

EFFECT OF COMPANY ORGANISATION FACTORS ON EMPLOYEE PERCEIVED PRODUCTIVITY DURING WORKING FROM HOME

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ABSTRACT

The world is dealing with a pandemic cause by SARS and COVID-19 in 2020, including Indonesia. Due to the nature of the virus transmission, many companies in Indonesia are forced to make their employees to work from home in an effort to reduce infection rates. Some companies are more prepared by this initiative, but most companies are not and they have no other option but to adapt. During work from home (WFH), perceived productivity of employees is often thought to be reduced hence many companies are resistant to implement WFH and simply choose to make employees go back to working in the office. This situation is experienced especially in Indonesian companies. Research has been conducted on this area; however limited study had seen this from the manager's trust in the Indonesian context. This study will try to determine what are the factors that affect perceived performance of employees. This study aims to find out the influence of organisational factors (technical support, manager's trust, HR (Human Resource) support towards employee perceived productivity during work from home. The findings found out that the influence of manager's trust towards employee's perceived productivity is high. This study could theoretically be a reference for companies to create guidelines for companies that wants to implement work from home for their employees effectively. It can also provide practical guideline for companies to investigate factors in their company that can improve employee productivity during work from home.

Key words: Perceived productivity, working from home, technical support, management trust, HR support

1. INTRODUCTION

In 2020, the world is battling with a Virus. The Virus had since been identified as a novel Coronavirus (nCOVID-19). It is an extremely infectious disease that affects the respiratory organ of a human. Due to the nature of the transmission, face to face human contact is highly discouraged. As the worldwide pandemic worsens, WHO has recommended that office workers to work from home in order to reduce mobility and virus transmission. Despite strong attraction to WFH implementation in the previous years, it was not widely adopted. Studies reported that the number of workers that are working from home generally remains under 10 % up until 2005 (Barr S. , 2005) with some as low as 3% (Barr & Henrich, 2005). Studies also have shown that there is an increasing interest amongst workers to work remotely from home full time instead of going to the office (Peter & den Dulk, 2003). Some mentioned that there is a lack of opportunity to work from home (Brocklehurst, 1996), but some also mentioned that the lack of productivity inhibits workers from fully committing to the WFH initiative. This resulted in workers returning back to more traditional office hours, stopped working altogether, or just simply come back to the office. These have been a problem of perceived performance during WFH. However, there is still limited studies in the Indonesian context to see the impact of various organizational factors to the perceived performance while working from home. For companies to fully implement WFH initiative, employee productivity during WFH must at least match or better compared to working in office. This study will try to determine which organisational factors that affect perceived productivity of employees in WFH. There will be three organisational factors studied, based on the problem identification above. The three organisational factors are, technical support, manager's trust, and HR support. This study will determine the effect of the organisational factors to employee perceived productivity in Working from Home.

2. LITERATURE REVIEW

There are many variables that impact employee's perceived productivity when working from home. These variables range from wide variables such as management culture to specific ones such as training for WFH, but for this study, only three variables will be researched. These three variables are also discussed in various literature and have profound impact on WFH situations. In the hypotheses discussed in the paper, "positive outcome" will be from the point of view of the employee who works from home.

TECHNICAL SUPPORT

Technical support is an integral part in the organisational culture for employees to receive support when needed. Computer networks are becoming more and more advanced, and it is an integral part of everyday work. Employees not only use it for work, and to communicate with other colleagues (Wellman, et al., 1996). Technical support represents an interesting form of knowledge work. The outputs of technical support are data, advice, plans, and diagnoses—all valued for their information content. Characteristics of technical support are often non-routine and time critical. For employees to be productive, they have to be able to communicate effectively with each other as well as other external parties. Technical support will help employees having difficulties with their computer or other technical aspects. A study highlighted that, the major contributing factors for employees leading to reduced productivity WFH are lack of communication and poor telecommunication environment relative to the workplace (Morikawa, 2021) . Technical support will be able to bridge the gap between home telecommunication environment and the workplace by helping users be able to fully use all the features of the telecommunication programme suggested by the workplace.

Based on the above explanation, that technical support has a significant impact on perceived productivity in WFH:

H1: More Technical support related to WFH is associated with more positive WFH outcome

MANAGER'S TRUST

Even though trust is difficult to be defined (Parkhe & Miller, 2000), in essence it refers to the willingness to make oneself more vulnerable under conditions of risk and independence (Mayer, Davis, & Schoorman, 1995). Trust is a complex and multidimensional phenomenon. It also has an important influence to develop an ambiance of spirit at work where employees are feeling engaging work where leaders are practicing altruistic love (Indrajaya, 2019; Indrajaya, Daryanto, Sjahrifa and Yeung 2019; Indrajaya, Zakaria, Balqiah, Rahmawati, 2020 Kinjerski, 2013). These trust takes a long time to build and can be easily damaged. There is a growing number of literatures that indicates that manager's trust is an important factor in determining employee productivity even though trust is a complex, multidimensional concept. Higher degree of trust between manager and employee have been linked positively with higher perceived productivity (Connell et al, 2003). If there is no trust between the manager and employee, managers tend to micromanage which further reduces trust and decreasing productivity.

Based on the above explanation, that manager trust has a significant impact on perceived productivity in WFH

H2: More trust from the manager to the employee is associated with more positive WFH outcome

HR SUPPORT

In recent years, some articles, books and studies have argued that HR needs to become a strategic partner (Ulrich, 1997) (Borcbank, 1999) for companies to increase productivity. Companies are experiencing big changes with major implications on how HR resources are managed. One of the most important changes is the speedy adoption of information technology that increases the complexity of modern organizations. Effective human capital management is extremely important to an organisation's success (Jackson et al, 2003).

One of the best ways to successfully implement WFH, monitor and increase productivity of employees is with the help of information technology. Generally, training for WFH employees revolves around information in technology use. Some may also include other topics, such as creating a home office environment, occupational health and safety (OHS), and organisational communication (Deeproose, 1999). Other studies suggested that training managers, co-workers and even informing household members of the WFH employee can have a positive outcome (Davenport & Pearlson, 1998). But some studies had proven this otherwise For this study, questions were restricted to general HR support.

Based on the above explanation, that HR support has a significant impact on perceived productivity in WFH

H3: More HR support related to WFH is be associated with more positive WFH outcomes

3. RESEARCH METHOD

The quantitative approach is used to examine a particular population or sample. Sampling techniques are usually carried out randomly, data will be collected using research instruments, and quantitative/statistical data analysis with the aim to test previously generated hypotheses (Sugiyono, 2015). This approach was chosen to describe the research variables in clear, measurable indicators, and the theories used in the form of cause-and-effect relationship with the hypothesis.

Primary data in this study were collected by distributing online questionnaires using Google forms which were then distributed through social media such as digital messaging applications such as Line and WhatsApp, in these study data collection techniques using questionnaires as research instruments, questionnaire is a set of written formulas questions answered by respondents (Sakaran & Roger, 2013).

The questionnaire method the researcher used consisted of a series of statements with choices answers that are already available, so that they are easily analysed into statistical data processing, questionnaires distributed were addressed to respondents from the sampling population, which was limited by the age range of more than or close to the most optimum productive age who are currently working from home and working for a company based in Jakarta, questions used in the questionnaire are closed ended question type of questions consisting of the scale used is a Likert scale, which is a measurement scale in the form intervals commonly used to measure a person's attitudes, opinions, or perceptions about social phenomena (Sugiyono, 2015) as well as multiple choice questions.

In this study, the sampling method used is non-probability sampling, which is a sampling technique that does not provide opportunities/equal opportunity for each element or member of the population to be selected as a sample (Sugiyono, 2015). The techniques used in this method is a incidental sampling that is taking respondents as samples based on a coincidence so anyone who happened to meet or interact with the researcher can be used as a sample if the person who happens to meet is a suitable source of data. Incidental sampling in this study refers to the criteria of respondents, employees who are working from office or from home in Jakarta. PLS analysis will be used to check validity and reliability of the questionnaire result as well as hypothesis testing. In summary, theoretical framework is shown below.

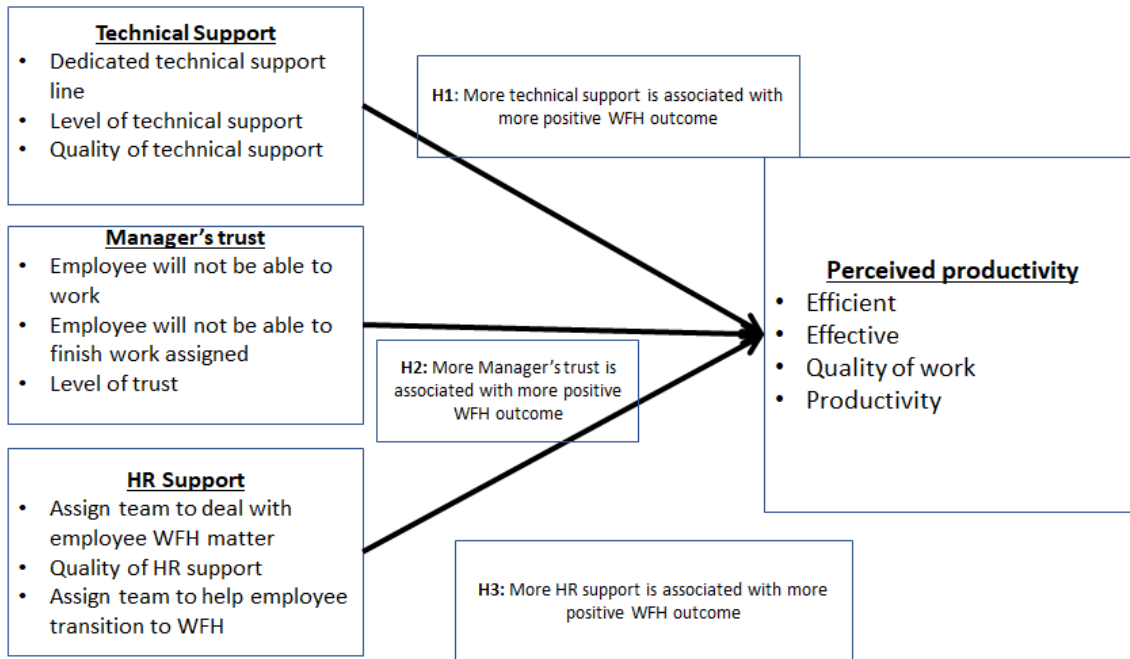


Figure 1. Theoretical Framework

4. RESULTS AND DISCUSSION

From the questionnaire, 68.9% of the respondents are male and 31.1% are female. 74% are aged above 36 years old. While more than 65% of them live with more than 2 people in the household, only 15.7% of them is living with children. 22.9% of the respondents are working in the finance sector, and the 18.9% is working in the infrastructure, utility, and transportation sector. And only 17% is working for a government owned company. SMART PLS Version 3.2 is used for further analysis. Results are shown below.

VALIDITY AND RELIABILITY TEST

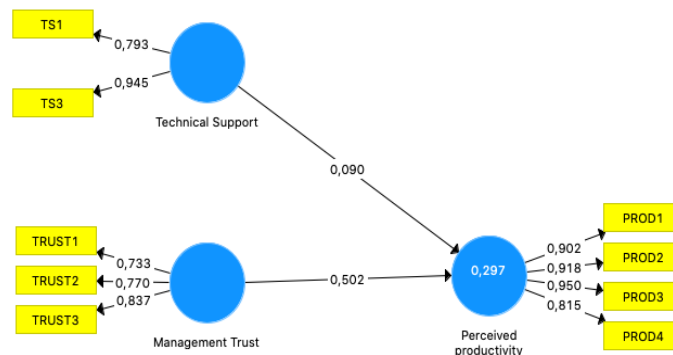


Figure 2. Validity and reliability test model

Initial test shows that HR support Cronbach alpha is lower than 0.7 which indicate that the questionnaire results for that variable is not reliable. Further analysis is done without HR support variable. The result of the analysis is shown in the figure above.

EVALUATION OF STRUCTURE MODEL

PLS-SEM estimates parameters with the purpose to maximize the explained variance of endogenous latent variables. The model is evaluated in terms of how well it predicts the endogenous variables. The basic criteria of evaluating the structural model in PLS SEM are collinearity, significance of the path coefficient, the level or R^2 , the F^2 effect size, and the predictive relevance of Q^2 . Results are shown in the table and figure below.

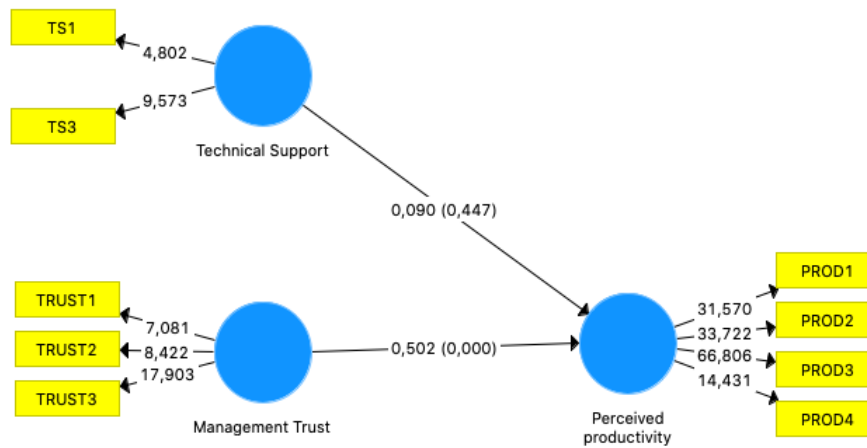


Figure 3. Structure model

In summary, the results of the structure model can be summarised in the table below.

Table 2. Structural model results

	Path coefficient	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Management Trust -> Perceived productivity	0,502	0,511	0,137	3,656	0,000
Technical Support -> Perceived productivity	0,09	0,102	0,118	0,761	0,447

H1: More Technical support related to WFH is associated with more positive WFH outcome

Results from validity and reliability test confirmed that the results are valid and reliable. But further analysis showed that the P-value for this variable is 0,447. The P-value is considered to be high and indicate that the variable does not have a significant impact on the dependent variable. Hence, this hypothesis cannot be accepted

H2: More trust from the manager to the employee is associated with more positive WFH outcome

Outer model PLS SEM simulation accepts that the questionnaire results to have a valid and reliable data. Therefore, the hypothesis is accepted. Inner model PLS SEM simulation shows the P-value for this hypothesis is 0,000. P value of less than 0,05 are considered to have significant effect on the dependent variable.

H3: More HR support related to WFH is be associated with more positive WFH outcomes

Outer model PLS SEM simulation does not accept that the questionnaire results to have a valid and reliable data due to the low Cronbach alpha. Therefore, the hypothesis cannot be accepted.

5. CONCLUSION

This study has several limitations, so it must be considered by future researchers First, in this study only three independent variables are studied. Those variables are technical support, managers trust, and HR support. In order to obtain more accurate and diverse data, more independent variables can be studied, such as management culture, individual work style, and many more.

Second, in this study the number of respondents for the questionnaire is 62 respondents. To produce more accurate research, it is highly recommended to increase the number of responders. So that more data can be collected reducing the margin of error.

Third, the sampling was limited to IPMI current students or IPMI alumni. IPMI students are generally professionals in their industry with more than 5 years of work experience. Because that they are working professionals, they tend to be able to work independently. Fourth, not all industries are represented in the study. Some industries, like manufacturing line or construction might not be a good industry to be analyzed. Employees have to be physically in their office in order for them to be productive.

The limitations above can provide a foundation for future studies to continue investigate the effects of other organizational variable on perceive productivity in a Work from Home environment. First, more population sample might be required to further improve the margin of error. Second, research can be carried out in a more focused industry so the questionnaire results will be more applicable to that industry. Third, research can be carried our using qualitative and quantitative method so the results can be more comprehensive.

Based on the analysis and the test on the hypothesis, the result of the research can be concluded that only H2 is accepted, which stated that more manager’s trust is associated with more positive WFH outcome

The result of this study provides empirical evidence that Management trust has a significant effect on perceived productivity for employees in WFH environment. This shows that the management trust generated from office policies such as micromanaging managers, technology to oversee employee activity during WFH plays an important role in increasing employee perceived productivity. This study confirms that management trust has a key role in increasing employee perceived productivity for employees

In addition to that, technological support does not have a significant impact in improving employee perceived productivity. It is originally thought that by making sure that employees have the best support can improve perceived productivity. So, employers make sure that employees have the best resources available to help boost productivity. But from this study, it shows that the variable having the most impact is the trust between managers and employees. Employees will perform better when there is a high level of trust between them and their managers. Micromanaging, and dis-trust from the managers that the employee will not be able to work or get distracted when they are working from home does not help improving employee productivity. Employers and managers need to build a sense of trust with their employees, and employees will be able to improve productivity with the level of trust given to them.

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