161 were returned.

3.5 Data Collection Method
This study mainly used primary data which were collected from the survey questionnaire. According to Sekaran and Bougie (2009), primary data are the interest variables for the specific purpose of study and to get information. It is the original data used to analyze the problems. Main sources for primary data in this study are employees (individual) of YEM. There are advantages and disadvantages of primary data. Among the advantages are original data, data direct from population, data from primary population and unbiased information. Otherwise, the disadvantages are costly, time consuming, large volume of population and raw data (Sekaran&Bougie, 2009).
3.6 Survey questionnaire development

The survey questionnaire used in this study contains close ended questionnaire and all main variables were tested using a 5 Point Likert-scale. An advantages of close ended questionnaire are respondent have easier understanding and it takes less time to answer (Zikmund et al., 2007). A close ended type of questions has been employed in this instrument so that a specific and accurate rating is given to each survey items. Besides, it provides a more consistent respond and can be easily processed.

The questionnaires have five sections. The first section (Section A) is on the profile of the respondents, which asks questions such as position in the company, age, sex, race etc. The second section (Section B) consists of nine questions on organizational performance. The third section (Section C) has nine questions related to employee motivation. The fourth section (Section D) includes eight questions on workplace environment. Finally, the fifth section (Section E) contains nine questions on workplace diversity. Five point Likert Scales were used in these sections, with the purpose of evaluating the respondent’s perspectives on each given statements. It ranged from “extremely disagree” (1), “disagree” (2), “neutral” (3), “agree” (4), “extremely agree” (5).
Table 3.2: Contents of Questionnaire

<table>
<thead>
<tr>
<th>Contents of Questionnaire</th>
<th>Dimensions</th>
<th>Item</th>
<th>Types of Questions</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total No. Of Items</strong></td>
<td></td>
<td>43</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3.7 Pilot Study

Pilot test was conducted to test the reliability of the survey questionnaire. A total of 30 respondents were selected and questionnaires were distributed to them. The reliability was determined by looking at the Cronbach’s Alpha Coefficient value. The result shows that the Cronbach’s Alpha value for organizational performance is 0.937 while the Cronbach’s alpha value for employee motivation is 0.924. Workplace environment scores a Cronbach’s alpha value of 0.936, while variable for workplace diversity shows a Cronbach’s alpha of 0.887. All Cronbach’s alpha value is above 0.70, which is the cut off
value. Based on the result, there are no items that need to be removed because the value of Cronbach’s alpha confirms the reliability of the survey questionnaire.

3.8 Data Analysis Techniques

This study used statistical analysis techniques with the assistance from the Statistical Package for Social Sciences (SPSS) version 20 software to analyze the data. Two types of data analysis were conducted. First, is the descriptive analysis with the objective is to obtained mean and standard deviation for both the demographic and each variable. Second, is an inferential analysis which is Pearson correlation analysis. This is to test the relationship between the independent and dependent variables. According to Sekaran and Bougie (2009), mean and standard deviation used to measure central tendency and dispersion, also help researcher on respondents react to the items in questionnaire. Three hypotheses of the study were analyzed using the Pearson correlation. Pearson correlation defined by Coakes (2013) as a relationship between two continuous variables. It will show the direction and strength of the relationship between studied variables.

3.9 Summary

This chapter discussed and summarized the research design and research methodology used in this study. The population and sampling techniques, questionnaire development and structure, together with data collection and data analysis procedures were highlighted. The next chapter will discuss the findings of the data analysis stage.
CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter discusses the findings of the data analysis process. It basically describes the demographic information and descriptive information on each variable, followed by the result of analysis on the relationship between organizational performance, employee motivation, workplace environment and workplace diversity.

4.2 Survey Response Rate

A total of 269 questionnaires have been distributed to the employees of YEM and only 161 of questionnaires were returned by the respondents. Therefore, the response rate is 60%.

4.3 Demographic Data

This section discussed the demographic information of the respondents.

4.3.1 Gender

Table 4.1 below shows the gender of respondents. From the total number of 161 respondents, majority of them are female with a total of 89 respondents or 55.3%, while 72 respondents are male or 44.7%.
Table 4.1: *Gender of Respondents*

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>89</td>
<td>55.3</td>
</tr>
<tr>
<td>Male</td>
<td>72</td>
<td>44.7</td>
</tr>
<tr>
<td>Total</td>
<td>161</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.3.2 Age

Table 4.2 shows the respondents’ age. Majority of them are in the age range of 21 to 25 and 26 to 30 years old with 46 respondents (28.6%) for each range. It is then followed by the 36 to 40 years old category with 26 respondents (16.1%); and the age range of 31 to 35 and more than 40 years old with 17 respondents (10.6%). There are only 9 respondents (5.6%) that are less than 20 years old.

Table 4.2: *Age of Respondents*

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;20</td>
<td>9</td>
<td>5.6</td>
</tr>
<tr>
<td>21-25</td>
<td>46</td>
<td>28.6</td>
</tr>
<tr>
<td>26-30</td>
<td>46</td>
<td>28.6</td>
</tr>
<tr>
<td>31-35</td>
<td>17</td>
<td>10.6</td>
</tr>
<tr>
<td>36-40</td>
<td>26</td>
<td>16.1</td>
</tr>
<tr>
<td>&gt;40</td>
<td>17</td>
<td>10.6</td>
</tr>
<tr>
<td>Total</td>
<td>161</td>
<td>100.0</td>
</tr>
</tbody>
</table>
4.3.3 Race

Table 4.3 below shows the race of the respondents. There were four major races which were Malay, Indian, Chinese and others. Other races include employees from Bangladesh, Indonesia, Myanmar, Nepal and Japan. Results indicate that Malay were the highest respondents with 130 respondents (80.7%), followed by Indian 15 respondents (9.3%), others races with 13 respondents (8.1%) and Chinese with 3 respondents (1.9%).

Table 4.3: Race of Respondents

<table>
<thead>
<tr>
<th>Race</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malay</td>
<td>130</td>
<td>80.7</td>
</tr>
<tr>
<td>Indian</td>
<td>15</td>
<td>9.3</td>
</tr>
<tr>
<td>Chinese</td>
<td>3</td>
<td>1.9</td>
</tr>
<tr>
<td>Others</td>
<td>13</td>
<td>8.1</td>
</tr>
<tr>
<td>Total</td>
<td>161</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.3.4 Religion

Table 4.4 below shows the religion of the respondents. There were four major religions of YEM employees which were Islam, Hindu, Buddha and others. Other religion includes Christian and Atheist. Majority of the respondents are Muslims (Islam) with a total of 137 of respondents (85.1%). Second highest is Hindu with 17 respondents (10.6%), Next is other religion with 5 respondents (3.1%) and finally Buddha with 2 respondents (1.2%).
Table 4.4: Religion of Respondents

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Islam</td>
<td>137</td>
</tr>
<tr>
<td>Hindu</td>
<td>17</td>
</tr>
<tr>
<td>Buddha</td>
<td>2</td>
</tr>
<tr>
<td>Others</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>161</td>
</tr>
</tbody>
</table>

4.3.5 Status

Table 4.5 below shows the status of respondents. Status of respondents was divided into two categories namely married and single. Majority of them are married with 86 respondents (53.4%) and single with 75 respondents (46.6%).

Table 4.5: Status of Respondents

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married</td>
<td>86</td>
</tr>
<tr>
<td>Single</td>
<td>75</td>
</tr>
<tr>
<td>Total</td>
<td>161</td>
</tr>
</tbody>
</table>
4.3.6 Years of employment

Table 4.6 shows the years of employment with YEM. Majority of the respondents have been working at YEM between 1 to 3 years with 51 respondents (31.7%). 5149 respondents have been with YEM between 3 to 6 years (30.4%), followed by more than 9 years with 47 respondents (29.2%). Finally the lowest were in range of 6 to 9 years with 14 respondents (8.7%).

<table>
<thead>
<tr>
<th>Years of Employment</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3 Years</td>
<td>51</td>
<td>31.7%</td>
</tr>
<tr>
<td>3-6 Years</td>
<td>49</td>
<td>30.4%</td>
</tr>
<tr>
<td>6-9 Years</td>
<td>14</td>
<td>8.7%</td>
</tr>
<tr>
<td>&gt;9 Years</td>
<td>47</td>
<td>29.2%</td>
</tr>
<tr>
<td>Total</td>
<td>161</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

4.3.7 Position

Table 4.7 below shows the position of respondents at YEM Company. Majority of the respondents were production operator with 52 respondents (32.3%), followed by technician with 42 respondents (26.1%), engineer 21 respondents (13%), clerk 19 respondents (11.8%), supervisor 14 respondents (8.7%), storekeeper 5 respondents (3.1%), inspector 3 respondents (1.9%), Senior Material Handler (SMH) 2 respondents (1.2%), and also leader, manager and senior executive with 1 respondent each (0.6%).
### Table 4.7: Position of Respondents

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineer</td>
<td>21</td>
<td>13.0</td>
</tr>
<tr>
<td>Inspector</td>
<td>3</td>
<td>1.9</td>
</tr>
<tr>
<td>Clerk</td>
<td>19</td>
<td>11.8</td>
</tr>
<tr>
<td>Leader</td>
<td>1</td>
<td>.6</td>
</tr>
<tr>
<td>Operator</td>
<td>52</td>
<td>32.3</td>
</tr>
<tr>
<td>Manager</td>
<td>1</td>
<td>.6</td>
</tr>
<tr>
<td>SMH</td>
<td>2</td>
<td>1.2</td>
</tr>
<tr>
<td>Sr Exec</td>
<td>1</td>
<td>.6</td>
</tr>
<tr>
<td>Storekeeper</td>
<td>5</td>
<td>3.1</td>
</tr>
<tr>
<td>Supervisor</td>
<td>14</td>
<td>8.7</td>
</tr>
<tr>
<td>Technician</td>
<td>42</td>
<td>26.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>161</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

#### 4.3.8 Department

Table 4.8 indicates the department where the respondents are working at YEM Company. Most respondents were from production department with 53 respondents (32.9%), followed by engineering with 50 respondents (31.1%), logistic with 14 respondents (8.7%), Quality Assurance with 10 respondents (6.2%), Global Service Part Centre and Research and Development both have 9 respondents (5.6%), Final Quality Assurance and Supply Chain Management both consists of 7 respondents (4.3%) and finally Final Assurance and Manufacturing Internal System which both have 1 respondent (0.6%).
4.4 Descriptive Analysis Mean and Standard Deviation

According to Hair et al., (2007), mean is used to measure central tendency and standard deviation is used to validate the sample distribution values from the mean. This section discussed the mean and standard deviation for dependent variable (organizational performance) and also independent variables (employee motivation, workplace environment and workplace diversity).

4.4.1 Organizational Performance

Table 4.9 below shows the mean and standard deviations for dependent variable, which is organizational performance. The mean scores for each item are within 3.47 to 3.84. Overall, the cumulative mean value for organizational performance variable is 3.65.
Item five “innovation and uniqueness of product has enabled this company to perform well in market” scores the highest mean of 3.84. It shows that the innovation and product uniqueness is the key for YEM success. They continuously produce various types of audio system product and always design a creative new model for the market. Second highest mean score for organizational performance item is 3.76. The item states “technological advancement capabilities help improved this company performance”. Technological development and continuous upgrading of their audio system with the latest technology such as an audio system with Bluetooth and lamp contributes towards performance. The lowest mean value are the item seven “this company has significantly increased our market share” with mean score 3.47.
Table 4.9: Means and Standard Deviation for Organizational Performance

<table>
<thead>
<tr>
<th>Items</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation and uniqueness of product has enabled this company to perform well in market.</td>
<td>3.84</td>
<td>.818</td>
</tr>
<tr>
<td>Technological advancement capabilities help improved this company performance.</td>
<td>3.76</td>
<td>.746</td>
</tr>
<tr>
<td>This company has improved its competitiveness both domestically and internationally.</td>
<td>3.73</td>
<td>.740</td>
</tr>
<tr>
<td>This company is doing well and been very profitable</td>
<td>3.71</td>
<td>.856</td>
</tr>
<tr>
<td>This company is currently generating high volume of sales.</td>
<td>3.60</td>
<td>.882</td>
</tr>
<tr>
<td>This company is doing well if compared to the competitors.</td>
<td>3.60</td>
<td>.736</td>
</tr>
<tr>
<td>This company has high performance standards and always achieves its goals.</td>
<td>3.60</td>
<td>.861</td>
</tr>
<tr>
<td>This company’s performance is satisfactory.</td>
<td>3.53</td>
<td>.830</td>
</tr>
<tr>
<td>This company has significantly increased our market share.</td>
<td>3.47</td>
<td>.759</td>
</tr>
<tr>
<td>Cumulative mean</td>
<td>3.65</td>
<td>0.626</td>
</tr>
</tbody>
</table>
4.4.2 Employee Motivation

Table 4.10 below shows the mean and standard deviations for independent variable which is employee motivation. All the items recorded mean score in between 2.84 to 3.71. The cumulative mean score for this variable is 3.46. It indicates that the level of motivation among YEM employees is moderate as the mean value did not reach 4, which refers to “agree” on the Likert scale.

Item two “I am motivated to complete the task that is assigned to me” scores the highest means of 3.71 which literally means that the employees at YEM are motivated in doing their work. Employees that are motivated at YEM are evidence when they produce product with high quality and less rejected output produced. The respondents also believe that they did their best towards their job as the second highest is item five with a mean score of 3.69. Item five states “I am able to do what I do best every day”. In terms of the lowest mean score, item seven which is “My current salary reflects my performance” scores the lowest mean value which is 2.84. This is a cause of a concern to the company as the respondents seem to be unsatisfied with their current salary. If this issue is not resolved, it might affect the employee’s motivation.
<table>
<thead>
<tr>
<th>Items</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am motivated to complete the task that is assigned to me.</td>
<td>3.71</td>
<td>.786</td>
</tr>
<tr>
<td>I am able to do what I do best every day.</td>
<td>3.69</td>
<td>.846</td>
</tr>
<tr>
<td>I enjoy my tasks and the department’s work approach.</td>
<td>3.57</td>
<td>.804</td>
</tr>
<tr>
<td>I feel personally driven to help this organization succeed and will go beyond what is expected of me to ensure that it does.</td>
<td>3.50</td>
<td>.743</td>
</tr>
<tr>
<td>I am proud to tell others that I am part of this organization.</td>
<td>3.48</td>
<td>.881</td>
</tr>
<tr>
<td>I feel very committed to the organization.</td>
<td>3.47</td>
<td>.822</td>
</tr>
<tr>
<td>I always feel happy and motivated to go to work every day.</td>
<td>3.46</td>
<td>.851</td>
</tr>
<tr>
<td>I am very satisfied with my job.</td>
<td>3.42</td>
<td>.818</td>
</tr>
<tr>
<td>My current salary reflects my performance.</td>
<td>2.84</td>
<td>1.010</td>
</tr>
<tr>
<td>Cumulative mean</td>
<td>3.46</td>
<td>0.84</td>
</tr>
</tbody>
</table>
4.4.3 Workplace Environment

Table 4.11 below shows the mean and standard deviations for the other independent variable which is workplace environment. The first item “I work in a safe, healthy and comfortable environment” scores the highest means of 3.81. In order to ensure the safety and convenience of their employees, Yamaha provides safety equipment like glove, goggle and also earplug to employees especially to those working in engineering and production department.

Second highest mean score is 3.58, which is item seven “my workspace is provided with efficient lighting so that I can work easily without strain on my eyes”. This company provides and use LED lighting system or lamp to give enough lighting for installation and production of the product.

The lowest mean score is for item five “I am able to control temperature or airflow in my office” which is only 3.31. The employees cannot control the temperature because the company use centralizes air conditioning system and standardized the temperature. Even some product or machinery needs that standard temperature continuously.
Table 4.11: Means and Standard Deviation for Workplace Environment

<table>
<thead>
<tr>
<th>Items</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I work in a safe, healthy and comfortable environment.</td>
<td>3.81</td>
<td>.875</td>
</tr>
<tr>
<td>My workspace is provided with efficient lighting so that I can work easily without strain on my eyes.</td>
<td>3.58</td>
<td>.796</td>
</tr>
<tr>
<td>There is a minimum amount of background noise (machine) I hear at my work desk.</td>
<td>3.53</td>
<td>1.007</td>
</tr>
<tr>
<td>My workplace well maintained and physically comfortable place to work.</td>
<td>3.52</td>
<td>.909</td>
</tr>
<tr>
<td>Favorable environmental conditions increase my productivity at work.</td>
<td>3.44</td>
<td>.865</td>
</tr>
<tr>
<td>The size of my work desk is convenient.</td>
<td>3.37</td>
<td>.953</td>
</tr>
<tr>
<td>My furniture is comfortable enough.</td>
<td>3.32</td>
<td>.959</td>
</tr>
<tr>
<td>I am able to control temperature or airflow in my office.</td>
<td>3.31</td>
<td>.957</td>
</tr>
<tr>
<td>Cumulative mean</td>
<td>3.49</td>
<td>0.915</td>
</tr>
</tbody>
</table>
4.4.4 Workplace Diversity

Table 4.12 below shows the mean score and standard deviations for independent variable, workplace diversity. All the items recorded a mean score in between 3.11 to 4.17. The first item scores the highest mean value of 4.17, which is “the company allows employees to take leave to observe a religious or cultural holiday”. It shows that the management of the company acknowledges diversity that exists in this firm and allows employees to observe their religious or cultural holidays such as Hari Raya, Chinese New Year or Deepavali.

The second highest mean score is 3.48 which are for item two and item four. For item two, “the company recruiting strategies designed to help increase diversity within the organization”. For the item four, “age, ethnicity, gender, and educational background are the areas of diversity that this company practices”. It shows that the company recognizes diversity as part of the company’s strategy towards better performance.

The item which scores the lowest mean is item six “fair treatment is given to all employees, regardless of their gender, race, age, etc.” It shows that employees are not really agreed with this statement and there are some feelings of unfair treatment been given to employees from diverse background.
<table>
<thead>
<tr>
<th>Items</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The company allows employees to take leave to observe a religious or cultural holiday.</td>
<td>4.17</td>
<td>.831</td>
</tr>
<tr>
<td>The company recruiting strategies designed to help increase diversity within organization.</td>
<td>3.48</td>
<td>.830</td>
</tr>
<tr>
<td>Age, ethnicity, gender, and educational background are the areas of diversity that this company practices.</td>
<td>3.48</td>
<td>.936</td>
</tr>
<tr>
<td>The company diversity practices help us achieve the desired outcomes.</td>
<td>3.41</td>
<td>.912</td>
</tr>
<tr>
<td>We work to attract, develop, and retain people with diverse backgrounds.</td>
<td>3.41</td>
<td>.786</td>
</tr>
<tr>
<td>The diversity that exists in this workplace makes me feel positive.</td>
<td>3.40</td>
<td>.793</td>
</tr>
<tr>
<td>Managers include all members from various backgrounds in problem solving and decision making process.</td>
<td>3.27</td>
<td>.866</td>
</tr>
<tr>
<td>The employees have not been discriminated by employer during the hiring and recruitment process.</td>
<td>3.14</td>
<td>.967</td>
</tr>
<tr>
<td>Fair treatment is given to all employees, regardless of their gender, race, age, etc.</td>
<td>3.11</td>
<td>1.031</td>
</tr>
<tr>
<td>Cumulative mean</td>
<td>3.43</td>
<td>0.884</td>
</tr>
</tbody>
</table>
4.5 Hypotheses Testing

Pearson correlation statistical tests were conducted in this study in order to test the relationship between dependent and independent variables. According to Hair et al. (2007), correlation is used to measure the strength of relationships among variables. Table 4.13 below shown the strength of the determined by the r values, which either shows positive or negative direction of relationship among variables (Cohen, 1988).

Table 4.13: Strength of the Relationship

<table>
<thead>
<tr>
<th>Correlation (r)</th>
<th>Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>r = 0.10 to 0.29 or r = -0.10 to -0.29</td>
<td>Weak</td>
</tr>
<tr>
<td>r = 0.30 to 0.49 or r = -0.30 to -0.49</td>
<td>Medium</td>
</tr>
<tr>
<td>r = 0.50 to 1.0 or r = -0.50 to -0.10</td>
<td>Strong</td>
</tr>
</tbody>
</table>

4.5.1 Pearson Correlation

Table 4.14 shows the result of Pearson Correlation analysis between the three independent variables and organizational performance as the dependent variable.

Table 4.14: Pearson Correlation

<table>
<thead>
<tr>
<th></th>
<th>Organizational Performance (OP)</th>
<th>Sig. (1 Tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Motivation (EM)</td>
<td>0.600*</td>
<td>0.000</td>
</tr>
<tr>
<td>Workplace Environment (WE)</td>
<td>0.600*</td>
<td>0.000</td>
</tr>
<tr>
<td>Workplace Diversity (WD)</td>
<td>0.540*</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Note: * Significant at 0.01 levels (1-tailed)
Result of the analysis shows that all independent variables have a significant positive correlation with the dependent variable (p < 0.01). Furthermore, all independent variables are observed to have a strong relationship with organizational performance as the r values are above 0.50. Individually, there is a significant relationship between employee motivation and organizational performance (r = 0.6, p < 0.01). The correlation value also indicates positive relationships between employee motivation and organizational performance. Similarly, there is a significant relationship between workplace environment (r = 0.6, p < 0.01). It also shows positive relationship between workplace environment and organizational performance. Workplace diversity also shows a positive significant relationship with organizational performance. (r = 0.54, p < 0.01).

In summary, the results of hypotheses testing based on Pearson Correlation analysis are as below:

i) **Hypotheses 1**

H1: There is significant positive relationship between YEM’s employee motivation and organizational performance.

The result shows that this variable have positive significant relationship with the dependent variable (r = 0.60, p < 0.01). Therefore, there is enough evidence to reject null hypotheses and accept H1.
ii) Hypotheses 2

H2: There is significant positive relationship between YEM’s workplace environment and organizational performance.

The result shows that this variable have positive significant relationship with the dependent variable (r = 0.60, p < 0.01). Therefore, there is enough evidence to reject null hypotheses and accept H2.

iii) Hypotheses 3

H3: There is significant positive relationship between YEM’s workplace diversity and organizational performance.

The result shows that this variable have positive significant relationship with the dependent variable (r = 0.54, p < 0.01). Therefore, there is enough evidence to reject null hypotheses and accept H3.

4.6 Summary

This chapter discusses the results obtained from the statistical analysis stage. Statistical techniques used were descriptive analysis and inferential analysis. Descriptive statistics were used to analyze the demographic data and to measure means and standard deviations of dependent and independent variables. Inferential analysis using Pearson correlation was used in order to test the hypotheses and the strength of the relationship between three independent variables and the dependent variable. Based on the results of the analysis, all hypotheses are accepted because the significance levels are less than 0.01.
5.1 Introduction

This chapter discusses the results of data analysis stage as highlighted in the previous chapter. It will give further elaboration of each findings based on the research questions and research objectives. It is then followed by the implication, contribution and limitation of this study. Finally, this chapter will conclude the study and provide some recommendation for future research.

5.2 Discussions

This study focuses on three objectives which is to identify the relationship between three factors: employee motivation, workplace environment and workplace diversity with organizational performance. A total of 161 employees at YEM, Ipoh, Perak involved in this study by filling in the survey questionnaire. Data analysis was then conducted and the following sections will elaborate the details of the findings. Base on the first research questions, it show evidence that the level of employee motivation, workplace environment and workplace diversity are moderate because the value of mean is less than 4, based on 5 Point Likert Scale which ranged from “extremely disagree” (1), “disagree” (2), “neutral” (3), “agree” (4), “extremely agree” (5).
5.2.1 Organizational Performance and Employee Motivation

The first objective of this study is to determine the relationship between employee motivation factor and the dependent variable which is organizational performance. Results from the Pearson correlation test show a positive relationship between organizational performance and employee motivation. The relationship is also strong where the r value is 0.60. This study has therefore proofs that positive employee motivation may boost the performance in organization. The level of motivation among employees at YEM however is considered as moderate based on cumulative mean score and by looking at the mean score of each individual items in the survey questionnaire. This is evidence especially to the statement “I am motivated to complete the task that is assigned to me” which has a mean score of 3.71. It means that the respondents do not really agree with this statement. In addition, the value of cumulative mean score of 3.46 also indicates a moderate level of motivation among YEM employees base on the result which is in between neutral and agree category based on the 5 Point Likert Scale.

The finding support previous studies such as by Malik et. al (2011) who found positive correlation between employee motivation and organizational effectiveness (performance). Another study also gives the same results such as by Istvan and Nikolett (2004) where they state positive results between these variables. They stress that employees should be satisfied and committed with their work in long period in order to contribute towards organizational performance. Motivated workers will be more productive and contributes towards more quality product.
This study has therefore indicates that employee motivation is one of the most important factors that should be taken care of by the management of YEM if they want to improve their performance. YEM do give rewards and recognition like bonus, appraisal, food voucher and also job promotion but it need improvement from time to time, in line with the increase in salary elsewhere and the cost of living in order to make them more motivated.

5.2.2 Organizational Performance and Workplace Environment

The second objective of this study is to determine the relationship between workplace environment and organizational performance. Results from the Pearson correlation tests show a positive and strong relationship between organizational performance and workplace environment (r = 0.60). This finding of this study shows that comfortable and mostly ergonomic workplace environment give good impact to the organizational performance. The value of cumulative mean is 3.49. Based on the 5 Point Likert scale used, it indicates a moderate level of agreement with the current workplace environment at YEM. Srivastava (2008) similarly study the impact of workplace environment on organizational performance and found positive relationship. The positive relationship comes from the feeling of safety and security, physical convenience and comfortable facilities at the workplace. Workers are also motivated from an ergonomic workplace environment that will initially enhance organizational performance.
Even earlier study by Jean (2003) also supports the finding where there is positive relationship between workplace environment and organizational performance. Therefore, employee at YEM may increase their productivity and contributes towards firm’s performance when the company provides an ergonomic working environment with many facilities and also good working conditions such good lighting, ventilation, temperature, and workspace design. The issue such as noise coming from the machinery need to be tackled by the management of the company as soon as possible so that it would not affect the employee’s performance.

5.2.3 Organizational Performance and Workplace Diversity

The third objective of this study is to determine the relationship between workplace diversity and organizational performance. Results from the Pearson correlation tests show a strong positive relationship between organizational performance and workplace diversity (r = 0.540). Employees from diverse background can create a synergistic performance when they were able to understand each other and contribute based on their different experiences, knowledge’s and perspectives (Choy, 2007).

The finding of this study is in line with other previous research such as by Jacqueline (2008). Yegon et al. (2014) found out that diversity in workplace actually creates harmony around the organization. In addition, Rosado (2006) states that workplace diversity contributes towards worker’s satisfaction and performance improvement in organization. Workplace diversity may maximize the workers contribution towards
organizational goal and objectives when all the different individuals in the organization work in harmony.

5.3 Research Contributions

This study contributes to company itself in many aspects. First, the findings provide clear understanding on employees perception towards their level of motivation, their working environment and the level of diversity that exist in YEM. There are some issues for concern as found out by this study such as dissatisfaction over salary and noise from machinery that need to be taken care of by the management of the company.

Second contribution is in terms of factors that influence organizational performance. Performance of the organization relies very much on the productivity of the employees and the productivity may be affected by various factors. This study has shown that three factors, namely employee motivation, workplace environment and workplace diversity do influence YEM’s organizational performance. These three factors need to be given full attention by the management of YEM as the performance is highly influenced by the behaviour of employees. Motivated employees coupled with excellent working environment will surely contributes towards firm’s success. At the same time, employees from diverse background that able to work together will add further advantage to the company.
5.4 Limitation of the Study and Recommendation for Future Research

There are some limitations of this study. First, this study was conducted at one single organization only which is YEM and one industry only which is manufacturing. Generalization of findings towards other companies or industries may be done but with cautions. Future studies may replicate this research throughout various organizations, not only private but public organization and also across industry for a better generalization.

This study only incorporates three factors that influence organizational performance which are employee motivation, workplace environment and workforce diversity. Future study should expand the scope to include more factors that may influence organizational performance such as job satisfaction, training and skills development, management involvement and also Strategic Human Resource Management (SHRM) practices.

Data for this study are gathered through survey questionnaire and the measures for firm’s performance are based on the financial and non-financial also involve with subjective perception of the respondents only. Future researcher may consider conducting a series of interview with the respondents to enrich the data collection process and to get extra information for a better results or outcomes for the study. In addition, more objective measure of performance especially by incorporating financial data may help enrich the research findings.
5.5 Conclusion

As a conclusion, this study has identified that organizational performance is very much related to employee motivation, workplace environment and workplace diversity factors. All three factors show strong positive impact towards organizational performance Yamaha Electronic Manufacturing (YEM). Therefore, the management of YEM and also at other companies should consider these factors and use them as guidelines in improving organizational performance.
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