

CHAPTER TWO

REVIEW OF LITERATURE

2.1 THE DEFINITION OF EFFICIENCY

There are various definitions of efficiency as follows:

According to the Oxford Advanced Learner's Dictionary of Current English (2000), "efficiency" refers to the ability to work well and without wasting time or resource.

Another definition of "efficiency" is competence i.e. the ability to do something well or achieve a desired result without wasted energy or effort.

(http://encarta.msn.com/dictionary_1861607600/efficiency.html)

Amey (1969) defined the word "efficiency" in various ways. The term "efficiency" means different things to different people.

To an engineer efficiency may mean the ratios of output to machine capacity, while the accountant uses the ratio standard cost/actual cost, to measure the productivity efficiency of a firm or department.

Efficiency for the economist generally concerns the firm's success in producing as large as possible an output from a given set of inputs or a given output the same amount with the least inputs. It is called productivity or technical efficiency.

Efficiency is measured by profits in the sense of the organization of production in every firm.

2.2 ATTITUDE AND OPINION

Since in this study, the words "attitude" and "opinion" are used interchangeably. Both terms are defined below.

2.2.1 DEFINITION OF ATTITUDES

According to Wirut Sa-nguaywong, (วิรัช สงวนวงษ์วาน, 2547), as attitude is composed from various forms of judgments. Attitude develops on the ABC model (affective, behavioral and cognition). The affective response is a physiological response that expresses an individual's preference for an entity. The behavioral intention is a verbal indication of the intention of an individual. The cognitive response is a cognitive evaluation of the entity to form an attitude. Most attitudes of individuals are a result of observational learning from their environment. The link between attitude and behavior exists but depends on human behavior, some of which is irrational.

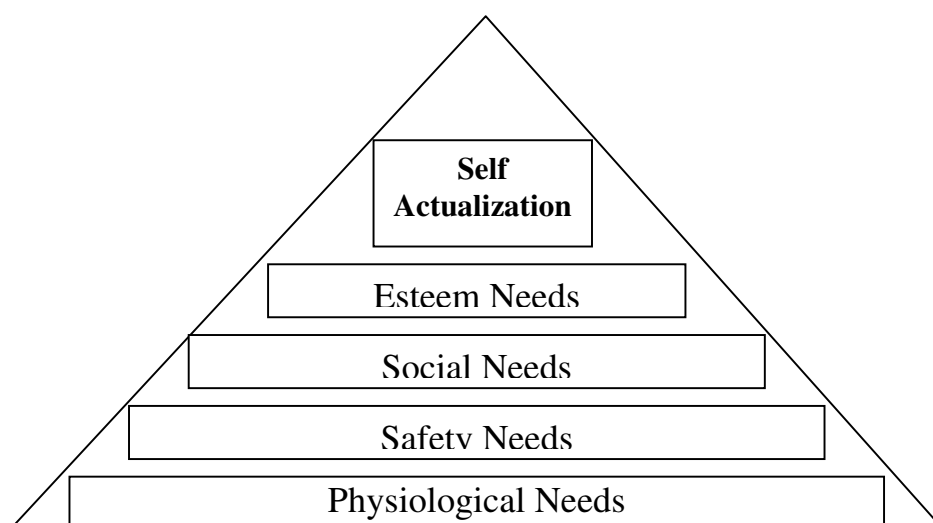
2.2.2 DEFINITION OF OPINION

Cambridge Learner's Dictionary (2005), defines opinion as a situation where people are asked questions to discover what they think about a subject. It is a belief or conclusion held with confidence but not substantiated by positive knowledge or proof.

2.3 CONCEPT AND THEORY ON MOTIVATION

Theory of Human Motivation

In general, everyone has his own motivation to fulfill his needs. According to Abraham Maslow's Need Hierarchy Theory (as cited in Korakot Mekchaidee, 2005), needs are divided into five categories as follows:



Physiological needs is the basic needs such as the needs for food, water, clothes and sleeping. These needs are the base for further needs which are:

1. Security and safety needs: the needs for physiological and mental security and stability.
2. Social needs: the need for giving and receiving love, acceptance in return from family, friends or others.
3. Esteem needs: the needs for strength, achievement, potentiality, confidence in living independently as well as fame, acceptance, power and praise from other people.
4. Self Actualization is the highest needs of humans.

Each person has different point of needs It is good if people could develop their potential to match their highest point of needs.

2.3.1 MEANING OF MOTIVATION

Preeyaporn Wonganuthroj (ปรียาพร วงศ์อนุตรโรจน์, 2535) defines motivation as a person's state of being driven to demonstrate a behavior toward a set purpose. The need for motivation on the job is therefore a person's endeavor for career advancement. Motivation directs an individual to show a behavior best responding to force under different circumstances. Behaviors are reflected by personal characteristics and environment.

Sroitrakun (Tueyanond), Attamana (สร้อยตระกูล (ติวยานนท์) อรรถมานะ, 2545) identifies motivation as a dynamic feeling resulting in behavior or action that is provoked by a driving power or motivation, as a desire to satisfy a goal or objective. The reach of a goal depends on an ability to respond to desire or to seek for satisfaction gained from such response.

Ekachai Kisukpanth's study (cited in Pongs Horadan, 2540) specifies motivation as all possible actions toward desired results. Motivation as an inner force drives a person to perform in order to meet the expectation of the organization. Therefore, the keystone of motivation is to achieve the need so it will drive action or behavior toward a desired goal.

According to Thad (2000) who received a Ph.D. degree in management, "Offer people something they want as an incentive to perform and they will work hard to get it" (p.4). Motivation is like the fuel that enhances the willingness and quality of a performance". He suggested "The Belief System Model" which is a process or chain of events as following:

Effort → Performance → Outcomes → Satisfaction
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From Thad's survey on employee levels of satisfaction with their job, he found out as follows:

1. Everyone's dissatisfied with parts of the job, which holds back their performance. Nevertheless, the core cause of dissatisfaction seldom involves money, promotion or job security.
2. The most frequently desired things were respect, being valued, meaningful work, feedback on performance, coaching, clear direction and expectations, praise and recognition, being kept informed, time for family, fair treatment, and a boss who cares.
3. However, they also get something they do not desire. They commonly mentioned long hours, fast pace, pressure, conflict, uncertainty, criticism, and stress.
4. Employees in the survey said that their dissatisfaction was a result of what their manager said and did, or failed to say and do.

The needs of workers and employers must be combined in order to get a good performance. Reward can be compensation such as money, things or other factors, which

may serve an individual's satisfaction, for example status, environment, value, attitude, or interest, etc.

Motivation is a technique that management must be fully aware of because it can effectively stimulate better performance.

2.3.2 TYPES OF MOTIVATION

Payom Wongsarasri (พะยอม วงศ์สารศรี, 2530) categorizes motivation into 2 types;

1. Intrinsic motivation: This is a person's state of desire to fulfill his or her needs. For this type of motivation, a person seeks a certain course of action in order to satisfy needs like interest, attitude, and desire. This is particularly valuable for the job as management does not need to pursue any motivational technique.

2. Negative motivation or the stick approach: This type of motivation requires coercion and punishment as a force to fulfillment. It refers to a factor like fear to compel employees. Disciplinary action, job rotation, demotion, and salary reduction are among the techniques for this type of motivation.

2.4 COMMUNICATION

To work and communicate effectively is crucial to your work success. Cheryl Hamilton (1997), stated that "The Oxford English Dictionary lists the Latin root of communicate as *communicare*, which means to make common to many, share. According to this definition, when people communicate, they express their ideas and feelings in a way that is understandable (common) to each of them" (p. 4). So, communication is the process of sharing thoughts, ideas, and feelings with each other in understandable ways.

A Communication network is also considered one of the basic elements involved in the communication process. It is helpful to know the kind of communication in your organization so that you will know where you are in the organization and how you should communicate with other people. A network represents how messages flow in an

organization. It includes four kinds of communications; Downward Communication, Upward Communication, Horizontal Communication and the Grapevine.

2.4.1 COMMUNICATION NETWORKS

1. Downward Communication: messages will flow from managers and supervisors to subordinates. In an organization that uses downward communication, people often communicate in written form. It could cause problems because it takes time to prepare and get feedback.

2. Upward Communication: messages will be flow upward from subordinates to supervisors and managers. This communication helps management know how their downward messages were received and interpreted by the employees correctly.

3. Horizontal Communication: messages will be flow between persons of the same rank or position to coordinate tasks.

4. Grapevine: it is an informal network which exists due to weaknesses in formal networks.

2.5 SELF-DEVELOPMENT AND CAREER ADVANCEMENT

Employees should have the enthusiasm to improve themselves by acquiring new skills, knowledge and ideas which could be applied to their job in order to fulfill their work proficiency. Career development leads to promotion in the future.

Herzberg's study (as cited in Sooksan Oopprachan, 2003) stated that when employees have low job efficiency, supervisors will normally develop the working environment or increase the salary. These ways could only satisfy employees but not motivate them to have a better performance. He recommended to focus on supporting career advancement of employees. To employees, being promoted is better than staying in the same position with only salary increments.

2.5.1 DEFINITION OF SELF-DEVELOPMENT

Praneet Tang-on (as cited in Korakot Mekchaidee, 2005) defined self-development as the enhancement of knowledge, proficiency, and understanding in order to apply them to one's job.

Vichian Kanrai (as cited in Korakot Mekchaidee, 2005) mentioned that career self-development means to have knowledge and capacity to enhance working skill by self-practicing. Therefore, career self-development means the enhancement of knowledge, competency, and the ability to work efficiently.

2.6 ENVIRONMENT

According to Wirut Sa-nguaywong (วิรัช สงวนวงศ์วาน, 2547) environments consist of External Environment and Internal Environment.

2.6.1 EXTERNAL ENVIRONMENT

A business converts inputs into outputs in order to make profit. However, the business does not exist in a vacuum; it exists within an external environment consisting of the actions of other players who are outside the business. The external environment is divided into 2 groups:

2.6.1.1 Specific Environment: which affects management decision making indirectly and immediately as customers, selling ,competitors and pressure groups etc.

2.6.1.2 General Environment : which affects every business type are as follow;

Competitors' actions affect the ability of the business to make profit, because competitors will continually seek to gain an advantage over each other, by differentiating their product and service, and by seeking to provide better value for money.

The economic system is the organization of the economy to allocate

scarce resources. The economy tends to go through periods of faster and slower growth. Businesses prosper when the economy is booming and living standards are rising.

The social system is the fabric of ideas, attitudes and behavior patterns that are involved in human relationships. In particular businesses are influenced by consumer attitudes and behaviors, which depend on such factors as the age structure of the population, and the nature of work and leisure.

The monetary system facilitates business exchange. Monetary activity is based around earning, spending, saving and borrowing. Money has been linked to the oil that lubricates the wheels of commerce. Monetary activity involves businesses in a web of relationships involving financial institutions (e.g. banks and building societies), creditors, debtors, customers and suppliers. A key monetary influence for business is the interest rate. Higher interest rates increase business costs and act as a brake on spending in the economy.

The political/legal system creates the rules and frameworks within which business operates. Government policy supports and encourages some business activities e.g. enterprise, while discouraging others e.g. the creation of pollution.

2.6.2 INTERNAL ENVIRONMENT

It is composed of the elements within the organization, including current employees, management, and especially corporate culture, which defines employee's behavior. Although some elements affect the organization as a whole, others affect only the manager. A manager's philosophical or leadership style directly impacts employees. Traditional managers give explicit instructions to employees, while progressive managers empower employees to make many of their own decisions. Changes in philosophy and/or leadership style are under the control of the manager. The following sections describe some of the elements that make up the internal environment.

2.6.3 WORKING CONDITIONS AND STRESS IN THE WORKPLACE

Locke (as cited in Aree Petpud, 1987) mentioned that the working condition includes a working environment. Working efficiency can be influenced by physical environments such as room temperature, humidity, light, noise as well as the location of where you work, etc. Besides, the time period of work and for having a break is one of the factors that make people work effectively.

Beehr and Newman (as cited in Sopa Chingchokchai, 2003) defined work stress as a “a condition wherein job related factors interact with workers to change (disrupt or enhance) his or her psychological or physiological conditions in a way that the person is forced to deviate from normal functioning”.

According to the International Council of Nurses (ICN),(2002) “Job stress is the harmful emotional and physical reactions resulting from the interactions between the worker and her/his work environment where the demands of the job exceed the worker's capabilities and resources” (http://www.icn.ch/matters_stress.htm)

2.6.4 EFFECTS OF STRESS IN THE WORKPLACE

Jackson and Schuler’s study (as cited in Dipboye, et al., 1994) revealed that the effect of stress in the organization can result in low job satisfaction, low organization commitment, low job involvement, poor job performance, low work productivity, high absenteeism and a high propensity to leave the company.

Kompier and Cooper (1999) pointed out that in many developed countries the total cost of workplace stress is estimated at about 10% of gross national product. Those costs result from sickness absence, labor turn over and premature retirement.

2.7 PREVIOUS STUDIES

Sopa Chingchokechai (2003) found out in her study “**Stess in the workplace, stressors and coping strategies: A case study of the fuel business management and finance division, Electricity Generating Authority of Thailand**, that nearly 80% of 60

participants had normal stress level, followed by mild stress level (15%). Only a very small number of participants had moderate stress (3.3%) and severe stress (3.3%). The majority of respondents who had a normal stress level were found to have high performance. Stress at this level will be beneficial to the success of their working life. When dealing with work stress, employees used both problem-focused and emotion-focused solutions. In conclusion, the researcher recommends that regular testing of stress level should be conducted to monitor the stress level of employees. Employers should pay attention and give support to individuals in order to prevent the devastating results of stress, which will affect the productivity of the employees.

Wanna Thangthavonsirikul (2006) conducted a study on factors that influence employees' work efficiency of 156 employees from operations up to management level at Sukhumvit Crown Co., Ltd.

It was found that the attitude of employees towards the overall managerial elements and overall work efficiency were at good level, also the overall motivation towards work was at moderate level. Some aspects of management especially of coordination, controlling, and external motivation had significantly positive effects on employees' work efficiency. However, the lack of motivation and interest in their jobs had negative effect on employees' work efficiency.