# MEDIATING EFFECT OF WORKPLACE STRESS ON THE RELATIONSHIP BETWEEN PERCEIVED ORGANIZATIONAL SUPPORT AND ORGANIZATIONAL COMMITMENT AMONG MALAYSIAN MANUFACTURING EMPLOYEES

**WONG FOCK KEONG** 

ASIA e UNIVERSITY 2024

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WONG FOCK KEONG

A Thesis Submitted to Asia e University in Fulfillment of the Requirements for the Degree of Doctor of Philosophy

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### **ABSTRACT**

The purpose of the current research was to analyze organizational commitment and to predict the factors that influenced organizational commitment, with workplace stress serving as the mediator. In addition, this research introduced a novel conceptual framework to enhance the understanding of organizational commitment. Most previous studies on organizational commitment, the dependent variable, focused on establishing the direct relationship between the independent variables (predictors) and the dependent variable. However, there was insufficient research to examine the "indirect" relationship between the predictors and the dependent variable. Therefore, this research sought to address this gap by using workplace stress as a mediator to determine whether an indirect relationship existed, which enhanced the understanding of the connection between the predictors and the dependent variables. The theoretical framework of this research was the Job Demands-Resources (JD-R) Theory. Furthermore, the current researcher utilized various elements to anticipate both workplace stress and organizational commitment, including job characteristics, perceived organizational support, and work engagement. The current research adopted both Statistical Package for the Social Sciences (SPSS) and partial least squares structural equation modelling (PLS-SEM) as the research method for data analysis. The expected outcome of the study was to determine whether the hypotheses tested were accepted or rejected. The significance of the findings in the study contributed to the literature on factors that could enhance organizational commitment. The results showed a significant relationship between perceived organizational support, workplace stress, and organizational commitment. However, the tested relationships between job characteristics, work engagement, and organizational commitment were found to be not significant. The findings indicated that workplace stress played a strong mediating role between job characteristics, perceived organizational support, work engagement, and organizational commitment.

**Keywords:** Job characteristics, perceived organizational support, work engagement, workplace stress, organizational commitment

# **APPROVAL**

This is to certify that this thesis conforms to acceptable standards of scholarly presentation and is fully adequate, in quality and scope, for the fulfilment of the requirements for the degree of Doctor of Philosophy.

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(30 April 2024)

**DECLARATION** 

I hereby declare that the thesis submitted in fulfilment of the PhD degree is my own

work and that all contributions from any other persons or sources are properly and duly

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part, for a degree at this or any other university. In making this declaration, I

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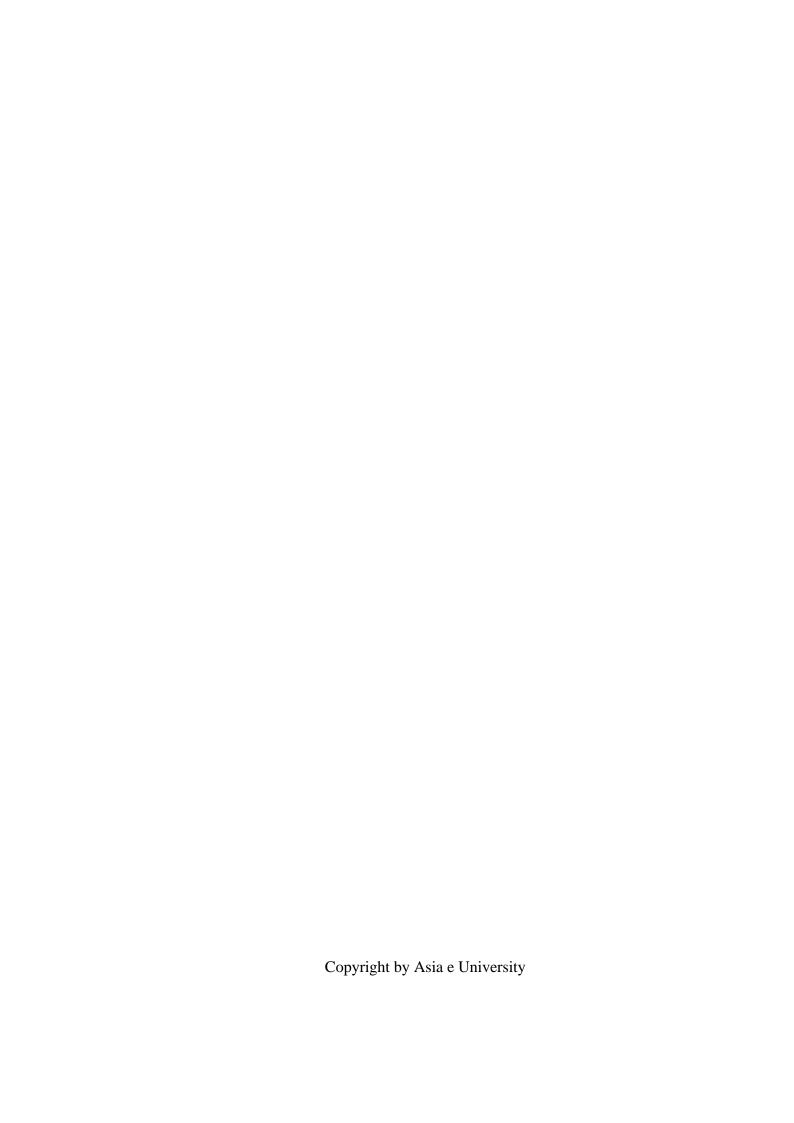
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**Date**: 30 April 2024

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# LIST OF ABBREVIATION

A Autonomy

AC Affective Commitment

AVE Average Variance Extracted

CA Cronbach's alpha

CB-SEM Covariance-Based Structural Equation Modelling

CC Continuance Commitment

CMB Common Method Bias

CR Composite Reliability

CSR Corporate Social Responsibility

E&E Electrical and Electronics

EAP Employee Assistance Program

F Feedback

GDP Gross Domestic Product

HR Human Resource

HRD Human Resource Development

HTMT HeteroTrait-MonoTrait

ITC International Test Commission

JC Job Characteristics

JCM Job Characteristics Model

JD-R Job Demands-Resources

JDS Job Diagnostic Survey

LM Linear Model

LV Latent Variable

M&E Machinery and Equipment

NC Normative Commitment

NFI Normed Fit Index

OCB Organizational Citizenship Behavior

OCQ Organizational Commitment Questionnaire

OST Organizational Support Theory

PLS-SEM Partial Least Square Structural Equation Modelling

POS Perceived Organizational Support

R&D&C Research, Development and Commercialization

RCEP Regional Comprehensive Economic Partnership

RMSE Root Mean Square Error

RO Research Objective

RQ Research Question

SME Small- and Medium-sized Enterprise

SMI Stress Management Intervention

S-O-R stimulus-organism-response

SPOS Survey of Perceived Organizational Support

SPSS Statistical Package for the Social Sciences

SRMR Standardized Root Mean Square Residual

SSOS Stress & Satisfaction Offset Score

SV Skill Variety

TI Task Identity

TS Task Significance

UWES Utrecht Work Engagement Scale

VIF Variance Inflation Factor

WE Work Engagement

WS Workplace Stress

# **CHAPTER 1**

### INTRODUCTION

# 1.0 Chapter Overview

Chapter 1 served as the inaugural segment of this thesis, providing a comprehensive overview of the prevailing research entitled "Mediating Effects of Workplace Stress between Perceived Organizational Support, Job Characteristics, Work Engagement and Organizational Commitment Among Malaysian Manufacturing Employees".

In this chapter, the current researcher presented the contextual background of the current research, addressing the prevailing challenges and opportunities within the Malaysian manufacturing industry. Emphasis was placed on the importance of undertaking this research to address contemporary issues identified in the problem statement, highlighting the potential for positive transformation within the manufacturing sector. Furthermore, the current researcher outlined the geographical scope, unit of analysis and temporal framework of the research, maintaining transparency regarding potential research limitations. Lastly, operational definitions were introduced, and an overview of the thesis's structure was provided to enhance readers' comprehension.

# 1.1 Research Background

The Malaysian manufacturing sector played a pivotal role in the nation's economic framework, making significant contributions to its Gross Domestic Product (GDP) and offering widespread employment opportunities. As depicted in Figure 1.1, the manufacturing sector held the status of the second-largest contributor to the national GDP, representing approximately a quarter of Malaysia's economic output (Department of Statistics Malaysia Official Portal, 2021). This highlighted its noteworthy contribution to Malaysia's economic growth and stability.

National GDP of Malaysia by Industry (in %)

7.1

6.7

24.3

• Agriculture • Mining and Quarrying • Manufacturing • Construction • Services

Figure 1.1: National GDP of Malaysia by industry (in %)

Source: Department of Statistics Malaysia Official Portal (2021)

In a more recent context, information obtained from the Malaysian Investment Development Authority (2023) illuminated the pivotal role assumed by the manufacturing sector in 2021. Noteworthy was the sector's endorsement of 702 projects, drawing a total of RM195.1 billion in approved investments and generating 74,575 employment opportunities, as depicted in Figure 1.2. These figures underscored the resilience and allure of Malaysia's manufacturing industry, demonstrating its capacity to thrive in the face of global economic uncertainties. The sector persisted as a vital catalyst for the nation's export earnings and job creation, making substantial contributions to overall economic growth.

Figure 1.2: Key highlights of the manufacturing sector in 2021



Source: Malaysian Investment Development Authority (2023)

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As per the Malaysian Investment Development Authority (2023), the Malaysian manufacturing sector delineated crucial focal points for its expansion and enduring viability. These encompassed the cultivation of a proficient and flexible workforce and the integration of Industry 4.0 technologies. These strategic endeavors were designed to revitalize established industries and unlock fresh prospects across diverse sectors.

For instance, enterprises operating within Malaysia's manufacturing sector were actively urged to enhance their productivity by expediting processes of automation and innovation (Daud et al., 2021). This could entail the incorporation of advanced robotics

and artificial intelligence into production lines, resulting in heightened efficiency and decreased operational costs.

Additionally, there was an encouragement for the sector to actively participate in research, development, and commercialization (R&D&C) initiatives. Companies investing in R&D&C not only maintained competitiveness but also spearheaded innovation in their specific domains, resulting in the generation of advanced products and technologies (Rosdi et al., 2021). Consequently, this positioned Malaysia as a center for innovation, drawing additional investments.

The dedication to ecologically sound and sustainable production practices represented another noteworthy facet in the evolution of the manufacturing sector. This could involve embracing cleaner and more environmentally friendly manufacturing processes, diminishing carbon emissions, and mitigating the generation of waste (Yacob et al., 2019). Such initiatives were in accordance with global sustainability objectives and appealed to environmentally conscious consumers, creating avenues for new markets and export opportunities.

Promoting collaboration within the industry was actively endorsed. Companies were urged to establish close partnerships with industry associations and exchange best practices (Kannan & Garad, 2020). Such collaboration had the potential to contribute to the formulation of industry-wide standards and guidelines, thereby enhancing overall efficiency and product quality.

Against the backdrop of these dynamic changes and advancements in the manufacturing sector, it became imperative to comprehend the factors influencing organizational commitment to companies. Organizational commitment directly exerted influence on various facets of organizational performance, encompassing retention rates, productivity levels, and overall success (Ibrahim, 2021). Elements such

as a supportive work environment, opportunities for skill development, and a sense of purpose in contributing to sustainable practices could significantly affect organizational commitment and, consequently, the enduring success of manufacturing organizations in Malaysia (Yusliza et al., 2021). The exploration and addressing of these factors emerged as a priority for manufacturers aiming to thrive in this evolving landscape.

In spite of the notable expansion and considerable economic contributions of Malaysia's manufacturing sector, its workforce encountered a range of formidable challenges that had a significant impact on their daily lives and job satisfaction. One of the most pervasive issues was the inadequacy of remuneration. For instance, a substantial portion of manufacturing employees, particularly those involved in labor-intensive tasks, received wages that scarcely covered their basic needs (Raj-Reichert, 2020). This situation resulted in financial hardships, limited opportunities for savings, and a diminished sense of contentment in their employment.

Furthermore, numerous manufacturing environments exhibited suboptimal working conditions. For example, employees in certain manufacturing facilities underwent prolonged working hours, frequently surpassing legal limits, to fulfill production targets (Anner, 2020). Inadequate safety protocols and insufficient measures for managing hazardous materials further heightened the risks associated with such settings (Noor et al., 2019). These circumstances not only posed physical risks but also imposed psychological stressors, affecting the overall well-being of the employees.

Job instability represents another critical concern that plagued the manufacturing sector in Malaysia. The sector's global competitiveness heightened, rendering job security a precarious dimension of employment. Regular layoffs, restructurings, and

uncertainties related to market demand added to the anxiety and uncertainty experienced by manufacturing workers (Razak et al., 2021). For instance, a sudden economic downturn or a shift in market dynamics could result in layoffs, leaving employees in a constant state of apprehension about their job security (Mujtaba & Senathip, 2020).

Moreover, the unyielding pace of technological advancements mandated ongoing skill upgrades among manufacturing employees. Inability to adapt to evolving industry demands could impede career progression and constrain opportunities for personal development. For instance, within the automotive manufacturing sector, the transition to electric vehicles necessitated a workforce equipped with skills in electric powertrains and battery technologies (Osatis & Asavanirandorn, 2022). A disparity between the current skill set of employees and these emerging requirements had the potential to hinder their professional growth (Reiman et al., 2021).

Additionally, the physical and mental well-being of manufacturing workers was frequently compromised as a result of the demanding characteristics of their work environments. Extended working hours, repetitive tasks, and intense pressure to achieve production targets could result in heightened stress levels and exhaustion (Bakker & Vries, 2021). This not only impacted their productivity but also carried long-term implications for their overall well-being.

However, in the face of these formidable challenges, there were promising opportunities for the Malaysian manufacturing workforce. Collaborations within the industry focused on improving skills through upskilling and reskilling initiatives had the potential to empower workers to adjust to the changing demands of the sector (Vinayan et al., 2020). For example, a collaboration among prominent electronics

manufacturers could have provided specialized training in robotics and automation for its employees, arming them with skills pertinent to Industry 4.0 (Javaid et al., 2021).

Furthermore, the incorporation of Industry 4.0 technologies had the potential to substantially enhance working conditions within manufacturing facilities. For instance, the adoption of automation and robotics had the capability to alleviate physical strain on workers, boost productivity, and mitigate safety risks (Javaid et al., 2021). Consequently, this could have generated new employment opportunities in positions associated with the programming, maintenance, and supervision of these advanced systems (Vrontis et al., 2022).

Furthermore, the industry's increasing dedication to sustainability offered opportunities to embrace environmentally conscious practices. For example, manufacturers could have adopted eco-friendly production methods and invested in renewable energy sources (Abdullah et al., 2021). This transition towards sustainability had the potential to result in the emergence of new job roles in fields such as renewable energy technology and research on eco-friendly materials.

Malaysia's strategic geographical positioning and active involvement in international trade agreements, such as the Regional Comprehensive Economic Partnership (RCEP), offered manufacturing employees the opportunity for global engagement (Chaisse & Pomfret, 2019). Workers had the chance to gain exposure to diverse markets, expand their skill sets, and access international career opportunities.

In summary, although the Malaysian manufacturing industry contended with numerous challenges impacting its workforce, there were discernible opportunities for enhancement and expansion. These opportunities encompassed investments in skills development, the incorporation of advanced technologies, a dedication to sustainability, and increased engagement in global markets (Abdullah et al., 2021;

Chaisse & Pomfret, 2019; Vinayan et al., 2020). Addressing these challenges and capitalizing on these opportunities demanded further research, collaborative initiatives, and the formulation of strategies and policies prioritizing the job satisfaction and well-being of manufacturing employees, all while ensuring the sustained growth and competitiveness of the industry (Bakker & Vries, 2021; Kannan & Garad, 2020; Vinayan et al., 2020).

# 1.2 Problem Statement

As delineated in the research background, the Malaysian manufacturing sector played a crucial role in propelling the country's economic growth, making substantial contributions to its GDP and employment. However, an ongoing challenge confronted the sector in maintaining a highly committed and engaged workforce. Organizational commitment, characterized by employees' loyalty and emotional attachment to their organizations, emerged as a critical factor influencing retention, productivity, and overall organizational success (Ibrahim, 2021).

In this ever-changing landscape, manufacturing employees played a pivotal role as the cornerstone of the sector, driving production, innovation, and competitiveness. Malaysia's manufacturing industry comprised diverse sectors, including electrical and electronics (E&E), machinery and equipment (M&E), chemicals, aerospace, and medical devices, each presenting unique demands and opportunities. Together, these sectors contributed to the industry's resilience and adaptability.