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The Relationship between Role Ambiguity, Competency and Person-Job Fit With the Job Performance of Employees in the Service Sector SMEs in Malaysia

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Abstract

This study was conducted to examine the relationship between role ambiguity, competency and person-job fit on the job performance of employees in the service sector SMEs. It was previously reported that role ambiguity, competency and person-job fit to have a significant relationship with the job performance of employees. Therefore, the focus of this study is to discover whether similar relationships do exist among the employees of the service sector SMEs in Malaysia. A quantitative method was employed and data were collected using mail survey. There were 1500 questionnaires distributed and 300 returned survey were deemed usable for further analysis resulted in 20 percent response rate. The result revealed significant relationships exist between role ambiguity, competency and person-job fit with the job performance of employees. At the same time, among all the three independent variables, role ambiguity had found to be the most important predictor to job performance as compared to competency and person-job fit.

Key words: Service sector SMEs, Job performance, Role ambiguity, Competency, Person-job fit

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INTRODUCTION

SMEs are regarded as critical especially when these businesses have been contributing to the growth and promoting competitiveness (Caniel & Romijn, 2005) of many nations. Concerning the Malaysian context, the Census on Establishments and Enterprises 2005 had revealed that 99.2 % or 518,996 of the business Establishments in Malaysia were made up of the SMEs (Department of Statistics, 2006). In addition, the service sector forms the largest sector of the SMEs establishments with 86.5% of the total SMEs Establishments (Department of Statistics, 2006). It generally includes the services, primary agriculture, information, and communication Technology (ICT). This primary economic contribution made by the SMEs to countries had given rise to the interest for researchers to examine the various obstacles that hinder their progress (Alasadi & Abdelrahim, 2008) and this includes problem of lack of productivity and skills among the SMEs employees (SMIDEC, 2002; Wang, 2003; Ting, 2004; UPS, 2005; Salleh & Ndubisi, 2006). Hence, enhancing their job performance is critical since highly performing individuals will be able to assist organizations to achieve strategic aims thus sustaining the organizations' competitive advantage (Lado & Wilson, 1994; Dessler, 2011).

PROBLEM STATEMENT

Even though the service sector SMEs has the highest employment, the labour productivity of the manufacturing sector over took the service sector SMEs at RM64, 089 with only RM47, 151 coming from the service sector (SME Annual Report, 2007). The job performance of employees in the service sector SMEs tend to be low due to lack of right skills (Salleh & Ndubisi, 2006). This perhaps supported by the fact that almost 72 percent of employment in the service sector SMEs were made up of those that receives education of *Sijil Pelajaran Malaysia (SPM)* and below, which may affect the ability of the employees to deliver expected standard of job performance due to lack of skills (Aris, 2007).This condition further illuminated the needs for investigation to be carried since on the contrary the total amount of employment in the service sector SMEs is of 2.2 million employees which is higher as compared to the manufacturing sector SMEs that have only 740,438 employees (SME Annual Report, 2007). Conceivably, further investigation on the job performance of those employees in the service SMEs would help to unfold the reasons accounted for the low level of labour productivity. Moreover, many past researches concerning SMEs tend to concentrate on the manufacturing industries (Buzzell & Gale 1987; Bartlett & Ghosal 1989). Thus, the needs in investigating the factors that could have help to increase the job

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performance of employees are important not only for organizational success but also to boost the service sector SME's productivity at the industry level.

Previous researches on employee job performance had shown that individual level factors like role ambiguity (Jackson & Schuler, 1985, Singh, 1993; Abramis, 1994; Bhuian, Menguc & Borsboom, 2005; Murkherjee & Maholtra, 2006; Lang, Thomas, Bliese & Adler, 2007), competency (Vakola, Soderquist & Prastacos, 1987; Spencer & Spencer, 1993; Vanthanopas & Thai-ngam, 2007; Hashim, 2008; Potluri & Zeleke, 2009;) and person-job fit (Caldwell & O'Reilly, 1990; Edwards, 1991; Hecht & Allen, 2003; Erdogan & Bauer, 2005; Behery, 2009) were able to affect the job performance of employees. Even though these past researches interest were on the determinants of job performance most of them were conducted in abroad, thus very little evidence exists to understand the job performance of employees in the Malaysian context. In addition, to the best of the author's knowledge, there have not been any past research that have considered using role ambiguity, competency and person-job fit as the constructs to conduct studies in relation to the service sector SMEs in Malaysia. Moreover analysing those variables in a multivariate framework would enable better understanding on the interactions that could exist between the variables with the job performance of employees. Since there were inadequate findings derived from those researches in relation to employee job performance, thus it would be useful to for this study to be carried out in the context of service sector SMEs in Malaysia.

Hence, the problem to be investigated in this research was to identify whether there is a relationship between role ambiguity, competency and person-job fit with the job performance of employees in the service sector SMEs in Malaysia as well as to identify which among the three variables has a greater interaction with job performance of employees. The organization of this paper is as follows. The next section will comprise of the literature review on job performance, role ambiguity, competency and person-job fit. The next component will be on the research methodology followed by data analysis, result, and end with a conclusion.

LITERATURE REVIEW

Job Performance

Job performance has always been regarded as important factor in employee management. Job performance has been associated with the ability of the individual employees realizing their respective work goals, fulfilling expectations as well as attaining job targets and/or accomplishing a standard that are set by their organizations (Eysenck, 1998; Maathis & Jackson, 2000; Bohlander et al., 2001).

Most people will immediately define job performance as what a person does at work. Different stages of job as well the complexity of a job can affect the overall performance of the jobholder (Murphy, 1989; Ackerman, 1997). This could mean that job performance as a construct can be defined in different ways due to the different stages and complexities of the job (Grubb, 1999). Sarmiento and Beale (2007) refer job performance as the result of two elements, which consist of the abilities and skills (natural or acquired) that an employee possesses, and his/her motivation to use them in order to perform a better job. Campbell et al (1993, pg. 40) define performance…"as synonymous with behaviour. It is something that people actually does and can be observed. By definition, it includes only those actions or behaviours that are relevant to the organization's goals and that can be scaled (measured) in terms of each individual's proficiency (that is, level of contribution). Performance is what the organization hires one to do, and do well" (Campbell, 1990). Even though there were many attempts to introduce various frameworks of performance, Campbell's definition of performance has been acceptable as the basic definition for performance (Borman et al., 1997; Motowidlo et al., 1997; Schmitt & Chan, 1998).

Theory of Performance

Campbell's (1990) model makes clear distinctions among performance components, performance determinants, and the antecedents of performance determinants. Performance components refer to the performance dimensions that constitute various parts of the overall job performance. Campbell posited that the performance components is a function of three performance determinants which are the declarative knowledge, procedural and skills knowledge and motivation (Campbell, 1990; Campbell et al., 1993: pg. 43) . These are the direct determinants of performance, which are the focus of this study.

In detail, declarative knowledge includes knowledge about facts, principles, goals and self-knowledge, which represents an understanding of a given task's requirements. Procedural knowledge

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and skill includes cognitive skills, psychomotor skills, physical skills, self-management skills, and interpersonal skills. Motivation is a combined effect from three choice behaviours: the choice to perform, the level of effort, and the persistence of the effort (Campbell et al., 1993). In other words, in order to perform the behaviours in one of the dimensions, a person needs to know what to do (absence of ambiguity), how to do it (having the right competency) and possess the desire (motivation) to do it. Nevertheless, this motivation factor was not specifically provided the model by Campbell as the model stated that whatever independent variables from a motivation theory could be considered according to individual preference. Person-job fit can be a reasonable predictor of motivation based on Campbell's model because individuals with high person-job fit have found to have positive outcome such as motivation (Edwards, 1991). Furthermore, the Congruence theory by Barrett (1978) as cited by Lawrence (2004) also defined person-job fit as the fit that may exists between individual preferences and the job requirements or the knowledge skills and ability (KSAs). Additionally, Edwards (1991) and Barrett's (1978) also stressed that the congruence that exist between one's preference and the KSAs leads to motivational outcome.

Role Ambiguity and Job Performance

Rizzo, House and Lirtzman (1970) contended that role ambiguity exist when an employee is not equipped with good understanding about his (her) responsibilities and having little knowledge if what is expected pertaining to his (her) job performance. Role ambiguity is commonly associated with employee work performance. When employees experience lack of role clarity or having role ambiguity, they tend to perform at lower levels (Bhuian, Menguc & Borsboom, 2005). Likewise, employees will be able to perform well should they have clear job understanding of what is expected and required from them (Babin & Boles, 1998). Although most research has found negative relationship between role ambiguity and job performance, the strength of association between role ambiguity and job performance varies widely according to types of occupation and performance measure (Jackson & Shuler, 1985).

The existing empirical research provides little support for the expected adverse effects of role ambiguity towards job performance. Though role ambiguity were found to have negative relationship with job performance (Lysonski & Johnson 1983; Behrman & Perreault 1984) , Jackson and Schuler's (1985) meta-analytic studies found the effect of role ambiguity on job performance is rather weak and this was further supported by similar findings by Fisher and Gitelson (1983), and Berkowitz (1980). Besides, studies by Bagozzi (1978), Hampton, Dubinsky and Skinner (1986), and Szilagyi (1977) have all found no association between role ambiguity and job performance, which is contradicting with the result done by Bagozzi (1980) where role ambiguity found to affect the job performance of employees. Given the above literatures that have resulted in mix findings and at the same time very little of past researches that have studied in the context of SMEs, thus it is hypothesized that:

Hypothesis 1: There is a significant relationship between role ambiguity and job performance

Competency and Job Performance

Competencies are useful in order to enhance human performance at work (Hoffman 1999). One of the most well-known definition of competency and used by many scholars would probably be on the work by Boyatzis (1982) where competency was described as underlying characteristics of an individual, which are causally (change in one variable cause change in another) related to effective job performance. Therefore a job competency may be a motive, trait, skill, aspect of one's self-image or social role, or a body of knowledge that an individual uses, and the existence and possession of these characteristics may or may not be known to the individual (Boyatzis,1982). McClelland (1973) claimed competencies and individual characteristics predicted successful job performance. Parry (1998) confirmed that competency correlates with job performance, which can be measured and enhanced through training. Similarly, job performance and competency have found to have positive relationship by Dhanakumars (2001) and Linders (2001). Similarly study by Heffernan and Flood (2000) found there is a positive relationship between competency and job performance while Armstrong (2006) suggested that competency could contribute to the high levels of performance between individuals as well as organization. Potluri and Zeleke (2009) had conducted a study among the fontliners revealed that most employees working at the front desk areas did not demonstrate most of the basic marketing competency indicators.

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Even though there were many past researches carried out in relation to competency, most of them were looking at ways to assess competencies using various types of competency modelling. At the same time it is also observed that although there were widespread use of competencies, very little empirical evidence have been found to show the linking between competency and performance (Boyatzis, 2008). Given the inadequate research on the relationship between the factor competency and job performance especially in the context of SMEs, thus it is hypothesized that:

Hypothesis 2: There is a significant relationship between competency and job performance

Person-Job Fit and Job Performance

Based on the work of conceptualization of fit by Munchinsky and Monahan (1987) and previous definitions by Kristof (1996) and Edwards (1991), person-job fit is hereby defined for the current study from the demand-abilities fit perspective as the matching that exist between the skills, knowledge and abilities of the employees in order to perform a specific job related tasks. Person job fit have found to be positively related to job satisfaction, organizational commitment, task performance and contextual performance, acceptance of job offer, tension reduction as well as intention to leave (Lauver & Kristof-Brown, 2001; Cable & DeRue, 2002; Saks & Ashforth, 2002; Cable & Edwards, 2004; Shin, 2004; Kristof-Brown et al., 2005; Greguras & Diefendorff, 2009). Anyhow Kristoff et al. (2005) found that when person-job fit and person-organization fit were tested on job performance, the study demonstrated person-job fit having has a modest correlation with overall performance. Besides that, in relation to other attitudinal outcome, person-job fit is still demonstrating higher correlation than person-organization fit (Saks & Ashforth, 1997; Kristoff-Brown, Jansen & Colbert, 2002).

Even though studies have found that person-job fit can have influence on job performance, the amounts of research are still limited (Mosley, 2002). In addition given the variations in results on the relationship between person-job fit and job performance (Edwards, 1991), studies on the relationship between person-job fit and job performance has therefore yet to come to similar agreement (Taylor, Locke, Lee, & Gist, 1984; Conte et al., 1999). Similarly past studies on the link between person-job fit and performance have contained mixed results (Lauver & Kristof-Brown, 2001; Cable & DeRue, 2002; Greguras& Diefendorff, 2009), thus the next hypothesis is to determine whether:

Hypothesis 3**:** There is a significant relationship between person-job fit and job performance.

METHODOLOGY

Design of Study

A mail survey was carried out in order to collect data from employees who are currently working the service sector SMEs who forms the unit of analysis for this research. There were 1500 questionnaires distributed to the respondents in their workplace by using systematic random sampling method. Each variable is measured using previously developed instrument as follows with a 7-point Likert scale for all the measurements used ranging from (1) - strongly disagree to (7)-strongly agree. Job performance was adopted from William and Anderson (1991) with 6 items; role ambiguity was adopted from Rizzo et al. (1970) with 6 items; competency was adopted from the work of Bajunaid (2008), Rainsbury, Hodges, Burchell and Lay (2002), Spencer and Spencer (1993), Meade and Andrews (1994) and Sweeney and Twomey (1997) using 24 items and person-job fit was adopted from Lauver and Kristof-Brown (2001) with 6 items.

The reported reliability for these instruments fulfilled the threshold Cronbach's alpha value of 0.7 (Nunnally, 1978) which comprised of 0.91 for job performance, 0.78 to 0.81 for role ambiguity, 0.91 to 0.96 for competency and 0.79 for person-job fit. There were also questions on the background of respondents comprised of questions on gender, age, ethnic, qualification, occupational sector, working experience and tenure of service. Pre-test of the measurements was conducted among 30 respondents working in the service sector SMEs in order to determine the reliability of adopted measurement. The Cronbach's alpha value for job performance (after deletion of 2 items) was 0.865 while the other variable recorded 0.736, 0.897 and 0.910 respectively for role ambiguity, competency and person-job fit.

Population and Sampling

It is common to see many past researches on SMEs in Malaysia (e.g. Deros, Yusof & Salleh, 2006; Alam & Ahsan, 2007; Che Rose, Kumar & Lim, 2006; Lai, 2006) focused on either the manufacturing, service sector SMEs or the entire sector as whole. This is because even though there are many SMEs founds in each industry type (manufacturing or service), they are mostly very tiny in size thus their

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numbers may not indicate much about their relative importance by type of business (Hashim, 2000). Taking from this perspective, the investigation for the present study on the job performance of employees will be carried out mainly on the service sector SMEs in entirety thus making no distinction within the sub-sectors in the services' component.

Under the systematic random sampling technique, a sample is chosen by selecting a random starting point and then picking every K^{th} element in succession from the sampling frame (Hair et al., 2006). In order to determine the population of this study, reference was made to a sampling frame that is obtained from the SME business directory (www.smeinfo.com.my). Total elements for the entire population based on the sampling frame was amounted to 27635 employees which is based on the definition given by the central bank of Malaysia in which a service SME will have a minimum of 5 to a maximum of 50 employees (Bank Negara Malaysia, 2005). Thus the minimum required sample size as suggested by Krejcie and Morgan (1970), with a population of N = 27635 are379 employees. The total number of service SMEs available in Malaysia is shown in Table 1.

Insert table 1 here

DATA ANALYSIS

There were 1500 questionnaires mailed to the respondents. As a result, 180 responses were collected in the first wave while the remaining 144 responses were obtained in the second wave after attempts were being made to remind the respondents about the survey. Out of the 324 responses that were obtained, 24 were found to be unusable due to they were either not completely answered (incompleteness) or some of the sections having items non-response. Eventually, only 300 responses deemed to be usable resulting in 20 percent response rate. This response rate is considered as reasonable since most of the survey done in Malaysia generated a response rate that falls between 10 percent to 20 percent (Ramayah, Yan & Sulaiman, 2005) with Lai (2006) obtained 17.5 percent, Ramayah et al. (2005) recorded 27 percent while Ainin, Kamarulzaman, Farinda & Azmi (2010) obtained a total of 15 percent of response rate.

All collected responses were properly examined before they were coded into SPSS version 18.0. Data screening process was done to ensure that questionnaires obtained were appropriate for the research in terms completeness or missing responses. Initial analysis had also been conducted in order to test the normality of data. It was then followed by factor analysis and reliability and subsequently, the data was subjected to descriptive analysis and inferential analysis consisted of correlation and hypothesis testing.

Since there were differences in the wave of collecting the data, a non-response bias test is therefore necessary. A non-response bias test was conducted on the 300 usable responses in which 180 responses that was obtained first is regarded as the first wave responses while the remaining 120 late responses was treated non-respondents which forms the second wave responses as according to the assumption by Armstrong and Overton (1977). Based on the t-test for equality of means and at p value < 0.05, the result showed there was no significant difference between those responses that were obtained from the first wave with those that were obtained from the second wave. Through the outlier test, the Mahalanobis D^2 scores suggested five respondents as outliers, thus to be omitted. Hence, 295 respondents were valid to be used for further analysis.

In order to test the construct validity of the measurements for this study, factor analysis was utilized. In testing whether factor analysis is suitable for testing the construct validity, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and the Barttlet's Test of Sphericity were used. Therefore, if the KMO values is greater than 0.6 (Coakes, Steed & Ong, 2009), and the Bartlett's test of sphericity is large and significant ($p<0.05$) (Hair et al., 2006), factorability is then considered as possible. Once factor analysis was carried out, items with factor loading that is greater than 0.3 will be used to represent a factor since it is regarded as the threshold to meet the minimal level for interpretation of structure (Hair et al., 2006). Thus, factor analysis was carried out on all the variables used in this study.

Table 2 shows the result for factor analysis of job performance. Items were chosen to identify with a factor with loadings greater than 0.3 according to the guideline by Hair et al. (2006). According to Kline (1994), when factor loading is greater than 0.6, it can be considered as high while any factor loading that is greater than 0.3 are regarded as moderately high. Thus, job performance had all four questions

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loaded onto a single factor with eigenvalue more than 1.0. The single factor extracted 71.13 percent of the total variance in response. The result is shown in Table 2. At the same time, a scree plot had also proposed a single factor solution (see Figure 1). The factor loading had all found to be greater than 0.6 indicating good correlation between the items and the factor grouping they belong to.

Insert table 2 here

Insert figure 1 here

Role ambiguity had all six questions loaded onto a single factor with eigenvalue more than 1.0. The single factor extracted 61.84 percent of the total variance in response. The result is shown in Table 3. The scree plot for role ambiguity also suggested that a single factor solution (see Figure 2).

Insert table 3 here

Insert figure 2 here

Meanwhile competency's initial result showed that the twenty-four items were loaded onto two factor with eigenvalue for component 1 having eigenvalue of 13.187 and component 2 with eigenvalue of 1.064 (see Table 4). Fourteen questions were loaded onto the first factor and ten questions on the second factor. The total percentage variance of factor 1 is 54.945 and 4.432 for component 2. At the same time, the scree plot (see Figure 3) has also suggested a two-factor solution for the competency variable. A varimax rotation was used in order to improve the interpretation as compare to the initial unrotated factor solution (Hair et al., 2006). Thus through the factor analysis, competency variable had resulted in having two dimensions which had been categorized as job/technical competency and behavioural competency as suggested by Birkett (1993).

Insert table 4 here

Insert figure 3 here

Finally, person-job fit had all six questions loaded onto a single factor with eigenvalue more than 1.0. The single factor extracted 62.97 percent of the total variance in response. The result is shown in Table 5. The scree plot for person-job fit had also suggested a single factor solution (see Figure 4).

Insert table 5 here

Insert figure 4 here

Once the factor analysis had been done, it is necessary carry out a reliability test again on all the instruments. It was found that all the variables had adequate level of internal consistency ranging from 0.86 (for job performance), 0.88 (for role ambiguity and person-job fit); 0.91(for behavioural competency) to 0.95 (for job/technical competency), which all met the threshold of 0.7 as suggested by Nunnally (1983).

FINDINGS

Table 6 shows the distribution of the respondents according to their profiles. Mahalanobis D^2 scores suggested five respondents to be omitted. Hence, the remaining 295 respondents were tested in the study. Majority of them were females (53.6%) compared to males (46.4%). Most of them were aged between 19 to 30 years old (46.2%) and between 31 to 40 years old (30.5%). More than a half was Chinese (58.0%), compared to Malay (20.3%) and Indian (14.9%). The rest were other races, including *Bumiputera* from Sabah and Sarawak.

The respondents were attached to various business sectors. Most of them were from education sector (14.9%), restaurant (14.6%) and professional services (14.2%). Only 11.2 percent of the respondents had work less than 1 year. Majority of the respondents were also found to finish their tertiary education from diploma (21.7%), bachelor degree (30.5%) and post graduate (9.8%).

Insert table 6 here

Table 7 presented the inter-correlations that between all the variables in this study. The level of significance was at 5 percent (0.05) which is generally accepted conventional level in social sciences research (Sekaran & Bougie, 2009). Thus in testing the hypotheses, null hypotheses will be rejected if the significance p value is less than 0.05 which indirectly means the alternate hypotheses will be accepted, while the opposite will take place should the significance p value is greater than 0.05.

Insert table 7 here

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Table 7 also indicated that job performance was positively correlated with the competency construct (r = 0.549, p<0.01) and its dimensions of job competency (r = 0.547, p<0.01) and behavioural competency (r = 0.510, p<0.01) and with person-job fit (r = 0.478, p<0.01). However, job performance is negatively correlated with role ambiguity (r = -0.686, p<0.01). Based on this analysis, it can be suggested that job performance of employees in the service sector SMEs had a strongest association with role ambiguity, followed by competency that is stronger than person-job fit. Analysis of from Table 7 had also indicated that all the correlations among the variables are generally considered as moderately low which is less than 0.7, thus according to Nunnally and Bernstein (1994), these conditions may also indicate that the potential occurrence of multicollinearity among the independent variables are low.

Table 8 describes the correlation matrix between job performance and role ambiguity. It was found that correlation matrix (r) is -0.686 and significant value (p) is less than 0.01. Hence it was concluded that there was a significant relationship between job performance and role ambiguity (r=-0.686, p<0.01). According to Davis (1971), this relationship was strong when the 'r' was ranged from 0.50 to 0.69. Thus, the result supports hypothesis H1 that there is a significant relationship between role ambiguity and job performance.

Insert table 8 here

Table 9 shows the relationship between competency and job performance together with its two dimensions resulted from factor analysis. Result from the Pearson correlation found that there was significant relationship between competency and job performance (r=0.549, p<0.01). Further inspections of two dimensions of competency had also shown that both of the dimensions were significantly related to job performance. Job/technical competency was significant at r=0.547 and p<0.01; while behavioural competency was significant at r=0.518 and p<0.01. Thus, hypothesis related to H2 was supported as well as the two competency dimensions, which found to be correlated to job performance.

Insert table 9 here

Table 10 on the other hand examines the relationship between person-job fit and job performance. It is found that there was also a significant relationship between job performance and person-job fit (r=0.478, p<0.01). Davis (1971) stated that when the 'r' ranged ±0.30 to ±49, it shows moderately strong relation among the variables. Hence, this study found evidence to support H3.

Insert table 10 here

Table 11 shows the integration of independent variables and job performance as a dependent variable using the multiple regression approach. Consequently role ambiguity, competency and person-job fit were found to give a high impact to job performance for 50.9 percent (R^2=0.509, F=100.651, p<0.01). In order to determine which among the three independent variables plays an important role in influencing the dependent variable, reference was made to the regression coefficients. In view of the similarity of measurement scaled utilized in this study, the standardized regression coefficient Beta was used as suggested by Hair et al. (2006).

Inspection on Table 11 however shows that only two variables can be a significant indicator to job performance. This referred to role ambiguity (B= -0.522, t=9.643, p<0.01) and competency (B=0.198, t=3.746, p<0.01). Contrary to the finding during the bivariate analysis in which person-job fit had been found to be significantly related to job performance (see Table 10), the multiple regression analysis found to be an insignificant indicator to job performance as compared to the other two variables in a multivariate context. Role ambiguity was also found to have higher 'B' value compared to competency and person-job fit. Hence, this study suggested that among the three independent variables studied, role ambiguity gave more effect towards job performance, compared to competency while the effect of person-job fit on the job performance of employees seems to be diminishing with the present of the other two variables.

In addition, it is also important to assess the multicollinearity among the independent variables. It is important that in a multiple regression model, it should be fee from multicolinearity problem among the independent variables or else estimation of the regression coefficient cannot be made (Sekaran & Bougie, 2009). Inspection of *variance inflation factors* (VIF) measure from Table 11 indicated it is less than the recommended thresholds value of 10 (VIF <10) indicated that this model is free from multicollinearity problem (Hair et al. 2006).

Insert table 11 here

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DISCUSSIONS

This study was carried out among the employees who are currently working in the service sector SMES in Malaysia. This study explored whether there were significant relationships between three independent variables, which comprised of role ambiguity, competency and person-job fit and the job performance of employees in the service sector SMEs. At the end of the data collection period, there were 300 responses obtained which resulted in 20 percent response rate.

It was revealed that there was a significant relationship between role ambiguity and job performance of employees working in the service sector SMEs. According to role theory by Kahn et al. (1964), role ambiguity (lack of the necessary information with regards to a given position), will resulted in a job holder engaged in a coping behaviour in an attempt to solve an unclear tasks in a move to overcome stress which in turns will distort the reality of the job requirements. This will then lead to a person feeling dissatisfied with his role, experiencing anxiety and thus perform less effectively. Furthermore, the result from the hypothesis had also found that role ambiguity to be negatively related to job performance in accordance with past researches (e.g. Kahn et al., 1964; Singh, 1993; Jackson & Schuler, 1995; Bhuian, Merguc & Borsboom, 2005; Chang & Chang, 2007). In other words, when the level of role ambiguity increases, the level of job performance of employees will reduce as employees will not be able to cope with given tasks and thus perform less effectively. The reason for this finding can be explained that by the fact employees in a service setting are particularly susceptible to role ambiguity especially those in SMEs context as they generally received little training and with minimal supervision (Dubinsky & Mattson, 1979). Furthermore, Price (1994) found that small firms tend to have less formal HRM practices, which can also be seen in their training exercises for employees. This could be due to SMEs having shorter line of communication, thus problems tend to be solved faster and ease of readjustment may be experienced.

This study also revealed that all the hypotheses in relation to competency were well supported. The results showed that competency was significantly positively related to job performance. Similar results were also found between job/technical competency and behavioural competency with job performance of employees in the service sector SMEs. This result was consistent with Dhanakumars (2001), Linders (2001), Tzeng (2004) and Munene (2007). Past researches that had obtained similar findings had all come to term that in order for employees to perform well in their job, it is very important for them to be competent. MCClelland (1973) had concluded that job performance of employees could be predicted by their competencies. Consequently, it can be concluded that if the employers from service sector SMEs intend to improve the job performance of their employees, issue related to employees' competencies must be taken into consideration.

In addition, the correlation results also revealed that there was a significant positive relationship between person-job fit and job performance. Person-job fit was defined as the compatibility that may exist between a person and the specific job demand (Kristoff, 1996, Cable & DeRue, 2002). As explained by Caudron (1997), an employee would like to have jobs that is significance and meaningful and able to provide satisfaction internally as well as with external rewards. Thus, the findings of this study suggested that when there are fit between employees with the job that they are doing, they would tend to exert more effort in carrying out their duties, which then leads to greater job performance level.

At the same time, role ambiguity, competency and person-job fit were found to give a high impact to job performance for 50.9 percent (R^2=0.509, F=100.651, $p<0.01$). In order to determine which among the three independent variables plays an important role in influencing the dependent variable, reference was made to the regression coefficients. Result showed that only two variables can be a significant indicator to job performance, which comprised of role ambiguity (B= -0.522, t=9.643, $p<0.01$) and competency (B=0.198, t=3.746, $p<0.01$) while person-job have found to be relatively less important as compared to role ambiguity and competency in a multivariate context in predicting job performance of employees. Role ambiguity was also found to have higher 'Beta' value compared to competency and person-job fit. Hence, this study suggested that among three independent variables studied, role ambiguity gives more effect towards job performance, compared to competency and person-job fit.

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FUTURE RESEARCH

One of the future studies should look into carrying a comparative study between the service and the manufacturing SMEs in Malaysia in order to determine any difference exist in the factors that influenced the job performance of employees from the service sector with those employees from the manufacturing sector. The knowledge obtained from such research will permits policy makers to put in a more concerted effort in trying to enhance the job performance of employees in their effort to boost the employee productivity. Albeit person job fit found to be relatively less important as compared to role ambiguity and competency in a multivariate context, it was significantly related to job performance in a bivariate correlation. This study could not reveal the reason (s) behind the diminishing effect of person-jib fit on the job performance of employee in the presence of role ambiguity and competency, so it may need to be further investigated. Future research could also investigate whether person-job fit will be a suitable intervening variable in relation to the relationship between role ambiguity, competency and job performance.

CONCLUSIONS

The result of this study had shown that there is significant relationship between role ambiguity, competency and person job fit with the job performance of employees working in the service sector SMEs. This study also provides a good source for policy makers at either the organizational level or governmental level to look for ways to enhance the job performance of employees either through better human resources policy as well through training and development program. Therefore based on this finding, it is important to note that in an effort to improve the job performance of employees, problem of role ambiguity must be first countered before embarking on improving the competency of the employees. The possible reason for this finding was that an employee will not be able to perform well should they were not equipped first with the knowledge related to the job or tasks that they were asked to do. Not having good understanding on the role that they were supposed to play will give rise to less effective job performance. Only after having known what their roles are, employees will be keen to improve their skills and abilities, in which they can see the connections with the role that they are playing. The result from the multiple regression may had also indicated that role ambiguity was imperative to job performance along with competency while person-job fit appeared to be less importance with the presence of these two factors. Nevertheless, person-job fit had received well-documented results to have effect on the job performance of employees (e.g. Lauver & Kristof-Brown, 2001; Saks & Ashforth, 2002; Shin, 2004; Kristof-Brown et al., 2005; Greguras & Diefendorff, 2009), thus should not be taken lightly.

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Table 1: Number of services SMEs (including ICT) in Malaysia as of March 2011

States	Number of service SMEs (including ICT)
Perlis	24
Kedah	205

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Perak	267
Penang	351
Kelantan	115
Trengganu	142
Pahang	178
Selangor	1686
Wilayah Persekutuan KL	1248
Wilayah Persekutuan Putrajaya	24
Wilayah Persekutuan Labuan	20
Melaka	163
Negeri Sembilan	156
Johor	467
Sabah	243
Sarawak	238
Total	**5527**

Source: SME Business Directory (2011)

Table 2: Summary of factor loading for job performance

Question	Component
	1
JP1 completes assigned duties	0.868
JP2 fulfil responsibilities according to job descriptions	0.878
JP3 able to perform as expected	0.853
JP4 meet the formal performance standards	0.770
Eigenvalues	2.845
Percentage of variance explained = 71.13 %	
KMO =0.814	
Bartlett's Test of Sphericity:	
Approx. Chi-Square = 562.505	
df= 6	
Sig =.000	

Figure 1: Scree plot for job performance

Table 3: Summary of factor loading for role ambiguity

Questions	Component

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	1
RA1certain about job authority	0.673
RA2 clear goals and objectives for job	0.837
RA3 have divided time properly	0.776
RA4 known about responsibilities	0.83
RA5 known about what is expected	0.821
RA6 explanation given are clear	0.769
Eigenvalues	3.711
Percentage of variance explained = 61.84 %	
KMO =0.898	
Bartlett's Test of sphericity:	
Approx. Chi-Square = 791.708	
df= 15	
Sig =.000	

Figure 2: Scree plot for role ambiguity

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Table 4: Summary of factor loading for competency

Questions	Component 1	Component 2
C1 teamwork & cooperation		**0.371****
C2 flexibility	**0.714***	
C3 relationship building	**0.581***	0.482
C4 computer literacy	**0.650***	0.422
C5 conceptual thinking	**0.660***	0.465
C6 technical expertise	**0.531***	0.495
C7 organizational awareness	**0.540***	0.505
C8 order, quality & accuracy	0.529	**0.606****
C9 impact & influence on others	0.488	**0.529****
C10 initiative	0.486	**0.621****
C11 customer service orientation	**0.583***	**0.425**
C12 developing others	0.41	**0.639****
C13 directiveness		**0.822****
C14 team leadership		**0.792****
C15 analytical thinking	0.462	**0.671****
C16 self-control	**0.642***	0.353
C17 organization commitment		**0.661****
C18 ability & willingness to learn	**0.681***	**0.414**
C19 interpersonal understanding	**0.741***	
C20 self confidence	0.494	**0.510****
C21 personal planning & org skills	**0.649***	0.399
C22 written communication	**0.720***	
C23 information seeking	**0.807***	
C24 achievement orientation	**0.796***	
Eigenvalues	13.187	1.064
Percentage of variance explained = 59.38%		
KMO =0.957		
Bartlett's Test of sphericity:		
Approx. Chi-Square = 5235.586		
df=276		
Sig =.000		

* regroup under cognitive (job/technical) competency
**regroup under behavioural competency

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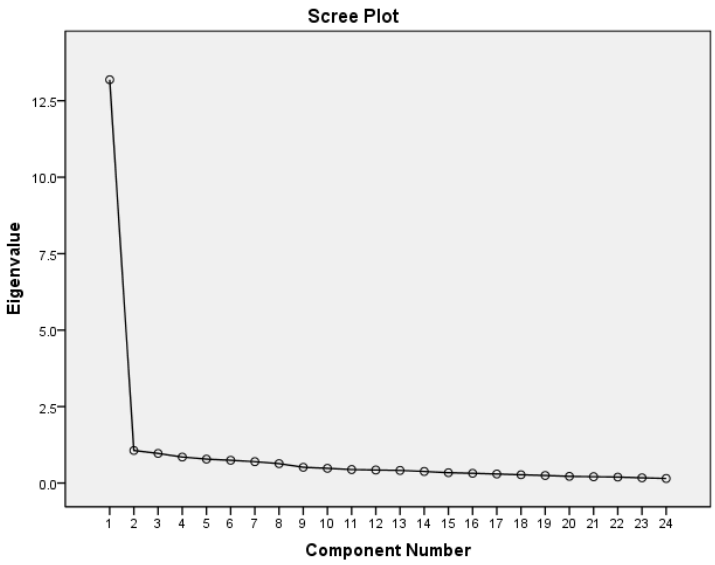

Figure 3: Scree plot for competency

Table 5: Summary of factor loading for person-job fit

Questions	Component
	1
PJ1 goof fit bet job and what being looked for	0.747
PJ2 attributes looked for fulfilled by present job	0.829
PJ3 job gives everything that is expected	0.779
PJ4good match between job demand and skills	0.796
PJ5 abilities & training fit with job requirement	0.77
PJ6 personal abilities & edu match with job demand	0.837
Eigenvalues	3.778
Percentage of variance explained = 62.97 %	
KMO =0.876	
Bartlett's Test of sphericity:	
Approx. Chi-Square = 848.23	
df=15	
Sig =.000	

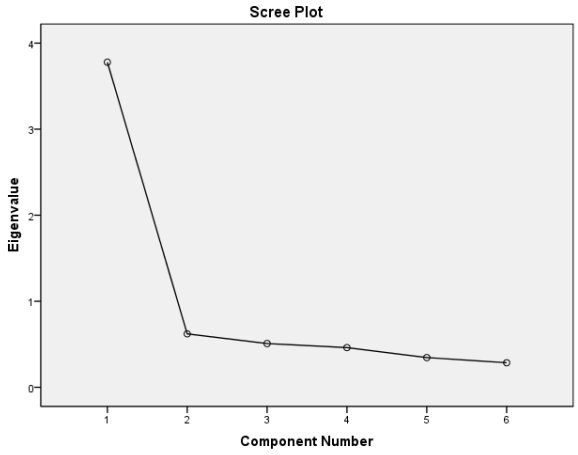

Figure 4: Scree plot for person-job fit

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Table 6: Background of the respondents

	Frequency	Percentage
Gender		
Male	137	46.4
Female	158	53.6
Age		
Under 19	15	5.1
19 to 30	145	49.2
31 to 40	90	30.5
41 to 50	33	11.2
Above 50	12	4.1
Ethnic		
Malay	60	20.3
Chinese	171	58.0
Indian	44	14.9
Bumiputera Sabah or Sarawak	6	2.0
Others	14	4.7
Business Sector		
Retailers	28	9.5
Wholesaler	12	4.1
Transport & equipment	12	4.1
Professional service	42	14.2
Consultancy services	17	5.8
Education	44	14.9
Hotel	11	3.7
Computer services and communication	31	10.5
Restaurants	43	14.6
Selected services	21	7.1
Financial services	11	3.7
Real estate activities	11	3.7
Health	12	4.1
Working experience		
< 1 year	33	11.2
1 to 5 years	120	40.7
6 to 10 years	70	23.7
> 10 years	72	24.4
Education		
SRP/PMR or below	35	11.9
SPM/MCE/O-Level	52	17.6
STPM/HSC/A-Level	25	8.5
Diploma Level	64	21.7
First Degree	90	30.5
Postgraduate	29	9.8

Table 7: Correlation matrix of the variables

		1	2	3	4	5	6
1.Job performance	Pearson Correlation	1	-.686**	.549**	.547**	.518**	.478**
	Sig. (2-tailed)		0	0	0	0	0
	N	295	295	295	295	295	295

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2. Role ambiguity	Pearson Correlation	-.686**	1	-.585**	-.575**	-.573**	-.550**
	Sig. (2-tailed)	0		0	0	0	0
	N	295	295	295	295	295	295
3. Competency	Pearson Correlation	.549**	-.585**	1	.977**	.925**	.521**
	Sig. (2-tailed)	0	0		0	0	0
	N	295	295	295	295	295	295
4. job_comp	Pearson Correlation	.547**	-.575**	.977**	1	.850**	.522**
	Sig. (2-tailed)	0	0	0		0	0
	N	295	295	295	295	295	295
5. behav_comp	Pearson Correlation	.518**	-.573**	.925**	.850**	1	.478**
	Sig. (2-tailed)	0	0	0	0		0
	N	295	295	295	295	295	295
6. Person-job fit	Pearson Correlation	.478**	-.550**	.521**	.522**	.478**	1
	Sig. (2-tailed)	0	0	0	0	0	
	N	295	295	295	295	295	295

**. Correlation is significant at the 0.01 level (2-tailed).

Table 8: Relationship between role ambiguity and job performance

	Job performance (r)	Sig.
Role ambiguity	-0.686	.000

Table 9: Relationship between competency and job performance

	Job performance	
	r	*Sig.*
Competency	0.549	0.000
Job/technical competency	0.547	0.000
Behavioural competency	0.518	0.000

Table 10: Relationship between person-job fit and the job performance

	Job performance (r)	Sig.
Person-job fit	.478	.000

Table 11: Effect of role ambiguity, competency and person-job fit to job performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
		B	Std. Error	Beta			
1	(Constant)	5.547	0.397		13.97	0	
	Role ambiguity	-0.504	0.052	-0.522	-9.643	0	1.739
	Competency	0.173	0.046	0.198	3.746	0	1.664
	Person-job fit	0.082	0.048	0.087	1.699	0.09	1.569

R^2 =0.509
F =100.641
Sig. = 0.000

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