The Relationship Between the Impacts of Telecommuting Engagement and Employee Performance in Oil and Gas Industry in Kuantan, Pahang

Fatin Fazrida Peros Khan1, Nasrudin Mohammed1, Nor Hafizah Mohamed Harith1

1Universiti Teknologi Mara

Correspondence: Fatin Fazrida Peros Khan (fazridaperos@gmail.com)

Abstract

Telecommuting refers to the work option that enables telecommuters to work outside of the office. It allows telecommuters to have a direct contact with those inside and outside of the organization by using information and communication technologies. Despite the continuous effort by Malaysia’s government, the implementation and occurrence of telecommuting practice in Malaysia had not gained full support from many local companies. Consequently, the Malaysian workforce has suffered from low-level performance and poor productivity due to the lack of flexibility in task accomplishment. Therefore, the main objective of this study is to investigate whether the impacts of telecommuting engagement (i.e. job autonomy, work-family balance, work productivity, and level of occupational stress) lead to employee’s performance. This research aims to identify the most dominant impact of telecommuting engagement that leads to the employee performance. The study has adopted a correlational research and cross-sectional survey research design to explore the relationship between variables. There were 229 respondents who practice telecommuting work arrangement. They were chosen from 11 oil and gas companies located in Kuantan, Pahang. The findings of the study had revealed that all of the telecommuting impacts which consists of the job autonomy, work-family balance, work productivity and level of occupational stress have a significant relationship with the employee performance at r = .923, p < 0.05, r = .734, p < 0.05, r = .817, p < 0.05, and r = .408, p < 0.05 respectively. Job autonomy was found the most dominant impact of telecommuting engagement that leads to the employee performance with r = .923, p < 0.05. The positive experiences and knowledge possessed by the telecommuters in the oil and gas industry helped to increase the level of motivation and maintain the good mental and physical state of employees. The exercise of the proper balance between the personal and professional life could guarantee the high employees’ performance among the telecommuters. Hence, it is suggested for the government to promote and develop more appropriate policies regarding telecommuting practice in Malaysia. The purpose is to enhance the level of acceptance towards the work arrangement among the local society. Moreover, the active approaches by the government can stimulate the implementation of telecommuting in this country as people will have more proper guidelines to assist the work practices. Telecommuting work arrangement helps to achieve excellent performance in an organization.

Key words: telecommuting, employee performance, oil and gas, work life balance, working from home
Introduction

In the globalization boom, embracing the technologies to accomplish the responsibilities is inevitable. The advancement of information and communication technology (ICT) helps to solve almost everything at the fingertips. Societies only need to be accompanied by the necessary technology devices such as a computer, smartphone, fax, internet connection, and others. The latest technology could help people to perform their task easier and straightforward compared to the traditional methods. Telecommuting or also known as teleworking, networking, remote working flexible working, electronic homework and e-work is a type of work arrangement that highly dependent on the information and communication technologies (Collins et al., 2016). Telecommuting refers to the concept of employee work at home or the alternate locations, and at the same time communicate with the people at the office via electronic devices, instead of physically traveling to a more distant work site. It is a dynamic concept by way of it reflects the changes in the society, particularly to the people in the work field (Allen et al., 2013). In addition, the growth in the number of telecommuters all over the world also caused by the rapid development of technology information especially with the introduction of social media as a medium to share the information, documents even to conduct video conferencing with employers, clients, and colleagues via Facebook, Skype, yahoo mail, and LinkedIn. In this regards to the development of the information and communication technology, people are easy to communicate and share the information with each other. Thus, it encourages the implementation of telecommuting practice in every work areas. In Malaysia, SCOPE International Sdn. Bhd., which is a subsidiary company of Standard Chartered Bank of UK operating in Malaysia, became one of the local Information Technologies companies that have promoted a telecommuting program as an official program to all of its staff with the aim of encouraging work-life balance.

Problem Statement

Telecommuting work arrangement has been under the spotlight in the certain countries. It being focused because it helps to diminish the work culture of 9-to-5 working hours in the office and improve the competitiveness of the workforce. It offers high flexibility in the work practice (Yeoh, 2014). The government of Malaysia is conscious of the benefits offered by telecommuting work arrangement. Due to the reason, there are several approaches taken by the government of Malaysia to promote this type of work arrangement. However, telecommuting work arrangement is still considered as the new work concept and did not yet gain high support from the local companies. There is a lack of involvement of local companies in the telecommuting work arrangement. As shown by the survey conducted by Malaysian Employer Federation (MEF) in 2012, only 28.1 percent of 199 companies in Malaysia actively supporting and executing the flexible work arrangement (Nurul Adilah Saludin et al., 2013) and the majority of them are the multinational companies operated in this country. In addition, despite the work nature of several industries such as oil and gas, banking, and education which are synonym with flexible work arrangement found to be the least popular industry that implements telecommuting arrangement in Malaysia (Teh et al., 2013). Essentially, the unsatisfactory responses shown by the local companies is caused by the skeptical views hold by the Malaysian employers towards the telecommuting concept. They are still arguing the significant outcomes brought by telecommuting work arrangement to the employees as well as organization’s performance (Mustafa Mohamed Mustafa Mahdi, 2012). Unfortunately, the undesirable perception hold by these employers toward telecommuting is due to the lack of the reports that published the success of telecommuting program in Malaysia, and lack of guidance and support for this work arrangement (Munusamy, 2016).

Consequently, the ignorance of the employers toward the positive impacts resulting from telecommuting became the reason for the low level of employee performance (Del et al., 2015). Unexpectedly, more than 60 percent of the employees in Malaysia confronted the issue of work overload and inadequate quality time to be spent with their family and friends (Gomez, 2013). Moreover, the case of one local company in Malaysia discovered a mother of four to five children exposed the typical inflexible work arrangement does not fit their needs. There is no freedom for them who still have a high commitment to the family and work tasks. When they being at the office, they are strictly monitored by the superior and colleagues, make them feel uncomfortable to work flexibly
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Shagvaliyeva et al., 2014). A study from TalentCorp revealed that most of the Malaysians who return home after working overseas are struggling to adapt back to the local working culture that lack of flexible work arrangement. Moreover, Malaysian women tend to leave the workforce and never return when they are married and have children (Kaur, 2014). Employees likely to be demotivated to perform the work task if they are continuously trapped in an uncompromising work arrangement (Ong et al., 2016). Negatively, this situation leads to the performance deterioration among the employees in the organization (Gomez, 2013). Hence, this study intended to investigate the actual impacts of telecommuting engagement on employees’ performance. It examines whether telecommuting provide the positive or adverse impacts to the performance experienced by the employees in oil and gas industry located in Kuantan, Pahang.

Research Objective

The objective of the research is to investigate whether the impacts of telecommuting engagement (job autonomy, work-family balance, work productivity, and level of occupational stress) leads to better employee’s performance.

Literature Review

Kurland & Bailey (1999) which is one of the early researchers on telecommuting concept mentioned that telecommuting provides an opportunity to improve the employee performance. This is due to the greater schedule flexibility experienced by employees when it enables the employees to work on a task based on their preferences. They can decide the time, methods and place to perform the task assigned thereby improves their productivity. Telecommuting promised numerous environmental, family, employee, and business impacts. The motivations and benefits of telework must view in the context of improving work processes that create best practice organizations. Telecommuting is gaining increased recognition as an alternative work arrangement having potentially beneficial effects for the employer, employee, and society as a whole (Matos & Galinsky, 2012). As a center of attention for the research, there are four common impacts that experienced by the telecommuters when they engage in the telecommuting work arrangement which are job autonomy, work-family balance, work productivity and levels of occupational stress (Cicei, C., 2015; Kundaragi & Kadakol, 2015; Raffaele & Connell, 2016; Shantz et al., 2013).

Telecommuting enables the telecommuters to perform their job away, and out from the supervisor sight, so they feel they have autonomy and able to control the work assigned to them. It is a degree to which the job offers essential liberty, proving free hand and choice to the individual in scheduling the work and also defining the means to achieve the tasks. Interestingly, the findings from 46 studies which involved 12, 833 employees as published by the American Psychology Association (APA) shows that telecommuting has overall beneficial effects because the arrangement provides employees with more control over on how they do their work. Autonomy is a major factor in worker satisfaction and this is shown in the analysis as the telecommuters reported more job satisfaction, less motivation to leave the company, less stress, improved work-family balance, and higher performance ratings by supervisors (Lin et al., 2011). According to the survey in which takes places in Peninsula Malaysia, almost 90 percent of male employees and almost 85 percent of female employees agreed that job autonomy has influenced the job satisfaction and job performance of employees (Nik Norsyamimi Md Nor, 2012). Psychologically, this will be a motivation for the employees to do the best shots in job tasks and directly leads to the higher performance. Indeed, the employee tends to be happier when performing work tasks if they have a control over their work time, space and mean to complete the work. Furthermore, their creativity is not restricted because the supervisor is not around.

In addition, the Dutch’s report revealed that the number of households that run out of time has increased, as time spent with children has become increasingly valued, both by men and women, and free time has become more and more vulnerable. Telecommuting has highly supported the flexibility in terms of time and place. Telecommuting gives employees more time to be with the family and be
available for family obligations (Davis, R., 2013). Working parents may extremely value the time-
savings of telecommuting due to the elimination of commuting time, and because telecommuting may
allow a parent to stay at home to take care of their children or parents and at the same time do the
house chores. Moreover, teleworkers report less interference between work and family roles, leading
the researchers to conclude that teleworkers may be better able to manage some key aspects of the
work-family conflict. Increased boundary flexibility from telecommuting can help the employees to
regulate and synchronized demands of work and family, potentially reduce work-family conflict (Cicei,
C., 2015).

Furthermore, it is not surprising when telecommuting is able to improve the productivity of work
outputs. It is because telecommuters can save the commuting time, avoid unnecessary interruptions and
inefficient meetings at the office, and have the autonomy to make the best use of their working hours
based on their most efficient period and they can concentrate on completing their tasks and assignment
at their comfortable places. Telecommuters have relatively distraction-free environments, meanwhile,
the employees are more open to the interruptions while being at the traditional office (Raffaele &
Connell, 2016). The larger studies that carry out over more than 700 companies in the United
Kingdom, United States, France, and Germany by United States Council of Economic in 2010 found
the significant relationship between work-life balance’s work practice and total factor
productivity(Kossek et al., 2014).

In fact, telecommuting is a practice that can be adapted to reduce any stress related to the occupation
and office environment. As stated by Ackfeldt & Malhotra (2013), telecommuting as one of the
alternative work schedules can reduce work stress impact especially by offering work flexibility to the
employees. Stress can be reduced because of the decreased traffic headaches, a better work-life
balance, more personal control over time and environment, and consequently, an increase in overall
flexibility (Shagvaliyeva & Yazdanifard, 2014). Telecommuting gets the high mark in allowing the
employee to control over on how they do their work. One survey conducted among the managers in
Malaysia reported that telecommuting is one of the solutions to reduce the occupational stress that face
by the employee. Stress can be reduced when they get the opportunity to get work done at home and
have flexibility in work arrangements in terms of time, less encounter with colleagues and additional
meetings and project (Fapohunda, 2014).

Research Design

The research design is a specification of methods and procedures to acquire the information needed
(Chawla & Sodhi, 2011). The study has adopted a correlational research design to explore to what
extent two or more variables co-vary which means that if there was a change in one variable that was reflected with changes in the other variable.

Scope of Study

The scope of this study was focused on the employees who engaged in the telecommuting practice. The respondents were selected from different oil and gas-based companies that located in Kuantan, Pahang. This is due to the work nature of some of the employees in the Oil and Gas industry uphold the telecommuting practice as they are working and complete the job tasks outside of the workplace (Boell et al., 2014). Oil and gas industry is fully equipped with the modern technology to accompany the tasks performance and communication between the employees in the industry. Using a quantitative research method, this study was conducted in 11 companies of oil and gas and involved 229 employees engaged in telecommuting practice in Kuantan, Pahang.

Sampling and Sampling Techniques

The respondents are derived based on the two types of sampling techniques which consists of (1) purposive sampling and (2) census sampling techniques. Purposive sampling is the most effective sampling to be used when one needs to examine the certain cultural domain with experts within the environment of study (Etikan et al., 2016). It is a common sampling technique where the respondents choose according to the preselected criteria and relevant to answers the research questions. In this study, the respondents were chosen based on the criteria that they engaged in telecommuting work arrangement. Their nature of work required and allowed oil and gas’s employees to work outside of the normal workplace which enables them to work at the alternate location such as their own house, client’s office, hotel, and work site.

However, the entire population of this research is sufficiently small which is only 229 respondents from oil and gas companies in Kuantan, Pahang, and it leads to the requirement to use the whole population of the study as a sample. According to the Jha (2014), it is possible to use the entire populations as a sample of research when the population for a research study is very small. Hence, the census sampling technique was adapted to complement the earlier sampling method. Census sampling means the total population being studied in the research (Montello & Sutton, 2012).

Measurement

The questionnaire was divided into 3 parts which are the Part A, B, and C. The 3 parts consists of 45 items were adopted by the previous scholars. In addition, to measure the items, Likert scale of 1 to 5 (from the lowest value of 1 indicate to “strongly disagree” and the largest value of 5 indicate to “strongly agree”) were used. Therefore, the data were analyzed using SPSS version 23.

Findings

Table 1 presents the result for the correlational study which was conducted to determine whether the impacts of telecommuting engagement consist of job autonomy, work-family balance, work productivity, and level of occupational stress lead to better employee’s performance or not.

Based on the table, it shows that there is positive relationship between the impacts of telecommuting engagement and employee performance as job autonomy, work-family balance, and occupational stress have great degree of correlation with employee performance at \( r = .923, p < 0.05 \), \( r = .734, p < 0.05 \) and \( r = .817, p < 0.05 \) respectively. On the other hand, work productivity has a moderate positive relationship with the score of \( r = .408, p < 0.05 \). The significant level to determine the significant
relationship between the impacts of telecommuting engagement and employee performance is below than 0.05.

Table 1: Correlation Analysis

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job autonomy</td>
<td>4.2986</td>
<td>.36010</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Work-family balance</td>
<td>4.2424</td>
<td>.30359</td>
<td>.600**</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Work productivity</td>
<td>4.0783</td>
<td>.43413</td>
<td>.564**</td>
<td>.884**</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Levels of occupational stress</td>
<td>4.2829</td>
<td>.38734</td>
<td>.396**</td>
<td>.665**</td>
<td>.745**</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Employee performance</td>
<td>4.3166</td>
<td>.34548</td>
<td>.923**</td>
<td>.734**</td>
<td>.408**</td>
<td>.817**</td>
<td>1</td>
</tr>
</tbody>
</table>

Discussion and Recommendations

Telecommuting is an approach of the government to support the work-life balance among Malaysian workers. It provides employees with greater flexibility and helps to increase their work performance. Similar to the study that has been conducted by the Nik Norsyamimi Md Nor (2012); Saragih (2011); and Elhaga & Imran (2014), the study has shown job autonomy has a positive relationship to the employee performance because this self-regulation option helps the employee to be more creatives in decision making. They capable to decide the elements and methods involved to accomplish the tasks. Creativity is stimulated since others are not able to disrupt their ideas. Rules and regulations that have been set up by the employer contributed to the great achievement of the employee. It is because they work on the right track and head to achieve the work’s objective. Also, to explain the relationship between job autonomy and employee performance, this variable able to increase the employee work’s motivation, decreasing work-family conflicts and reducing the physical and psychological exhaustion. In this study, the telecommuters possessed a high degree of control over his or her work environment and it enables them to make their own judgment related to work time, workplace and means to accomplish the tasks. They are capable to decide the elements and methods involved to accomplish the tasks. Rules and regulations that have been set up by the employer contributed to the great achievement of the employee. It is because they work on the right track and head to achieve the work’s objective. Also, to explain the relationship between job autonomy and employee performance, this variable able to increase the employee work’s motivation, decreasing work-family conflicts and reducing the physical and psychological exhaustion. In this study, the telecommuters possessed a high degree of control over his or her work environment and it enables them to make their own judgment related to work time, workplace and means to accomplish the tasks. They are given the free choice to make their own decisions related to work without the strict observation and obligation to follow all the unnecessary cultures and practices in the office. This advantage really helps the telecommuters to enhance their level of performance.

In comparison to the employees who are only work in the office, telecommuting enables the employees to experience a great balance between professional work and family’s responsibilities. It is the opportunities for the telecommuters to perform their duties as a spouse, parents, friends, sibling, and child. At the same time, telecommuters also can be excellent workers if they capable to manage the work routines properly. It celebrates the balance of work and family among the telecommuters. Telecommuting allows the oil and gas’s employees to comply with both roles demand. They have a chance to spend the quality time with family and friends while performing tasks assigned by the employer. According to the Delina & Raya (2013), telecommuting also recorded the low work-family conflicts because while employees stay focus on doing their report, analyzing the document, and other tasks, yet still, can complete household chores. Based on the respondents’ result, this favorable outcome able to increase their level of satisfaction in working especially to women employees who have significant responsibilities towards their family.

Obviously, telecommuting is able to enhance the level of productivity among the employee in the oil and gas industry as their work output increase and experience the adequate amount of time in completing the work tasks. Most of the studies such as Valk & Srinivasan (2011); Kossek et al. (2014); and Raffaele & Connell (2016), stated that it happens due to their work’s condition of free from any unnecessary distractions at the office. It becomes the golden opportunity for the employee to improve. As can be seen, the unrelated commitment could delay the effort of employees to perform the tasks. Apart from that, work productivity of the telecommuters can be enhanced because he or she could...
provide more attention and priority towards tasks accomplishment. They can focus on the assignment without worrying the other tasks or role in office such as being a leader to subordinates and attend the meeting with managers. Likewise, the innovation and commitment of the telecommuters are likely to increase because of employer able to trace the records of works done by the telecommuters. The condition became the factor to keep the telecommuter’s motivation high to perform work at a maximum level. They are not willing to deal with the poor appraisal from the employer and lead to the low job performance.

Moreover, a study conducted on oil and gas employees who engaged in telecommuting revealed that the occupational stress has effects on the employee performance. Obviously, high and low of occupational stress could affect the quality and speed of the work performed by the telecommuters. In addition, it determines the motivation to stay in the position and organization for a certain period of time. As most studies have found (Fonner & Roloff, 2010; Ackfeldt & Malhotra, 2013; Fapohunda, 2014), through telecommuting engagement, employees are capable of avoiding and reducing the occupational stress. The opportunity in telecommuting provide the telecommuters to stay away from the colleagues, manager, and the negative vibes in office. For instances, they can avoid the long working hours imposed on the employees at the office, negative rumors, and a bad relationship with people in office. When telecommuters avoid all the negative elements in the office, they can set a great focus on producing high-quality work, increase their level of satisfaction and do not intend to leave the organization. It helps the employees in oil and gas industry to feel happy and secure the good health while performing the work tasks. Reducing occupational stress among the employees is important because of the possibility that factor could harm the physical and psychological of the employees.

Conclusion

In conclusion, there is a positive relationship between the impacts of telecommuting engagement in particular; job autonomy, work-family balance, and occupational stress on the employee performance. Telecommuting engagement is relevant to help the country in developing a workforce that possesses the great commitment and secures the high level of employee performance. Nevertheless, telecommuting engagement may not adaptable for everyone. It is only appropriated to be practiced by certain industry and work scopes such as academic, marketing, oil and gas, telecommunication, and information technology. Furthermore, there is a gap among the Malaysian workforce that leads to the uncompromising towards telecommuting idea. The element of age certainly creates the difference in the perception and compatibility to accept telecommuting. Some of the old employees unable to cope with the idea of telecommuting because of lack of skill in using the advance information technology. It makes them feel not suitable to engage in telecommuting. In addition, every job scope has different elements that not generally accepted in telecommuting engagement. It may be suitable for the employees in the marketing department but not for those in administration department that required the frequent face to face interactions with the associates. Therefore, the results found in this research study unable to be generalized to all sectors due to the different work culture, ethics, and style. Thus, it is recommended for future studies to examine the impacts of telecommuting in the private and public sectors to evaluate the effectiveness of telecommuting engagement in order to develop the knowledge-based society and K-economy in Malaysia. Moreover, it is suggested that the future research should conduct the study on the most efficient method to evaluate the telecommuter’s work performance. The effective performance appraisal must be investigated in order to assess the telecommuter’s performance while working on their tasks outside of the office.

References


