

# IMPERATIVENESS

## AND IMPLICATIONS OF MODERN WORK PRACTICES ON EMPLOYEE PERFORMANCE IN MALAYSIAN CONSTRUCTION INDUSTRY

### IMPERATIVIDAD E IMPLICACIONES DE LAS PRÁCTICAS LABORALES MODERNAS EN EL DESEMPEÑO DE LOS EMPLEADOS EN LA INDUSTRIA DE LA CONSTRUCCIÓN DE MALASIA

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#### ABSTRACT

The construction industry plays a significant role in developing a country's economy. However, the success in this sector largely depends upon the performance of its human resources engaged in different functions. The rapidly developing countries like Malaysia are primarily focusing on improving their infrastructure, ultimately giving rise to a boom in the construction industry, though still, not many studies focused on performance management via a modern working environment. Nonetheless, the present COVID-19 pandemic has driven industries to implement new/modern working methods, but it has yet to be assessed whether the new practices have changed job performance. Dwelling on that, this study explores the modern working possibilities, including flexible work schedules, sabbaticals, and telecommuting, as critical factors affecting employee performance engaged in the construction industry. The data was collected via a survey in Malaysia and then statistically analyzed Structural Equation Modelling. The findings suggest flexible work practices and sabbaticals as critical factors deemed to improve employee performance especially during the recent pandemic of COVID-19. Furthermore, telecommuting is identified as another assertive factor affecting construction performance. Thus, this study will serve as the baseline to further explore the role of these important performance attributes on construction as well as other industries.

**Keywords:** flexible work practices, sabbaticals and telecommuting, employee performance, construction industry.

#### RESUMEN

La industria de la construcción juega un papel importante en el desarrollo de la economía de un país. Sin embargo, el éxito en este sector depende de en gran medida del desempeño de sus recursos humanos dedicados a diferentes funciones. Los países de rápido desarrollo como Malasia se están enfocando principalmente en mejorar su infraestructura, lo que en última instancia da lugar a un auge en la industria de la construcción, aunque aún no hay muchos estudios centrados en la gestión del rendimiento a través de un entorno de trabajo moderno. No obstante, la actual pandemia de COVID-19 ha llevado a las industrias a implementar métodos de trabajo nuevos/modernos, pero aún debe evaluarse si las nuevas prácticas han cambiado el desempeño laboral. Con base en eso, este estudio explora las posibilidades laborales modernas, incluidos los horarios de trabajo flexibles, los años sabáticos y el teletrabajo, como factores críticos que afectan el desempeño de los empleados que participan en la industria de la construcción. Los datos se recopilaron a través de una encuesta en Malasia y luego se analizaron estadísticamente mediante el modelado de ecuaciones estructurales. Los hallazgos sugieren prácticas laborales flexibles y sabáticos como factores críticos que se considera que mejoran el desempeño de los empleados, especialmente durante la reciente pandemia de COVID-19. Además, el teletrabajo se identifica como otro factor asertivo que afecta el desempeño de la construcción. Por lo tanto, este estudio servirá como base para explorar más a fondo el papel de estos importantes atributos de desempeño en la construcción, así como en otras industrias.

**Palabras clave:** prácticas de trabajo flexibles, sabáticos y teletrabajo, rendimiento de los empleados, industria de construcción.

## Introduction

Construction industry in Malaysia is a vital sector which provides employment to large number of national and international workforce (Sorooshian, 2014). The construction industry actors operate under a complex management arrangement where both the labour and management interact in project-based organizational structures. Although, statistics shows an increasing trend of employability in Malaysian construction industry yet the unsatisfactory performance of employee in the construction industry has reportedly become increased from 32 % to 37% (Moshood, 2020). This situation implies that the declining employee performance would have adverse effect on the construction sector if effective measures are not taken. The literature identifies an array of factors which attributes to employee performance and related problems which directly and indirectly affects the completion of projects on time, satisfaction of stakeholders and ensuring maintenance of project standards. This context inspired the researchers to undertake this study which explores the role of various factors contributing to employee performance in construction industry of Malaysia. The literature shows that the performance of employees in project-based structures is critically important for the overall project performance (Sorooshian and Dodangeh, 2014). Due to the social distancing necessary during the recent COVID-19 pandemic, several industries, including the construction industry, offered modern working practices such as flexible work schedule, sabbaticals, and telecommuting, however such have yet to be assessed versus work output.

Thus, the present study is conducted to fill the research gap encircling flexible work practices and their effect on employee performance. The existing literature lacks context specific research studies in the Malaysian construction industry with an exclusive focus on the relationship between flexible work practices and employee performance. Under the umbrella of flexible work practices, this study aims to explain the importance of flexible work schedules, telecommuting and sabbatical in predicting the employee performance from the perspective of the construction industry. Nevertheless, the study shall contribute theoretically while providing pragmatic insights.

This research is empirically conducted to fill the gap established by the previous studies in the field. Various studies have been conducted in relation to the application of flexible work practices in the industry. Nevertheless, there is a lack of research in the construction industry on the employee performance and flexible work practices. Previous studies demonstrated that the application of flexible work schedule is less suitable to be implemented

in the construction industry since the projects carried out must follow the schedule. In fact, a risky industry such as a construction industry, may face major managerial challenges due to poor employee performance. Therefore, this study illustrates work practices flexibility as a way-out for the construction industry. There are three key objectives to be achieved in this study: Firstly, investigating the relationship between flexible work schedule and employee performance. Secondly, investigating the relationship between telecommuting and employee performance and finally, investigating the relationship between sabbaticals and employee performance.

The influence of flexible work practices on employee performance in the construction industry has received little scholarly attention. The management structure in the construction industry is not altogether different from other industries. Each individual on the management team must contribute towards the performance while managing the family demands and other personal life problems. However, there is a lack of empirical studies in this domain and the study at hand provides diverse perspectives from construction industry on the appropriateness of applying flexible work practices in improving employee performance. Further, by using flexible work practices as a theoretical starting point, this study aims to analyse the extent to which the three attributes of flexible work practices i.e. flexible work schedule, telecommuting and sabbaticals affect employee performance in the construction industry. Since the existing literature lacks ample empirical evidence that explains the impact of all three FWP on employee performance. Therefore, the researchers believe that this study will improve the academic discourse and support progress in the construction industry research with the aim of improving overall employee performance. To achieve the above research objectives, the Research Questions (RQ) posed by this study are:

- RQ1: Does Flexible Work Schedule affect the Employee performance?
- RQ2: Does Telecommuting affect the Employee Performance?
- RQ3: Does Sabbaticals affect the Employee Performance?

Thus, this study aims to contribute to the existing literature by filling the research gap identified through a conceptual framework that will reflect the importance of flexible work practices in improving employee performance in the construction industry. The rationale for this framework is to create a reflection of the relationship between flexible work practices and employee performance by considering the

perceptions of management teams in the construction industry.

### Literature Review

According to the Global Competitiveness Report, Malaysia ranked 25th out of 140 countries that are competitive in terms of economy and development (Moshood, 2020). With this position, Malaysia is among the top countries with the most competitive and ranked as the highest among developing countries in Asia. In addition, based on the report of the Ministry of Finance show that in the fourth quarter of 2019, Malaysia recorded a steady growth of 5.2%. Furthermore, the study found that Malaysia still has strong domestic economic activity and can drive economic growth (Matthew, 2019). For centuries, Malaysia has been one of the leading producers of raw materials in Asia and has natural resources in terms of economy and education.

Based on Malaysian Investment Development Authority, Malaysia is one of the countries with a productive construction industry sector. TO support their claim, the Department of Statistics Malaysia states that revenue for the construction sector is around RM204.4 billion in 2017 with an annual growth rate of 7.2 percent per annum and is estimated to increase in the coming year. However, the construction industry is one of the industries that receive the heaviest risk and is affected by the current situation in Malaysia, yet it still contributes to the national economy. Besides, Malaysia has two major economic sectors other than construction industry i.e. agriculture, and manufacturing. These three sectors together are contributing significantly to the Malaysian economy. As stated by the Department of Statistics Malaysia, the construction sector contributed to the Gross Domestic Product (GDP) growth of 3.5%. However, in the first quarter of 2020, the GDP rate for all sectors in Malaysia, including the construction sector, declined sharply following the Pandemic of COVID-19 (Mahidin, 2020). According to economic development survey, the Malaysian construction industry reduced by -1.5%. In the first quarter of 2020, the value of construction contracted by 6.3% (RM35 billion) compared to the fourth quarter of 2019 by 1.3% (RM37 billion). However, the private sector continued to boost construction activity with 54.8% percent of the value of construction work performed compared to the public sector with 45.2%. The Malaysia Construction Industry Development Board (CIDB) is the leading government agency for the registration of construction companies in Malaysia. CIDB is the backbone of the quality construction industry as each construction company needs to classify the company's position into 7 levels (G1 to G7) and economic position. According to the

CIDB, in Centralized Management Information System, the number of construction companies registered with the CIDB in 2020 was 110,095 (Malaysia. Construction Industry Development Board, 2020).

Employee performance in Malaysian construction Industry is also critical and should be discussed. In general, employee performance is an important area that needs to be focused on and given attention by management or employers across different industries and construction industry is not an exception to it (Sorooshian et al., 2012). Therefore, if management or employer is not able to deal with and control the performance of employees in any organization or project, it will invite failure or create problems in the organization or the project being carried out. As a reinforcement, the Department of Statistics Malaysia (2018) revealed that there is an increase in workers in most industries in Malaysia including the construction industry. However, cases in 2017 and 2018 involving unsatisfactory employee performance also increased from 32% to 37%. From the statistics recorded, the construction industry is one of the industries that is suffering from poor and unsatisfactory employee performance (Moshood, 2020) discussed that Malaysia's labour productivity for the first quarter of 2020, recorded a decrease of 0.8 percent from 1.4 percent in the fourth quarter of 2019. According to the author, one of the key reasons include the inflexible work practices in most industries following the implementation of the Movement Control Order (MCO). Moreover, the Malaysian labour productivity measured as value-added per hour worked increased 2.1% (4Q 2019: 1.4%). The increase in labour productivity per working hour during the quarter was due to a significant decrease in working hours compared to modest output production (Mahidin, 2020).

Next, flexible work practices in construction industry is also important to discuss. Past research studies have confirmed that the productivity in the construction industry is affected, to some extent, due to the effects of absenteeism, turnover, organizational commitment, work attitude and work-related stress. There are plethora of previous studies showing a positive effect of flexible work practices on productivity but with inconclusive findings. It is because either the sample size was small and unsatisfying, or failure to implement direct measures of productivity. Therefore, Abioro et al. (2018), states that in an organization, the working patterns of employees and the extent to which management can handle them, determine the motivation, behaviour, and efforts of employees in the workplace.

Besides, increasing value is being attached to the temporal flexibility in the work schedule and the time of the

work activity. Flexible schedules are considered to help reduce the chronic stress imposed on employees over time and the role conflicts that arise during work and non-work responsibilities over the same group of time (Obisi, 2017). Flexible work practices are being implemented by organizations in certain sectors as one or both valuable employee benefits to promote employee retention and as a tool to curb forms of employee withdrawal, such as absenteeism, delays, resignations, and free time while working. Therefore, work practices flexibility becomes a more important tool to increase the productivity of individuals, organizations, and countries, including indirectly in an effort to curb the various mistakes of employees.

Moreover, influence of flexible work practices on employee performance needs attention. In this study, the researcher intends to measure employee performance through the implementation of flexible work practices. The researcher distinguishes between three different flexible work practices, which relate to different kinds of flexibility, namely flexible work schedules, telecommuting and decisions about breaks from work i.e. sabbaticals. Thereby, flexible work schedule allows employees to control and organize their work schedule more systematically. Telecommuting allows employees to make decisions about 'where and when they can work' while ensuring that the assigned task is performed well and completed within the time given. On the other hand, sabbaticals provide employees the flexibility to take leave for extended periods without losing their jobs, salaries and legal rights as employees (Altmann & Kröll, 2018). The literature highlights the role flexible work schedules and telecommuting but their impact on employee performance in project based organizations is yet to be explored. Moreover, the impact of sabbaticals has received little scholarly attention particularly in construction industry settings (Mahidin, 2020).

Past studies on the implementation of flexible work practices have mainly focused on industries other than the construction industry, for instance, banking industry, telecommunication and manufacturing industries (Idowu, 2020). According to Campbell (2015), the strategy of the flexible work practices was introduced across various industries in order to ensure enhanced employee performance. It can also be helpful in avoiding a stringent and mechanised work environment and understand the problems faced by workers. Further, Coenen & Kok (2014) stated that various industries are increasingly introducing workplace flexibility practices that provide flexibility in relation to where or when employees should work. The study show that flexible work schedules can enhance employee performance flexible by allowing employees to change

their arrival and departure times from work, or choose the days in which they work.

Similarly, Yu et al. (2019), revealed that the more industry managers apply a flexible work schedule in the organization, the better is the performance of employees and argues that implementation of telecommuting has a positive correlation with the quality of work produced by the employees. Besides, telecommuting is becoming an increasingly popular mode of work in industries around the world. Yet, at the same time, telecommuting can also cause blurring of boundaries between work and family life, which may increase family-conflicts. However, the results of the study show that telecommuting can reduce the probability for employees to combine professional and personal interests. Therefore, telecommuting should encourage better productivity by allowing employees greater freedom in terms of working time and location of their work.

On the other side, telecommuting does not affect the employee performance. The reasons may include the fact the offering a greater freedom in terms of determining the time and place of their duties may invite other problems when they manage a given task. Likewise, other studies stated that the flexible work schedule did not significantly not affect the employee performance as frequently changing and disorganized daily schedules consume more resources. Moreover, the flexible work schedule does not provide additional time for employees to perform the assigned tasks. In fact, a good majority of past studies show that telecommuting has a weak correlation with quality of work produced by employees.

Sabbaticals are the space and time allotted to the employees to take a break from the routine work while the financial benefits are continuously provided. The past studies highlight that sabbatical have a positive effect on employee performance because employees feel valued and needed in the industry. In addition, sabbaticals are seen to be able to increase employee satisfaction in a given free time. The results of previous studies also found that the sabbaticals reduce the employee turnover across different industries. In Malaysian context, sabbatical is a procedure that already exists in employment laws and is being practiced in different industries and institutions. However, a vast majority of organizations are not allowing sabbaticals and the reasons may include the extra financial burden emanating from such strategies. But the literature asserts that offering employees the opportunity to take leave is now seen as an expected benefit to increase productivity (Payne, 2019).

In addition, previous studies show that sabbaticals are still rarely offered especially in the construction industry, while



employers more often offer flexible work schedules and telecommuting to employees. According to a U.S. study in 2016, only 5% of U.S. firms which offers sabbatical in the company (Kennedy, 2017). Likewise, companies are more inclined to apply flexible work schedule and telecommuting than sabbaticals because flexible work schedule and telecommuting are more profitable for the company and make it easier for management to manage employees. This intrigued the researchers to consider sabbaticals as an important factor in improving employee performance along with flexible work schedules and telecommuting.

Alemu (2019) highlighted that managing employee performance is one of the key managerial challenges in the contemporary organizations. Employee performance is directly related to the efficiency of the organization and its achievements. Human resource is the backbone of all sort of organizations and the success of each organization critically depends on the performance of its core and peripheral staff. Research shows that the individual performance of employees ultimately affects the performance of the organization in general. At a basic level, one can distinguish between different aspects of the performance process, i.e. behaviour from expected outcomes. In general, the behaviour is the action shown by people to complete a job, while the outcome aspect encircles the employee behaviour while working. Usually, in the workplace, behavioural involvement and expected outcomes are interrelated with each other.

In sum, the past literature lacks comprehensive and context specific studies on the relationship between flexible work practices (flexible work schedule, telecommuting and sabbaticals) and employee performance in a single framework, using partial least square structure equation modelling, and above all, in construction industry of Malaysia. Therefore, this study argues that implementing flexible work practices with a prime focus on telecommuting, flexible work schedules and the sabbaticals will significantly improve employee performance in Malaysian construction industry. This will ultimately result in enhanced company productivity. With reference to the discussion made above, the following hypotheses (H) have been developed:

H1: There is a significant positive relationship between flexible work schedule and employee performance.

H2: There is a significant positive relationship between telecommuting and employee performance.

H3: There is a significant positive relationship between sabbaticals and employee performance.

This section may be divided by subheadings. It should provide a concise and precise description of the experimental results, their interpretation, as well as the experimental conclusions that can be drawn.

## Materials and Methods

The objective of this study is to investigate and determine the effect of flexible work schedules, telecommuting and sabbaticals on employee performance in the Malaysian construction industry. The respondents were the construction firms whose details were available on the official website of the Construction Industry Development Board (CIDB) and can be accessed using the web link <https://www.cidb.gov.my/>. The researchers considered the 4,648 construction companies listed in the G-7 as study population. The survey questionnaire was prepared on Google Forms and sent to the selected firms via email that contained a link to the survey.

The respondents were requested to respond to the questions based on their experience in existing in firms. It is because the perceptions of flexible work practices as well as factors affecting employee performance may differ over time and from firm to firm as the needs of each firm are different. G\*Power 3.1.9.7 was used to calculate the minimum sample size by considering a statistical significance level of 5%, a power level of 95%, number of predictors at 03, and an effect size of 15% (Cohen, 1992). This resulted in a sample size of 119 firms. However, the results of a pilot study showed low response rates (i.e., 24%). Therefore, to get the required sample size, 247 construction firms were contacted; 169 participated by filling in the survey form, which makes up a response rate of 68.4%. PLS-SEM using SmartPLS 3.0 software was then applied to determine the relationships hypothesized in the research model.

This study aimed to measure the effects of flexible work practices on the performance of employees working in Malaysian construction industry. The research questionnaire was developed by adapting the measurement items from the previously published studies. The first version of the questionnaire was put through the procedure of face validation for clarity and representativeness of the constructs being investigated.

Table 1 illustrates all the items used in the questionnaire. Items for measuring flexible work schedule, telecommuting and sabbaticals were adapted based on previous studies (Bainbridge & Townsend, 2020). Multiple sources were used to develop the flexible work practices scale items because there is found a lack of agreement in the literature as what comprises flexible work practices.

Therefore, classifying flexible work practices into three dimensions enables the research to create a balanced measurement scale. Five-point Likert scale was used to get input from the respondents. The scale consists of (1 = Strongly Disagree, 2 = Disagree, 3 = Disagree, 4 = Agree, 5 = Strongly Agree).

TABLE 1. QUESTIONNAIRE ITEMS

Tim	Item Code	Item	References (Adapted)
	EP1	The amount of work I finish exceeds the expectations of my boss	(Anantatmula, 2007)
	EP2	I am able to finish the work that my boss requires of me before the deadline	
	EP3	I can reduce the time needed to complete a routine task	
	EP4	My work performance always exceeds the objective that my boss sets	
	EP5	I can make creative and useful suggestions for the organization	
	EP6	I always satisfy the customers' needs	
	EP7	I have never been late in my work or caused any harm due to personal carelessness	
	EP8	I have never received any complaints about bad performance	
	EP9	I have never been late in my work or caused any harm due to personal carelessness	
	EP10	I have never received any complaints about bad performance	
Flexible Work Schedule	FWS1	My organization practice flexible work schedule	
	FWS2	My employer considers my personal needs when making my work schedule	
	FWS3	Because of my individual needs, I have negotiated a unique arrangement with my employer that allows me to complete a portion of my work within my time	
	FWS4	Because of my particular circumstances, my employer allows me to do work by follow my time	
	FWS5	Awareness of the application of a flexible work schedule in the industry needs to be enhanced	
	FWS6	Flexible work schedule improves output	
	FWS7	My employer has offered me opportunities to take on desired responsibilities outside of my formal job schedule	
	FWS8	In response to my distinctive contributions, my employer has granted me more flexibility in how I complete my job	
	FWS9	Flexible work schedule should be implement in the industry	
	FWS10	Flexible work schedule provide opportunity for employee to increase their performance	
Telecommuting	TE1	My organization practice telecommuting in company	
	TE2	In response to my distinctive contributions, my employer has granted me more flexibility where I can do my job	
	TE3	Because of my particular circumstances, my employer allows me to do work at the agreed place	
	TE4	Outside of formal leave and sick time, my employer has allowed me to take time off to attend to non-work-related issues.	
	TE5	Telecommuting provide opportunity for employee to increase their performance	
	TE6	Because of my individual needs, I have negotiated a unique arrangement with my employer that allows me to complete a portion of my work outside of the office	
	TE7	Because of my particular circumstances, my employer allows me to do work from somewhere other than the main office	
	TE8	I am agree that telecommuting improves output	
	TE9	Awareness of the application of a telecommuting in the industry need to be enhanced	
	TE10	Telecommuting should be implement in the industry	

Sabbaticals	SAB1	My organization practice sabbatical	(Payne, 2019)
	SAB2	My employer considers my personal needs when making my work schedule	
	SAB3	Because of my performance, my employer offering sabbatical leave with salary paid for me to calm down	
	SAB4	Because of my particular circumstances, my employer allows me to take paid leave	
	SAB5	Because of my performance, my employer offering sabbatical leave with salary paid for me to improve my skills and performance	
	SAB6	Sabbatical improves output	
	SAB7	Sabbatical should be implement in the industry	
	SAB8	Sabbatical provide opportunity for employee to increase their performance	
	SAB9	My employee always take care of me to take a rest to ensuring my work performance is not disrupted	
	SAB10	Awareness of the application of a sabbatical in the industry needs to be enhanced	

## Results and Discussion

This section focuses on the results obtained from data analysis techniques presented in methodology section. As the researcher measured all variables using 5-point Likert scales, extreme value as well as outliers did not exist in this data set. SmartPLS 3.0 which is a second-generation software for using PLS-SEM, was used to evaluate the proposed model. In addition, PLS-SEM is the most suitable approach when the structural model tends to be complex having many constructs with multiple indicators. SmartPLS simultaneously evaluates both models known as measurement and structural models while eliminating basic concerns about the multi-collinearity. For estimating the significance of the structural model, the bootstrapping technique, which is a robust technique for non-normal data, was used with running 500 subsamples as suggested in the literature.

There were 169 valid responses received which basically exceeded the required sample size calculated by G\*Power. The descriptive analysis of the data revealed that female dominated the number of respondents; with highest frequency i.e. 112 out of 169 respondents making it 66.27%. There were 57 male respondents (33.73%). A great majority fall within the age bracket 30 to 39 years (45.56%), followed by respondent with age group of 40 to 49 years, 28.99% of the sample. In terms of race background, data analysis shows that Malay ethnicity dominated the number of respondents i.e. 127 out of 169 of respondent (75.15%). While Chinese and Indian followed with almost equal frequency i.e. 21 out of 169 of respondent (12.43%).

Regarding work experience of the respondents, great majority of them reported work experience between 7 to 9 years (40.83%), followed by respondents having experience of more than 10 years that constituted 28.40%. Table 2, shows a summary of the demographic of the respondents.

TABLE 2. Demographics

Type	Item	Frequency	Percentage
Gender	Female	112	66.27%
	Male	57	33.73%
Age	18-29	34	20.12%
	30-39	77	45.56%
	40-49	49	28.99%
	50-59	9	5.33%
Race	Chinese	21	12.43%
	Indian	21	12.43%
	Malay	127	75.15%
Work Experience	1-3 years	14	8.28%

	4-6 years	38	22.49%
	7-9 years	69	40.83%
	More than 10 years	48	28.40%
Current Position	Accountant	22	13.02%
	Administrator	41	24.26%
	Clerk	1	0.59%
	Director	17	10.06%
	Doc controller	1	0.59%
	Human Resource	27	15.98%
	Manager	2	1.18%
	Project Manager	1	0.59%
	Quality Manager	5	2.96%
	Quantity surveyor	1	0.59%
	Secretary	51	30.18%

The measurement model, also called the outer model, assesses the reliability and validity criteria for all the individual constructs included in a research model. For reliability to be acceptable, Cronbach's alpha values and composite reliability value (CR) should be above the threshold value of 0.70, which were duly ascertained (as shown in Table 3). In addition to this, all the items demonstrated appropriate loadings which were above the threshold value. Further, the average variance extracted (AVE) values have been checked to determine convergent validity where a value above the threshold of 0.50 was obtained for all constructs. The items with lower loadings were deleted following the procedures outlined in the literature.

A total of four items from the entire model with lower loadings were deleted. The composite reliability measurement was used to determine the internal consistency reliability of items. Based on the suggestion of Hair et al. (2017), the composite reliability coefficient should be above 0.70 and the average variance extracted (AVE) value should be higher than 0.5. As indicated in Table 2, the composite reliability of each latent construct spanned 0.896 to 0.915, which exceeds the proposed threshold value of 0.70 which implied that the internal consistency reliability was acceptable.

TABLE 3. Measurement Model

Construct	Item Code	Outer Loading	AVE	CR	Cronbach's Alpha
Employee Performance	EP1	0.751	0.550	0.915	0.893
	EP2	0.856			
	EP3	0.785			
	EP4	0.651			
	EP5	0.847			
	EP6	0.480			
	EP7	0.760			
	EP8	0.640			
	EP9	0.826			
Flexible Work Schedule	FWS1	0.742	0.526	0.896	0.865
	FWS2	0.648			
	FWS3	0.883			
	FWS4	0.861			
	FWS6	0.513			
	FWS7	0.781			



	FWS8	0.682			
	FWS10	0.614			
Sabbaticals	SAB1	0.720	0.507	0.903	0.878
	SAB3	0.665			
	SAB4	0.695			
	SAB5	0.732			
	SAB6	0.874			
	SAB7	0.645			
	SAB8	0.655			
	SAB9	0.721			
	SAB10	0.678			
Telecommuting	TEC1	0.748	0.516	0.898	0.913
	TEC10	0.628			
	TEC2	0.854			
	TEC3	0.684			
	TEC4	0.589			
	TEC5	0.710			
	TEC6	0.772			
	TEC7	0.639			
	TEC8	0.774			
	TEC9	0.748			

In order to assess the discriminant validity of constructs, this study used two basic approaches. Firstly, the study reviews all the individual items for cross-loadings. The cross-loading values indicated that none of the items loadings were higher on the other constructs. Secondly, the comparatively novel measures of Heterotrait–Monotrait ratio (HTMT) for discriminant validity is empirically fulfilled when the obtained HTMT values are lower than 0.90. For the approach in partial least squares (PLS). The HTMT criterion clearly outperforms traditional methods such as the Fornell-Larcker criterion and (partial) cross-loadings to discriminant validity evaluation, which are unable to detect a lack of discriminant validity. Based on the Table 4, the HTMT criterion for discriminant validity has been established as the HTMT values were below 0.90.

TABLE 4. HTMT Ratios

	EP	FWS	SAB	TEC
EP				
FWS	0.644			
SAB	0.756	0.583		
TEC	0.655	0.313	0.674	

The researcher used bootstrapping to establish the significance of the coefficients with 5000 bootstrap samples. The significant paths of this model are shown in Table 5 and Figure 1.

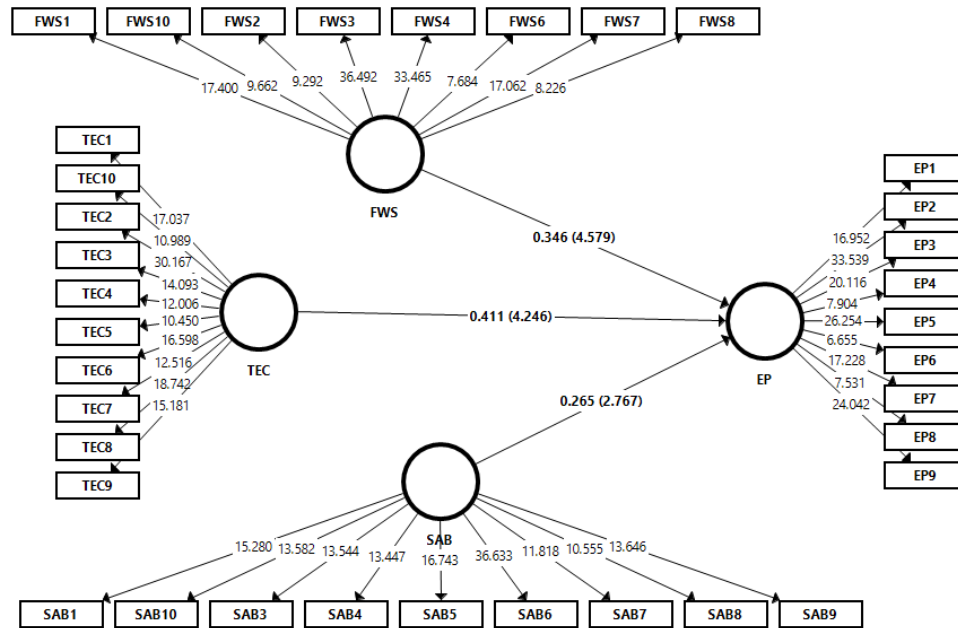


Figure. 1. Structural model

The Hypotheses 1 proposed that a flexible work schedule positively affects employee performance which was accepted with a p-value below 0.05, t-value 4.579 and  $\beta$  of 0.346. Hence, Hypotheses 1 was supported. Meanwhile, Hypotheses 2 proposed that telecommuting positively affects employee performance. With a t-value of 4.26, p-value <0.05 and  $\beta$  value of 0.411, results showed that the Hypotheses 2 was also supported. Hypotheses 3 proposed that sabbaticals positively affect employee performance. Having a t-value of 2.767,  $p < 0.05$  and  $\beta$  value of 0.265, it was demonstrated that Hypotheses 3 was supported. Based on table 5, the effect size of flexible work schedule to employee performance is  $f^2 = 0.249$ , which is considered as medium effect size. Likewise, the effect size of sabbatical to employee performance  $f^2$  is 0.097, which is considered as small whereas the effect size of telecommuting is 0.298 which can be considered as high. In this study,  $Q^2$  was used to indicate the value of predictive relevance. If the  $Q^2 > 0$ , it shows that the model has the predictive relevance value while if the  $Q^2 < 0$ , it shows that no predictive relevance value on the model. As shown in Table 5, the value of  $Q^2$  is 0.325 which implied that the research model has the predictive relevance.

TABLE 5. Structural Model- Hypothesis Testing

	Relationship	Std. Beta	Std. Deviation	t-statistics*	R2	f2	Q2	Decision
H1	FWS -> EP	0.346	0.076	4.579	0.646	0.249	0.320	Supported
H2	TEC -> EP	0.411	0.097	4.246	0.646	0.298	0.320	Supported
H3	SAB -> EP	0.265	0.096	2.767	0.646	0.097	0.320	Supported

Due to the social distancing required during the recent COVID-19 pandemic, numerous sectors, like the construction industry, introduced modern working methods such as flexible working, sabbaticals, and telecommuting, however they have yet to be evaluated in relation to job performance. So, this research study was designed to analyse the effect of modern/flexible work practices on employee performance in construction industry of Malaysia. More specifically, the impact of three dimensions of flexible work practices i.e. flexible work schedule, telecommuting and sabbaticals was analysed using PLS-SEM. The results revealed that the three dimensions of flexible work schedule i.e. flexible work schedule, telecommuting and sabbaticals bear significant effect on employee performance. However, the relationship between sabbaticals and employee performance found to be weakest in this study. The model presented in this study provides a suitable theoretical lens to further investigate the key factors affecting employee performance in construction industry.

Although this study explores the impact of key dimensions of flexible work practices on employee performance, telecommuting appears to be the most important factor ( $\beta = 0.411$ ). The justification may include the current COVID-19 pandemic situation where employees ranked telecommuting as more critical factor than other factors. However, this highly significant relationship should be explored further in different contexts in order to ascertain if it still holds the same impact or its merely contextual and situational factor that is substantially affecting the employee performance. This impact may also be studied juxtaposed with other factors for instance, employer's difficulty for telecommuting and other operational inabilities that might be hindering the true impact of telecommuting on employee performance. In sum, this study elucidates the key factors attributing to employee performance in construction industry of Malaysia. Moreover, the findings of this study may be relevant and of great use to the similar contexts elsewhere.

## CONCLUSION

The research findings highlighted flexible work schedule, telecommuting and sabbaticals as key factors affecting employee performance in construction industry of Malaysia. In the contemporary industry settings, increasing numbers of construction companies have started to emphasize the concept of flexible work practices particularly due to pandemic COVID-19. However, many of the companies still do not realize that the implementation of flexible work practices will affect the employee performance of the construction industry.

Besides, the Malaysian construction industry still lack of awareness about flexible work practices. Thus, in order to further our current understanding, this study explores the three important dimensions of flexible work practice i.e. flexible work schedule and telecommuting and sabbatical as the critical factors that can affect the employee performance in construction industry especially during the COVID-19 pandemic. This research may help construction companies to improve the performance of employees through the application of flexible work practices. The results of the research study can also be of help for the construction companies which have previously faced issues pertinent to the performance of employees in construction projects. Moreover, the adoption of flexible work practices can help construction companies to maintain and improve the performance of employees during the challenges of COVID-19 pandemic. However, some companies are yet to get awareness and gain momentum in this direction. The research findings may be helpful in developing new models in the field of employee performance and its

management in construction industry. Finally, the result of this study contribute, theoretically as well as practically, towards improving the overall employee performance in construction industry.

This research study has some limitations which can be addressed in future research studies. Primarily, the scholarly work on employee performance and flexible work practices is gaining academic importance which is evident in numerous publications, ultimately adding value to the existing literature. The employee performance is a well-established theoretical construct and operational interpretations on employee performance reflected in this study are basically adopted from the existing literature. However, there is a possibility that this study might not be able to fully capture other aspect pertaining to employee performance and flexible work practices. The outcome of this research is based on the response of participants on close-ended questionnaire. Adopting open-ended questionnaire could lead to bringing new vistas to the field of management. Further, the indicators for measuring different constructs are based on a self-report format which could be improvised by adopting longitudinal field study questionnaire pattern. As the construction projects include diverse participants having different specializations, it is difficult to include all the features in a single study.

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