

FACTORS INFLUENCING THE EFFICIENCY OF STAFF PERFORMANCE: A CASE STUDY OF SAVINGS AND CREDIT COOPERATIVES IN UPPER NORTHEASTERN REGION, THAILAND

Rattiya Kaewsuk* , Kullanun Sripongpun**

**Graduate Student of Kasetsart University, Thailand
E-Mail: Ratti_62@hotmail.com*

***Department of Business Management, Faculty of Liberal Arts and Management Science,
Kasetsart University, Thailand
E-Mail: kullanun.s@ku.th*

ABSTRACT

This research aimed to study 1) the influence of quality of work life and perceived organizational climate on organizational commitment and 2) the impact of organizational commitment on the efficiency of staff performance. Data was collected from 213 staffs of Savings Cooperatives in Upper Northeastern Region, Thailand. Hypotheses were tested by Multiple Regression Analysis.

The finding revealed that quality of work life and perceived organizational climate completely influenced organizational commitment. In addition, organizational commitment significantly impacted all four dimensions of the efficiency of staff performance (quality, quantity, time and cost). The results were very useful to apply in the organization. Major findings were discussed, and directions for future research were also suggested.

Keywords -Efficiency of staff Performance, Organizational Commitment, Perceived Organizational Climate, Quality of Work life.

INTRODUCTION

Background

Human has been an important resource to an organization for decades. Therefore, many scholars have been interested in this topic and conducted research studies to investigate the human resource management in several ways e.g. recruitment, staff development, factors affecting performances, and factors helping maintain the quality staff. Under the conditions of the dynamic economics and societies, the mentioned studies could be beneficial for business competitions. This is because the human is the main valuable source which is the heart of the organization. The outcomes from the human resources will be effective if they are satisfied with their working. The satisfaction in working could motivate them to achieve the goals that follow the organization plans and goals. Therefore, when staffs work following their own ways, their organizations should provide the appropriate conditions or atmospheres to allow them to work happily in both physical and mental ways. As a result, they could feel secure in the social, physical, emotional, spiritual ways at work. This is because the human is a basic factor for manufacturing and controlling work efficiencies of each organization.

Savings and Credit Cooperatives have been established by the cooperation of a group of people who have the same economic, social, cultural needs. They are willing to solve their problems and run their own business corporately. This business is a non-profitable organization, but it aims to develop people's status by helping themselves and each other. This democracy organization is fair and justice; however, their business cannot avoid competing with the other financial institutions. Due to this fact, the savings cooperative has to find some ways to improve its system and organizational management to be able to compete with other business institutions. Moreover, the savings cooperative's overall operations and service developments could be well achieved and suitable for the present situations [6]. Also, the Savings and Credit Cooperatives is a financial institution providing financial services to all members. It is not only to respond to the members' needs but also to compete with the other financial institutions in terms of deposit. Anyway, since the savings cooperative is a small financial institution, it would be inferior to the others, such as commercial banks, commercial finance companies, etc. Therefore, the efficiencies of the management department and the steering committee play the important roles for the organizational survival [5].

With the reasons mentioned earlier, the researcher was interested in investigating factors affecting staff performance efficiency in the savings cooperative. This is because when one has a working life quality and perceives the good organizational atmosphere, it could affect his or her organizational commitment and work performance.

This could lead to the organizational success, progress, and sustainability. The present research aimed to discover the influences of the working life quality and the perception of the organizational atmosphere on the organizational commitment. Also, the researcher investigated the influences of the organizational commitment on the performance efficiencies in the Savings Cooperative in the northeastern region of Thailand.

LITERATURE REVIEW

Quality of Work Life

Walton [1] divides the components of life quality into eight parts as follows:

1. Adequate and fair compensation refers to the compensation that staff receives, and it is adequate for their living, consistent with social standards, and fair when comparing to job assignments.
2. Safe and healthy environment is regarded as when staffs could work in safe and healthy environments that are not risky. This includes disturbances of smell, noise, and vision.
3. Development of human capacities refers to work opportunities that could improve knowledge and skills. Also, officers could have work engagement and be proud of their work. In terms of the work, it should be challenging.
4. Growth and security refer to the way officers feel confident of their current works and believe that their assignments could help them be promoted.
5. Social integration means when officers perceive their own values and are equally accepted by both the organization and the outsiders without bias, such as colleagues, commanders, subordinates, etc.
6. Constitutionalism refers to when a group of people operates their work fairly, staffs can express opinions independently and equally, and each of whom respects each other.
7. The total life space refers to the way ones can equally, appropriately allocate their duties and times for working, themselves, families, relaxing, and societies.
8. Social relevance refers to the way officers feel that their own organization has responsibilities and been accepted by the societies. Therefore, they would perceive that their organization does good things for the societies. This could make the officers proud of their current careers and organization.

Perceived Organizational Climate

Likert and Likert [2] (as cited in Manissorn) [9] notes that the perception of the organizational atmosphere consists six components as follows:

1. Communication flow refers to the way the offices or staff knows what happen in the organization because their commander openly communicates to them. Therefore, all staff would receive correct information and news, so they could effectively operate their work.
2. Decision-making practices are regarded as the ways the officers engage in the goal determination. Also, they have adequate and correct information to use in work decision-making. Moreover, their commander allows them to express their opinions for their own issues.
3. Concern for persons refers to the way the organization plays attention to welfare management and development of environments at work for the staff. This could enhance the staff's working satisfaction.
4. Influence on department is regarded as the influences that both commanders and staff possess. Moreover, the influences affect each other and the organizational management. This means if the relationship between the manager and staff goes well, the manager could administrate their organization more easily without the staff resistance.
5. Technological adequacy refers to the way the organizational tools and resources are well allocated. This includes the technical and working improvement to well follow situations.
6. Motivation is regarded as the way the organization has policies and state management at the workplace to motivate the staff.

The Organizational Commitment

Allen and Meyer [4] say that the organizational commitment is the mental condition ones have to their organizations. It consists of three commitments as follows:

1. Affective commitment refers to staff emotional and organizational commitment to their organizations. They could feel that they themselves and their organization are at one, they could take part in the organization activities.

2. Continuance commitment is regarded as the commitment ones have to their organizations because they could receive the pay or remuneration when they continuously work for the organization.

3. Normative commitment is regarded as the commitment ones have to their organization. It is from their duties or responsibilities; this includes the feeling of being beholden to the organization. Therefore, they would be loyal to the organization and continue being organization members.

The Efficiency of Staff Performance

Peterson and Plowman [3] (as cited in Yutthinwat) [10] summaries that there are four components of the performance efficiencies as follows:

1. Quality refers to high-quality outcomes that producers and users could gain some benefits from and feel satisfied with. The outcomes are from correct, fast, standardized performances. Moreover, the quality outcomes should have positive effects on the organization and satisfy customers.

2. Quantity is regarded as the determined amount of work following the organizational goals. Moreover, practitioners should have plans and time management to achieve the goals.

3. Time refers to a period of time that is used in taking part in any activities. The amount of time should be suitable for working and follow rules. In doing so, one should develop new techniques for more convenient and fast performance.

4. Cost means when ones do activities, the appropriateness should be considered. In so doing, they should think of how to do a low investment and get a high profit. In terms of the cost and capital efficiencies, they should be frugal, worthy, and less damaged because the financial resources, the human resources, the raw materials, and the technologies are used in the production process.

CONCEPTUAL MODEL AND HYPOTHESES

From review of relevant theories and research the researchers have hypothesized for research as follows.

H₁: The quality of work life influence the organizational commitment.

H₂: The perceived organizational climate influence the organizational commitment.

H₃: The organizational commitment influences the efficiency of staff performance.

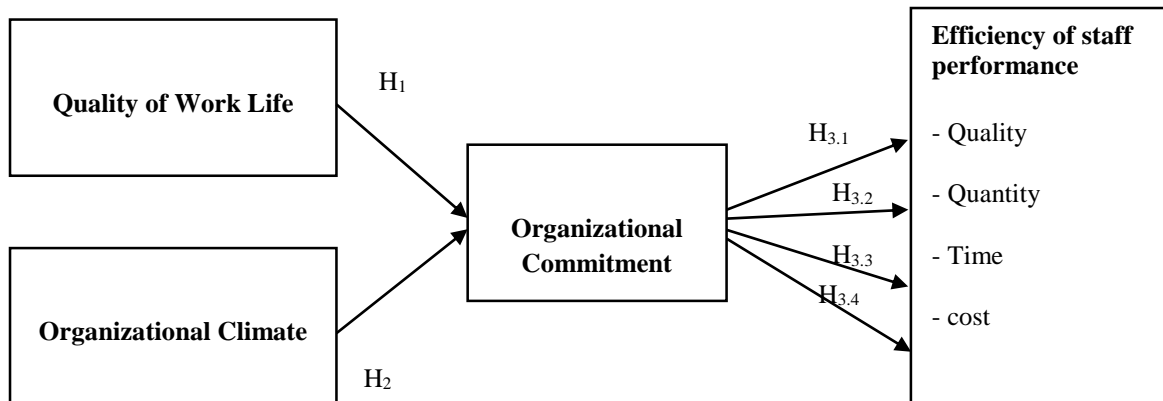
H_{3,1}: The organizational commitment influences the efficiency of staff performance in quality.

H_{3,2}: The organizational commitment influences the efficiency of staff performance in quantity.

H_{3,3}: The organizational commitment influences the efficiency of staff performance in time.

H_{3,4}: The organizational commitment influences the efficiency of staff performance in cost.

Figure 1
Conceptual Framework



This research, the population is the management staffs in the Savings and Credit Cooperatives in the upper northeastern region. Which has a total of 440 staffs using data sampling using the probability principle with a random sampling method equal to 213 samples? A questionnaire on factors influencing efficiency of performance of staff at savings and credit cooperatives was created and derived from concepts, theories, related studies and consultation with experts to cover and comply with the objectives of the study. Afterwards, it was revised, and 30 copies of questionnaires were try-out with the staff in Savings and Credit Cooperatives at Sakon Nakhon to assess reliability using Cronbach’s Coefficient Alpha stated that the acceptable value for reliability should be above 0.70 [7] as displayed in Table 1.

Table 1
Result of Measure Validation

Items	Cronbach's Alpha
1. Quality of Work life	.895
2. Perceived Organizational Climate	.868
3. Organizational Commitment	.862
4. Efficiency of staff Performance	
4.1 Quality	.803
4.2 Quantity	.813
4.3 Time	.757
4.4 Costs	.848

RESULTS

Descriptive Statistics

The study discovered that 154 of the respondents, accounting for 72.30 percent, were female whilst 59 of them, 27.70, were male. Concerning age, 72 of them, 33.80, were aged 41-50, followed by 64 of them, 30.05 percent, at the age of 31-40. 141 of them, constituting 66.20 percent, held a bachelor’s degree or its equivalent whilst 35 of them, 15.96, held a higher degree. Moreover, 123 of the respondents, 57.75 percent, were a full-time worker, and 43 of them, 20.19, were an employee. In relation to working period, 87 of them, 40.85 percent, had a working experience over 11 years, and 63 of them, 29.85, had above 1-5 years of experience. Lastly, 76 of the respondents, 35.68 percent, had a salary of above 25,000 baht whilst 51 of them, 23.94, had an income of 15,001-20,000 baht.

Hypothesis Testing

In this research the researchers analyzed the correlation to find the relationship between the translator and the simple regression analysis to test the hypothesis. Therefore, to make it easier to recognize the hypothesis test the researcher has defined the abbreviations of various variables as follows.

- QWL - Quality of Work life
- POC - Perceived Organizational Climate
- OC - Organizational Commitment
- EP1 - Efficiency of staff Performance in quality
- EP2 - Efficiency of staff Performance in quantity
- EP3 - Efficiency of staff Performance in time
- EP4 - Efficiency of staff Performance in cost

Table 2
Correlation Analysis between Independent Variables

	QLW	POC	OC	EP1	EP2	EP3	EP4
\bar{X}	3.87	3.80	4.09	4.12	4.19	4.12	4.13
S.D.	.52	.52	.47	.49	.49	.48	.52
QWL	1						
POC	.75**	1					
OC	.50**	.69**	1				
EP1	.43**	.44**	.56**	1			
EP2	.39**	.44**	.57**	.63**	1		
EP3	.49**	.45**	.54**	.52**	.63**	1	
EP4	.52**	.52**	.58**	.63**	.69**	.65**	1

** With statistical significance at 0.01 level

Table 2 Correlation Analysis, which can explain the relationship between common variables [7] explains that the association between independent variables should not exceed .80, which, if over .80, may be assumed that cause of Multicollinearity. From the research found that the association between the independent variables highest value of .75, which is less than .80, Multicollinearity problem was not found. Variables can be used in multiple regression tests to test hypotheses.

Table 3
Results of Simple Regression Analysis

Variable	Dependent Variable									
	OC		EP							
			EP1		EP2		EP3		EP4	
	β	Sig.	β	Sig.	β	Sig.	β	Sig.	β	Sig.
QLW	0.50	0.00								
POC	0.69	0.00								
OC			0.56	0.00	0.57	0.00	0.54	0.00	0.58	0.00

P<0.01

Table 3 presented the result by using Simple Regression Method. It showed that firstly, quality of working life positively influenced organizational commitment (H_1) (Sig.=0.00), accepting H_1 ($\beta = 0.50$). Moreover, perception of organizational climate was found to have a positive influence on organizational commitment (H_2) (Sig. = 0.00), accepting H_2 ($\beta = 0.69$). As for the third hypothesis, organizational commitment had a positive impact on all four aspects of performance efficiency. Specifically, organizational commitment positively impacted upon the following aspects of performance efficiency: quality of work ($H_{3.1}$) (Sig. = 0.00), so accept $H_{3.1}$ ($\beta = 0.56$); quantity ($H_{3.2}$) (Sig. = 0.00) accepting $H_{3.2}$ ($\beta = 0.57$); time ($H_{3.3}$) (Sig. = 0.00) accepting $H_{3.3}$ ($\beta = 0.54$); and expenditure ($H_{3.4}$) (Sig. = 0.00) accepting $H_{3.4}$ ($\beta = 0.58$).

Table 4
The Hypotheses Testing

Hypotheses	Hypothesis Test Results
H1	√
H2	√
H3	
H 3.1	√
H 3.2	√
H 3.3	√
H3.4	√

√ = Accepted

CONCLUSION

The present research was conducted to Factors Influencing the Efficiency of Staff Performance: a Case Study of Savings and Credit Cooperatives in upper Northeastern Region, Thailand. The results revealed the officers' quality of work life and perceived organizational climate have the positive influences on the Organizational Commitment. This responded the determined assumption that stated the organizational officers should have good life qualities; for example, they should receive the appropriate pays which could help them live in the present economic conditions, progress at work, and be happy at work. These qualities could affect their organizational commitment. This is similar to the research results concerning the good perception of the organizational atmosphere that is the ways the officers were responded when they expressed their opinions and taken care by the organization welfare of basic human needs. This perception could have positive effects on the organizational commitment affecting their feeling of being a part of the organization, proud to be there, and willing to work proudly. The commitment also affected staff's love and organizational commitment. These findings are according with Boonyakiate[11]'s study. In her research, the researcher studied how the organizational atmosphere perception affected the organizational commitment and the good organizational members' behavior in University of Technology Thanyaburi. The results showed the perception of the organizational atmosphere related to the organizational commitment. Furthermore, the findings revealed the life quality had a positive effect on the organizational commitment. These results are consistent with Daebsungnern [8]'s findings. The researcher studied the working-life quality, the organizational commitment, the empowerment, and the service quality of nurses at the practitioner level working at a private hospital in Bangkok. The researcher found that their working life qualities statistically significantly affected the organizational commitment at .01.

The research findings also revealed the organizational commitment had positive influences on The Efficiency of Staff Performance in both overall pictures and each side including work quality, quantity, time, and costs. It could be said that if the staffs have high commitment, their performance efficiencies could be high as well. This was because those ones felt that they were part the organization, so they wanted to take part in the organizational improvement for its progress and quality work. Also, they would feel that they were parts of the organization success. The findings agree with Persalae et al.[13]which was conducted to investigate how teamwork affected the organizational commitment and the performance efficiencies of the automotive industry officers. The researchers found that the organizational commitment statistically significantly affected their performance efficiencies at .05.

From the research results, the researcher found that the life quality and the perception of the organizational atmosphere had positive effects on the organizational commitment. Also, the organizational commitment had positive effects on the staff' performance efficiencies. Therefore, it could be beneficial to the organization if the administrator applies these factors in the management and maintenance of the organizational human resources. This includes providing suitable pays and welfare, building of the organizational atmosphere.

REFERENCES

- [1] Walton, R. E. (1974), "Improving the quality of work life". *Harvard Business Review*, Vol.14, Pp. 12-61.
- [2] Likert, R., and Likert, J. G. (1976), "New Ways of Managing Conflict", *McGraw-Hill*, New York.
- [3] Peterson, E., and Plowman, E.G. (1989), "Business organization and management", *Irwin*, Illinois.
- [4] Allen, N. J. and Meyer, J. P. (1990), "The Measure and Antecedents of Affective Continuance and Normative Commitment to the Organizational Commitment", *Journal of Occupational Psychology*, Vol. 63, Pp. 1-18.
- [5] Chansuparin, P. (1996), "Strategy for development of savings cooperative administration in Savings and Credit Cooperatives of Thailand Limited". *Journal of Process Articles about Savings Cooperatives*, Vol. 10, Pp. 154-157.
- [6] Taewongsuwan, P. (1998), "Strategy for development of savings cooperative administration in Savings and Credit Cooperatives of Thailand Limited". *Journal of Process Articles about Savings Cooperatives*, Vol. 12, Pp. 154-157.
- [7] Hair, J. F., Black, W.C., Babin, B. J. and Anderson, R. E. (2010), "Multivariate Data Analysis a Global Perspective", 7th ed., Upper Saddle River, NJ: *Prentice Hall*, New Jersey.
- [8] Dabsungnoen, W. (2011), "Quality of work Life, Organizational, Work Empowerment and Quality of service of the Operative professional nurses", *Thammasat University*, Bangkok, Thailand.
- [9] Manissorn, V. (2015), "Quality of Work Life, Perceived Organizational Climate, and Turnover Intention : The Mediating Role of Organizational Commitment". *Thammasat University*, Bangkok, Thailand.
- [10] Yuttawat, P. (2015), "Guidelines for increasing efficiency in managing railway stations Under the operation of Bangkok", *Phranakhon Rajabhat University*, Bangkok, Thailand.
- [11] Boonyakiat, T. (2016), "The Perception of Organizational Climate Influenced work commitment and Organizational Citizenship Behavior", *University of Technology Thanyaburi*, Bangkok, Thailand.
- [12] Cooperative Promotion Department (2018), "General information about cooperatives", URL: <http://www.cpd.go.th>.
- [13] Persalae, W. et al. (2018), "Teamwork Affecting Organizational Commitment and Task Performance of Employees in Automotive Industry Group". *Academic Services Journal Prince of Songkla University*, Vol. 29, No. 3, Pp. 132-142.
- [14] The Federation of Savings and Credit Cooperatives of Thailand Limited (2018), "Saving Cooperative of Thailand", URL: www.fsct.com/fsct_main.php?f1=fsct_menu1.1.html.