Factors Affecting Individual Performance towards Enhancing Organizational Performance and its implications for a Country's Economy: A Case of Telecommunications Sector

Yahya Abdul Ghaffar Hassan

Taiz University, Faculty of Administrative Sciences, Taiz , Yemen

ygh12@yahoo.com

Abstract— **The purpose of this paper is to evaluate the effects of top management support, training, and user satisfaction on individual performance toward enhancing the organizational performance, and its impact on the improvement of the Yemen economy, using the telecommunication industry in Yemen as case study. A quantitative research approach was adopted using a questionnaire comprising of 28 questions distributed to 250 respondents. The questionnaire was validated by experts before actual data collection. Cronbach's Alpha ranging between 0.825 and 0.904 ensured acceptable reliability of the questionnaire. Based on this sample the results obtained indicate that top management support, and user satisfaction have a clear effect on the performance of employees. In addition, individual performance has a clear effect on the organizational performance. The findings can prove useful to human resource managers, human resource policy decision makers, as well as government and academic institutions.**

Keywords— **Individual Performance, Organizational Performance, Economy, Telecommunication Sector, Yemen.**

I. INTRODUCTION

The mobile industry shows a significant contribution to the social and economic development of the Arab states where significant proportion of the wages, taxes or profits paid out by the industry are subsequently spent across other sectors of the economy. Consequently, other economic sectors are also benefiting from the value generated by the mobile ecosystem Mobile technology facilitates productivity improvements for many workers and businesses [1].

The telecommunications sector contributes significantly to the Yemeni economy by providing more opportunities for economic development and plays an important role in the rapidly changing environment. In addition, the telecommunications sector is an interesting sector in Yemen due to the high growth rate over the past few decades. Telecommunications sector revenues alone accounted for 13 % of Yemeni GDP [2].

Telecommunication sector is one of the most promising sectors available in Yemen for trade and investment. Competition between companies operating in this field led to the expansion of service coverage to Include all governorates and diversified services. As the competition is observed in service prices, then there is an increase in public demand on these services. In addition, the telecommunications sector is an interesting sector in Yemen due to high growth rate during the last fifteen years. According to the Embassy of the Republic of Yemen in Washington, USA [3], the telecommunication industry contributes significantly to the Yemeni economy.

The current study will explore how improving the performance of employees in the telecommunications sector will enhance the organizational performance. As a matter of fact, the aforementioned will lead to an increase in the revenues of these organizations, which on its turn will lead to a positive role in improving the country's economy.

There are many factors that affect the individuals' performance in organizations. This study will focus on three factors which are not researched in previous studies within the Yemeni context. These factors are top management support, training, and user satisfaction. This study is designed to investigate the affect of top management support, training, and user satisfaction on the individuals' performance toward enhancing the organizational performance. In summary, the current study aims to respond to the following research questions:

RQ1. What is the affect of top management support on individuals' performance?

RQ2. What is the affect of training on individuals' performance?

RQ3. What is the affect of users' satisfaction on individuals' performance?

RQ4. What is the affect of individuals' performance on organizational performance?

II. THEORETICAL FRAMEWORK

A. TOP MANAGEMENT SUPPORT

International Journal of Research in Management, Science & Technology (E-ISSN: 2321-3264)
Vol. 5, No. 2, August 17
Available at www.ijrmst.org

Management support is able to ensure sufficient allocation of resources and act as a change agent to create a more conducive environment for Information Systems (IS) success and a lack of it is considered a critical barrier to the effective utilization of information technology [4]. According to Al Shaar et al. [5] top management helps employees to address their needs for empowerment, improve personality, accomplish achievement, and enhance self-efficacy. Top management plays an important role in organizational outcomes.

For example, Top management support has been found to affect behaviors such as organizational citizenship behavior, absenteeism, turnover, and work performance [6].

Furthermore, according to Pham et al. [7], "top management support is another highly researched organizational factor that has been found to affect job attitudes and work behavior".

B. TRAINING

Organizations are interested to keep their talented employees. So, there exist many reasons why employees stay in an organization, among these reasons for staying with an organization is the working environment as well as the good relationships between management and employees, whereby management create new training programs and career opportunities [8]. Also, according to Gupta & Bostrom [9] training within organizations is one of the most pervasive methods for enhancing productivity of individuals and communicating organization's goals to new personnel. While, to Thao & Hwang [10] training is a type of activity which is planned, systematic and it results in enhanced level of skill, knowledge and competency that are necessary to perform work effectively.

C. USER SATISFACTION

Angelova & Zekiri [11] define customer satisfaction as the outcome felt by those that have experienced a company's performance that have fulfilled their expectations.

Employee satisfaction is the terminology used to describe whether employees are happy, contended and fulfilling their desires and needs at work. Many measures support that employee satisfaction is a factor in employee motivation, employee goal achievement and positive employee morale in the work place. Basically Employee satisfaction is a measure of how happy workers are with their job and working environment [12].

D. INDIVIDUAL PERFORMANCE

Individual Performance impact relates to the accomplishment of a portfolio of tasks by the individual. Higher performance implies some mix of improved efficiency, improved effectiveness, and/or higher quality [13]. Individual performance is highly important for an organization as a whole and for the individuals working in it [14].

E. ORGANIZATIONAL PERFORMANCE

Organizational Performance is accumulated end results of all the organization's work processes and activities. The common measures for organizational performance are organizational productivity and organizational effectiveness. Organizational productivity is a measure of how efficiently employees do their work. Organizational effectiveness is a measure of how appropriate organizational goals are and how well an organization is achieving those goals [15].

In today's dynamic and rapidly changing workplace and globalised economy, development of organizational performance is associated with the development personal performance, skills, knowledge and experience. However, the ability to achieve and maintain high performance and productivity in organizations is a key challenge facing management today [16].

This study aims to identify the key factors that affect individual performance which also lead to enhancing the organizational performance. Consequently, the improvement of organizational performance will affect, on the long run, the economy of a country.
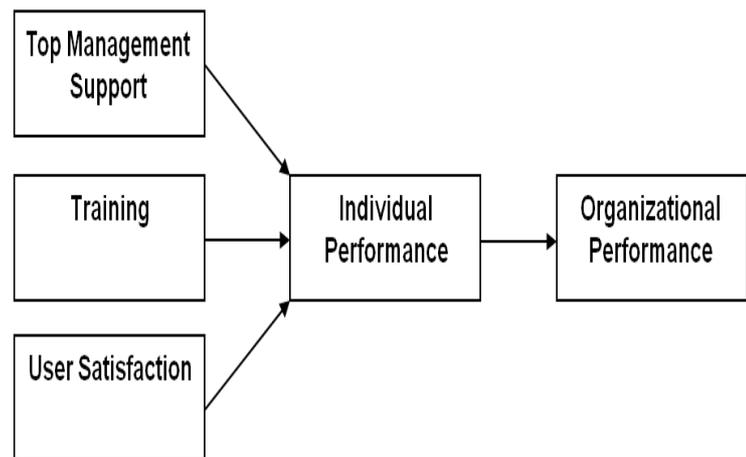
III. PROPOSED MODEL

Figure 1: Proposed Model

The followings are the research hypotheses that this study seeks to proof:

H1 – There is a positive relationship between top management support and individual performance.

H2 – There is a positive relationship between training and individual performance.

H3 – There is a positive relationship between user satisfaction and individual performance.

H4 – There is a positive relationship between individual performance and organizational performance.

IV. RESEARCH METHODOLOGY

A. RESEARCH DESIGN

This study aims to identify the direct effect of top management support, training, and user satisfaction on individual performance. In addition, this research intends to identify the direct effect of individual performance on organizational performance. The survey instrument was developed using a 5 point Likert scale: 1 — strongly disagree; 2 disagree; 3 — neither

International Journal of Research in Management, Science & Technology (E-ISSN: 2321-3264)
Vol. 5, No. 2, August 17
Available at www.ijrmst.org

agree nor disagree; 4 — agree; and 5 — strongly agree. The initial survey was tested with experts in the field of individual performance and organizational performance. Based upon these tests, improvements in wording and format were made to the instrument and several items were eliminated. Also a number of the staff in selected telecommunication companies reviewed the initial survey instrument. The questionnaire consists of six sections: Section A: Demographic profiles, Section B: Top management support, Section C: Training, Section D: User satisfaction, Section E: Individual performance, Section F: Organizational performance.

B. SAMPLE SIZE

A questionnaire was used to acquire the data. The questionnaire was distributed to employees and managers in telecommunication organization. According to Kline [17] a typical sample size in studies where SEM is used is about 200 cases. However, a sample size of 200 cases may be too small when analyzing a complex model. The sample size in this study is 205 effective cases for analysis, with a response rate of 82%.

C. RESPONSE RATE

250 questionnaires were distributed to employees and managers at telecommunication companies.
A total of 210 (84%) were returned. Of the 210 returned questionnaires, 5 were excluded for many reasons and 205 were processed. Thus, 205 questionnaires were available for analysis. Table 1 shows the response rate.

Table 1: Rate of response among respondents

Item	Total	Percentage
distributed Questionnaires	250	100%
Returned (collected) questionnaires	210	84%
Valid questionnaires	205	82%
Invalid and uncollected questionnaires	45	18%

D. RELIABILITY

Cronbach's alpha is a commonly used measure of reliability. Reliability is a measure of internal consistency of the construct indicators. According to Hair, et al. [18], reliability refers to the extent to which a set of indicators measure an aggregate construct consistently, the generally agreed upon lower limit for Cronbach's alpha is 0.70. The alpha values found for each variable indicated that each variable was a reliable measure. Table 2 shows the values of Cronbach's Alpha for each construct.

Table 2: Testing Reliability Result

Construct	Cronbach's Alpha	No of Items
Top Management Support	0.825	6
Training	0.855	6
User Satisfaction	0.888	6
Individual Performance	0.855	5
Organizational Performance	0.904	5

V. RESULTS

A. DEMOGRAPHIC ANALYSIS

48 respondents (23.4%) are females and 157 (76.6%) are males. As for the respondents' age; they split into four groups: 55.6% (114 out of 205) for the range 25 to 30 years old, 27.80% (57 out of 205) for 30 to 45 range, 15.60% (32 out of 205) for age less than 25, and 0.97% (2 out of 205) for older than 45 years. Also, 78.05% (160 out of 205) of the respondents hold a bachelor degree, 7.32% (15 out of 205) are high school graduates, 12.20% (25 out of 205) have a diploma, and 2.44% (5 out of 205) hold a master certificate.

Furthermore, 19.52% of the respondents had experience for a period less than 2 years, 42.93% had experience for a period more than 2 years and less than 4 years, 20.98% worked for a period more than 4 years and less than 6 years, and 16.58% had worked for a period of over 6 years.

B. CONFIRMATORY FACTOR ANALYSIS

Confirmatory Factor Analysis (CFA) enables the researcher to test how well the measured variables represent the constructs. The measurement models for each construct, in this research, were assessed using (CFA).
It is also applied to the measurement model to assess reliability and validity of measures. Two methods were used in the CFA to assess the measurement model.
Goodness of fit (GOF) and evaluating the validity of the measurement model. Initial CFA is shown in Figure 2.
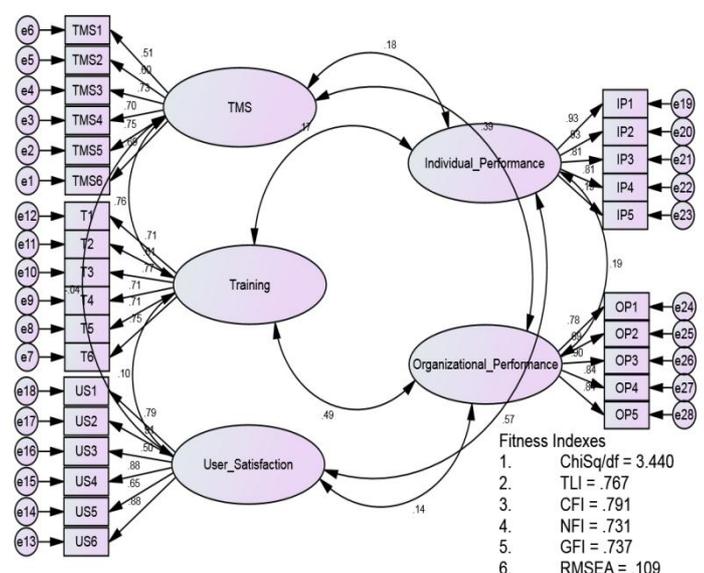

Figure 2: Initial CFA

The goodness of fit indices of the initial run of CFA was not within the recommended level. Based on conclusions of Hair et al. [18], the size of the factor loading is considered as an

55

International Journal of Research in Management, Science & Technology (E-ISSN: 2321-3264)
Vol. 5, No. 2, August 17
Available at www.ijrmst.org

important consideration. In the case of high convergent validity, high loadings on a factor would indicate that they converge on a common point, the latent construct. At a minimum, all factor loadings should be statistically significant. Because a significant loading could still be fairly weak in strength, a good rule

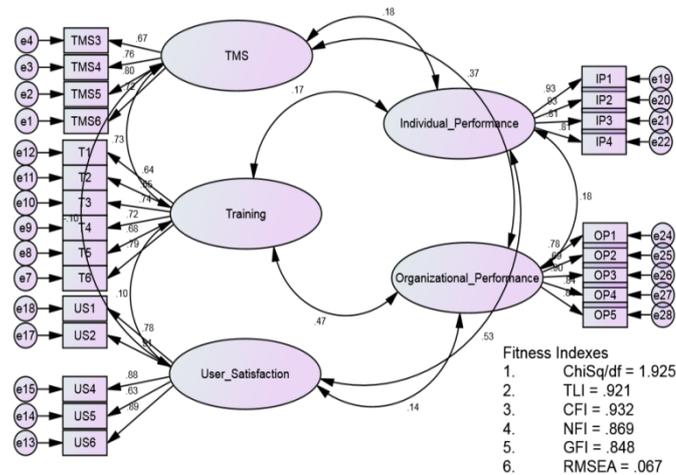| Hypotheses	C.R.	P	Result
TMS → IP	2.708	.007	Supported
T → IP	-1.045	.296	Not Supported
US → IP	8.053	***	Supported
IP → OP	2.451	.014	Supported

of thumb is that standardized loading estimates should be 0.5 or higher. Thus, after dropping these problematic items, the measurement model was re-run, as recommended. Final CFA model is depicted in Figure [3].

Figure 3: Revised CFA

C. FINAL STRUCTURAL MODEL

The revised model fit well based on GOF indexes as shown in Figure 4. The GFI, NFI were above 0.80, TLI, and CFI above 0.90, the ChiSq/df <3, and the RMSEA was below 0.08.
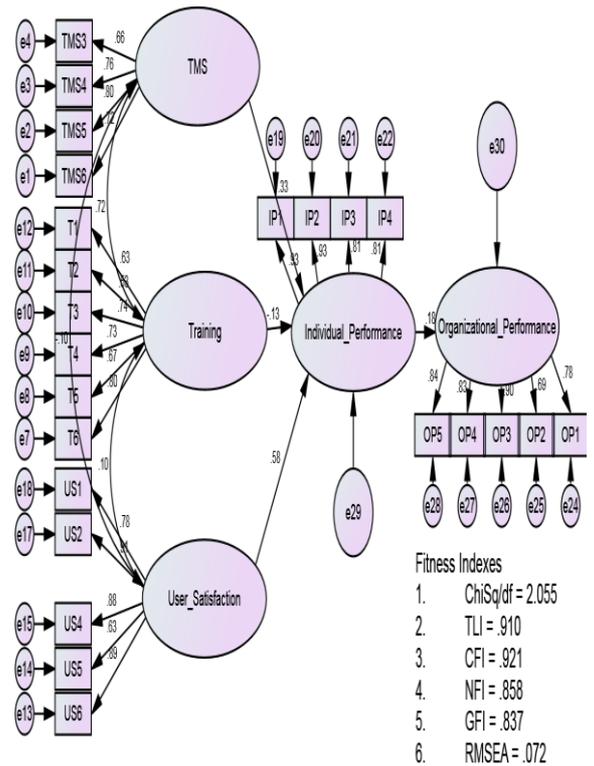

Figure 4: Revised Structural Model

D. SUMMARY OF HYPOTHESES TESTING

Table 3 shows the summary of hypotheses testing.

Table 3: Summary of Hypotheses Testing

VI. DISCUSSION

The research findings in this study indicate that top management support (CR= 2.708, p = 0.007 < 0.05) is found to have a statistically significant and positive relationship with individual performance in support of hypothesis H1. This result is consistent with the past studies (e.g. [19]; [20]), in which these researchers have reported that top management support has a significant and positive effect on individual performance.

This study also indicates that training (CR= -1.045, p = 0.296 > 0.05) is not statistically significant to individual performance. Hypothesis H2 is not supported. As a result, they contradict the findings from previous studies (e.g. [21]; [22]) who assert that training strongly predict individual performance. Other findings indicate that user satisfaction (CR= 8.053, p = 0.000 < 0.05) is found to have a statistically significant and positive relationship with individual performance in support of hypothesis H3.

56

International Journal of Research in Management, Science & Technology (E-ISSN: 2321-3264)
Vol. 5, No. 2, August 17
Available at www.ijrmst.org

This result is consistent with the past studies (e.g. [23]; [24]; [25]; [26]), in which these researchers have reported that user satisfaction has a significant and positive effect on individual performance.

Finally, research findings indicate that individual performance (CR= 2.451, p = .014< 0.1) is found to have a statistically significant and positive relationship with organizational performance in support of hypothesis H4. This result is consistent with past studies (e.g. [27]; [28]), in which these researchers have reported that individual performance has a significant and positive effect on organizational performance.

VII. CONCLUSION AND RECOMMENDATIONS

The author advocates that organizations must understand and have full knowledge of the factors that lead to improve the individual performance toward enhancing the organizational performance. The author developed a conceptual framework based on three factors. These factors are top management support, training, and user satisfaction. Whereby, this research shows that the implementation of this model in organizations will affect individual performance toward enhancing the organizational performance, even though training was excluded. The suggested factors for this research were chosen based on the relevance to Yemen. The findings of this research which reduced the three factors into two, may apply to the telecommunications companies in Yemen in order to enhance levels of their individuals' performance in the organization to ensure the organizational performance and growth.

Based on the earlier results the author recommends that top managers need to pay greater support to employees at Yemeni telecommunication companies to improve the performance. According to Al-Mamary et al. [29], "in context of Yemen, the telecom sector is a strategic and vital sector being of direct link with the citizen and public and private institutions alike". Therefore, companies have no choice but to raise the level of employee satisfaction, as this will have a strong impact on the performance of employees and will reflect on the performance of the organization and consequently, the productivity of organizations will increase. Yemeni organizations have to deal with this matter on a strategic level because research shows that "in context of telecommunication companies in Yemen top management support and training are key factors that affect on employees performance" [30]. In addition, having better organizational performance, increases organizational profitability, increases organization competitive advantages, reduces operational costs, and enhances the revenues. Higher revenue means more taxes the organizations will pay to the government. This means that raising the performance of organizations will have a direct role in raising the economy of the country. The aforementioned facts are confirmed by Al-Mamary et al. [29] who contends "that further to the direct economic impact, the income generated by the mobile industry has a multiplier effect on the rest of the economy. This is because a significant proportion of the wages, taxes or profits paid out by the industry are subsequently spent across other sectors of the economy.

The author recommends that further empirical studies are to be conducted with the intention to measure the effect of other factors to improve the individual performance toward enhancing the organizational performance for example, relating customers' satisfaction to employees' performance, employees' involvement in decision making, organizational strategies on retention of talent, etc….

REFERENCES

[1] GSMA-Intelligence (2014). The Mobile Economy Arab States. Technical report.

[2] Belhaj, F.A.S. (2012). The Influence of Transformational Leadership and Job Characteristics on Absenteeism Among Telecommunication Company Employees in Yemen. Ph.D. thesis, Universiti Utara Malaysia.

[3] Embassy of the Republic of Yemen in Washington (2008). Doing business in Yemen: A country commercial guide for U.S. companies.

[4] Igbaria, M., Zinatelli, N., Cragg, P. & Cavaye, A.L. (1997). Personal computing acceptance factors in small firms: a structural equation model. MIS quarterly, pp. 279–305.

[5] Al Shaar, E. M., Khattab, S. A., Alkaied, R. N., & Manna, A. Q. (2015). The effect of top management support on innovation: The mediating role of synergy between organizational structure and information technology. International Review of Management and Business Research, 4(2), 499.

[6] Feather, N.T., & Rauter, K.A. (2004). Organizational citizenship behaviors in relation to job status, job insecurity, organizational commitment and identification, job satisfaction and work values. Journal of Occupational and Organizational Psychology, 77, 81-94.

[7] Pham, Tuyen Khac, Pham, Cuong Hung, & Pham, Long (2016). Top Management Support, Organizational Learning, Innovative Behavior, Employee Commitment and Organizational Performance of Manufacturing Companies in Hai Phong. International Journal of Financial Research, 7(3), Special issue, 54-64.

[8] Hejase, H.J., El Dirani, A., Hamdar, B, & Hazimeh, B. (2016). Employee Retention in the Pharmaceutical Companies: Case of Lebanon. IOSR Journal of Business and Management, 18(4), 58-75.

[9] Gupta, S. & Bostrom, R.P. (2009). Achieving end-user training effectiveness through web-based training systems: an empirical study. In: PACIS.

[10] Thao, T. T., & Hwang, C. J. (2012). Factors affecting employee performance. Evidence from Petrovietnam Engineering Consultancy JSC.

[11] Angelova, B. & Zekiri, J. (2011). Measuring customer satisfaction with service quality using american customer satisfaction model (acsi model). International Journal of Academic Research in Business and Social Sciences, 1(3), pp. 232–258.

[12] Sageer, A., Rafat, S., & Agarwal, P. (2012). Identification of variables affecting employee satisfaction and their impact on the organization. IOSR Journal of business and management, 5(1), 32-39.

[13] Goodhue, D.L. & Thompson, R.L. (1995). Task-technology fit and individual performance. MIS quarterly, pp. 213–236.

[14] Sonnentag, S., & Frese, M. (2002). Performance concepts and performance theory. Psychological management of individual performance, 23(1), 3-25.

[15] Robbins, S.P. & Coulter, M. (2002). Management. Prentice Hall 7, th edition.

[16] Al-Khouri, A. M. S. (2010). Improving Organisational Performance. The Association on Employment Practices and Principles (AEPP), 24.

[17] Kline, R.B. (2011). Principles and practice of structural equation modeling. Guilford press.

[18] Hair, J., Anderson, R., Tatham, R. & Black, W. (2010). Multivariate Data Analysis 7th edition Prentice Hall.

[19] Caroline, N., Harriet, K., & Anne, N. (2016). Top management commitment for successful small and medium-enterprises (SMEs): A hoax or a reality?. European Scientific Journal, ESJ, 12(4).

[20] ALshbiel, S. O., & AL-Zeaud, H. A. (2012). Management support and its impact on performance of internal auditors at Jordanian public industrial shareholding companies. Global Journal of International Business Research, 5(5), 52.

[21] Nassazi, A. (2013). EFFECTS OF TRAINING ON EMPLOYEE PERFORMANCE.: Evidence from Uganda.

International Journal of Research in Management, Science & Technology (E-ISSN: 2321-3264)
Vol. 5, No. 2, August 17
Available at www.ijrmst.org

[22] Elnaga, A., & Imran, A. (2013). The effect of training on employee performance. European Journal of Business and Management, 5(4), 137-147.

[23] Choi, W., Rho, M.J., Park, J., Kim, K.J., Kwon, Y.D. & Choi, I.Y. (2013). Information system success model for customer relationship management system in health promotion centers. Healthcare informatics research, 19(2), pp. 110–120.

[24] Iivari, J. (2005). An empirical test of the delone-mclean model of information system success. ACM Sigmis Database, 36(2), pp. 8–27.

[25] Hou, C.K. (2012). Examining the effect of user satisfaction on system usage and individual performance with business intelligence systems: An empirical study of taiwan's electronics industry. International Journal of Information Management, 32(6), pp. 560–573.

[26] Sharabati, M.M., Sulaiman, A. & Salleh, N.A.M. (2015). End user satisfaction and in-dividual performance assessments in e-procurement systems. International Journal of Computer Theory and Engineering, 7(6), pp. 503–509.

[27] DeLone, W.H. & McLean, E.R. (1992). Information systems success: The quest for the dependent variable. Information systems research, 3(1), pp. 60–95.

[28] Tatar, E. L. (2011). The importance of measuring individual performance to increase organizational performance. Journal of Defense Resources Management, 1, 113-118.

[29] Al-Mamary, Y. H., Shamsuddin, A., Nor Aziati, A. H., & Al-Maamari, M. H. (2015). Issues Related to Employees at Telecommunication Companies in Yemen and the Role of Management Information Systems in Solving It. International Journal of Hybrid Information Technology, 8(12), 377-390.

[30] Al-Qurashi, N.A.W. (2010). Impact of computerized management information systems in performance of employees, A field study of a sample of employees in the company (Y) mobile phone, (Master thesis), Aden university, Yemen.