

## **An Empirical Examination of Organisational Culture, Job Stress and Job Satisfaction within the Indirect Tax Administration in Malaysia**

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### **Abstract**

*A study on organisational culture, employee job stress and job satisfaction within tax administrations especially in developing countries is not evidenced in the literature. This study therefore examines these aspects within the indirect tax administration in Malaysia. Data for this study was collected through a questionnaire survey on the tax employees of the Royal Malaysian Customs Wilayah Persekutuan Kuala Lumpur (RMC-WPKL). The investigation on organisational culture indicates that hierarchical culture is the dominant culture at the department. The assessment on job stress reveals that the employees are uncertain on the evaluation for a raise or promotion. The examination on job satisfaction shows that the employees are dissatisfied with the department's concern for its employees' welfare, and the system for recognizing and rewarding outstanding performance. It is also found that there are significant correlations among organisational culture, employee job stress and employee job satisfaction at RMC-WPKL. The results of this study signify that action should be taken to change the department's culture orientation, reduce employees' stress and improve employees' satisfaction.*

**Keywords:** Organisational culture, job stress, job satisfaction and tax administration.

### **Introduction**

The study on organisational culture and organisational behaviour has received widespread attention by management scholars. One of the major reasons for the widespread popularity of and interest in organisational culture stems from argument that certain organisational cultures lead to superior organisational performance (Ogbonna and Harris, 2000).

Many academics and practitioners argue that the performance of an organisation is dependent on the degree to which the positive and strong values of the culture are widely shared (Ouchi, 1981; Pascale and Athos, 1981; Deal and Kennedy, 1982; Peters and Waterman, 1982; Denison, 1990; Kotter and Heskett, 1992). An organisation's performance should be greatly enhanced if the culture values are congruent with the desired belief and values of its employees (Boxx et al., 1991).

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It is also argued that widely shared and strongly held values enable management to predict employee reactions to certain strategic options thereby minimising the scope for undesired consequences (Ogbonna, 1993). Indeed, many commentators have advised organisations and researchers to exploit the multiple advantages that could be offered by culture rather than focusing on the more tangible side of the organisation (for example, Ogbonna and Harris, 2000; Johnson, 1992; Prahalad and Bettis, 1986).

In spite of the extensive studies on organisational culture and organisational behaviour, such study is very limited in the tax administration context based on the scarce literature on the subjects. Bird and Casanegra de Jantscher (1992) revealed that there have been almost no studies especially in developing countries of tax officials' behaviour; of why and how they do what they do; and governments in these countries have little day-to-day control over tax officials; little knowledge of what they do; and furthermore, no easy way to obtain such knowledge. To date, only a few studies are available on tax employees attitudes which focused on tax employees commitment and work system (Tayib, 1998); tax employees appraisal, employees commitment and work system (Manaf et al., 2004); and tax employees perceptions of tax collection process (James et al., 2006). However, there is no study which examines the organisational culture, employee job stress, employee job satisfaction and their correlations within a tax administration. Therefore, the purpose of this study is to examine these aspects within the indirect tax administration in Malaysia.

Notwithstanding the limited literature on organisational culture and organisational behaviour in tax administration, a study on tax administration culture and tax employees attitudes is essential as the people who perform the core tasks are indeed an important element in tax administration. The importance of tax employee in the tax administration environment was highlighted by Mikesell (1974, p. 618):

Whether any tax system achieves the goals set by society depends in large part on the success of the tax administrative procedure and tax administrators [or personnel] in carrying out the procedure. While some tax legislation can be so bad as to render it impossible to administer competently, incompetent administration can render any tax system bad.

Schlemenson (1992) proposed that the administration of human resources is a fundamental pillar of tax administration, which will affect its efficiency and effectiveness. Silvani and Baer (1997) also suggested the importance of tax personnel in tax administration reform when indicating that giving less attention to personnel matters as compared to technical matters may handicap tax administration reforms. In addition, Jenkins et al. (2000) suggested that the availability and retention of trained human resources are by far the most important factors in determining the efficiency of tax administration. The following section discusses the literature on organisational culture and employees attitudes.

## ***Literature Review***

### **Organisational Culture**

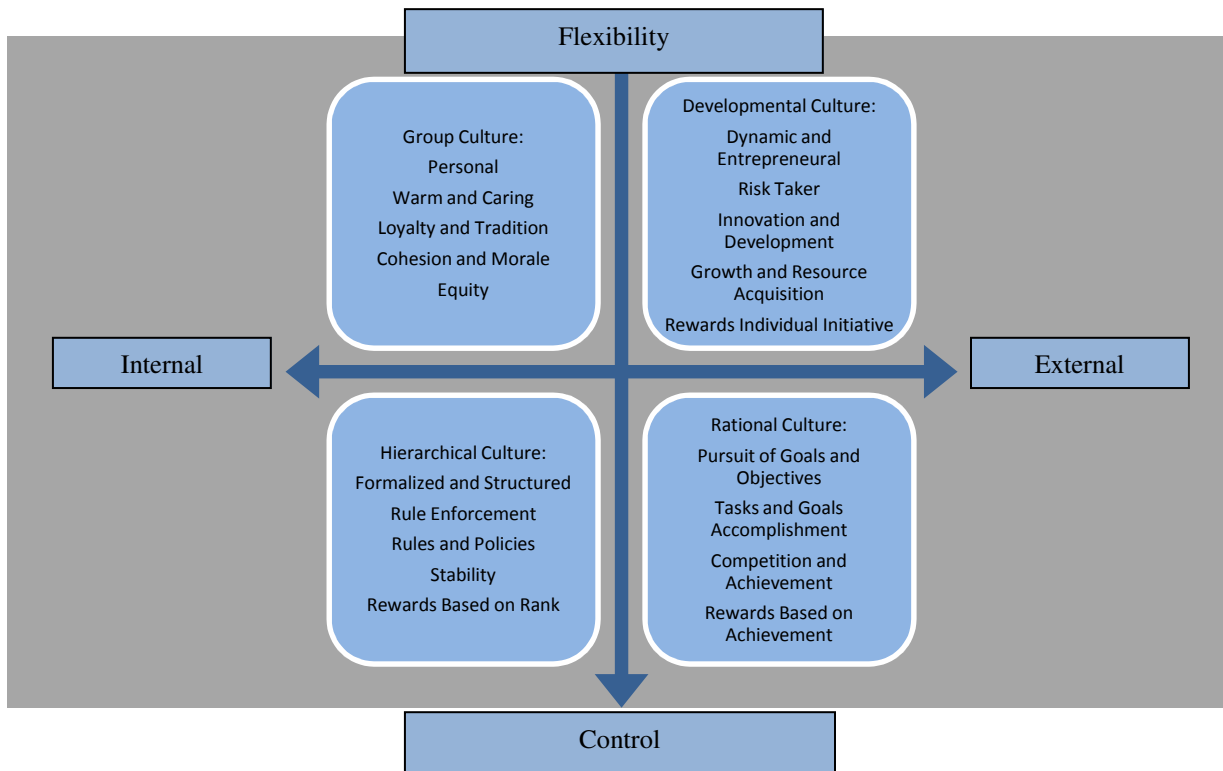
Organisational culture is defined as a complex set of values, beliefs, assumptions and symbols that define the way in which an organisation conducts its business (Barney, 1986).

Culture can also be broadly understood as a set of basic assumptions about how the world is and ought to be that a group of people share and that determines their perceptions, thoughts, feelings, and to some degree, their overt behaviour (Schein, 1996).

According to Peterson and Smith (2000), organisational culture reflects individuals' interpretations of events and situations in organisations. Organisational culture also refers to a system of shared meaning of values held by members of an organisation that distinguishes the organisation from other organisations (Robbins, 2001). In light of this definition, different organisations can be regarded as having their own cultures, which affect or influence the attitudes and the behaviours of their employees (Flamholtz, 2001).

Zammuto and Krakower (1991) proposed a comprehensive model for evaluating organisational culture called the competing values framework of organisational culture. The competing values framework (CVF) has been utilised in a number of studies in order to examine organisational culture (for example, Parker and Bradley, 2000; Moynihan and Pandey, 2004; Moynihan and Pandey, 2007). The CVF explores the competing demands within organisations between their internal and external environments, on the one hand, and between control and flexibility, on the other (Denison and Spreitzer, 1991). Figure 1 shows the CVF.

**Figure 1: The Competing Values Framework of Organisational Culture**



Source: Parker and Bradley (2000, p. 128)

In the framework, the conflicting demands within organisations constitute the two of the competing values model. Organisations with an internal focus emphasise integration, information management and communication whereas organisation with an external focus emphasise growth, resource acquisition and interaction with the external environment. On the second dimension of conflicting demands, organisations with a focus on control emphasise stability and cohesion while organisations with a focus on flexibility emphasise adaptability and spontaneity (Zammuto et al., 1999). Combined, these two dimensions of competing values map out four major types of organisational culture as reflected in Figure 1.

The internal process model involves a control/internal focus in which information management and communication are utilised in order to achieve stability and control. This model has also been referred to as a ‘hierarchical culture’ because it involves the enforcement of rules, conformity and attention to technical matters (Denison and Spreitzer, 1991). In this model, individual conformity and compliance are achieved through the enforcement of a formally stated rules and procedures (Zammuto and Krakower, 1991). The open systems model involves a flexibility/external focus in which readiness and adaptability are utilised in order to achieve growth, resource acquisition and external support.

This model has also been referred to as a 'developmental culture' because it is associated with innovative leaders with vision that maintain a focus on the external environment (Denison and Spreitzer, 1991). These organisations are dynamic and entrepreneurial and characterised by readiness for change (Zammuto and Krakower, 1991). In addition, their leaders are risk-takers and organisational rewards are linked to individual initiative.

The human relations model involves a flexibility/internal focus in which training and the broader development of human resources are utilised to achieve cohesion and employee morale. This model of organisational culture has also been referred to as 'group culture' because it is associated with trust and participation through teamwork. Managers in organisations of this type tend to encourage and mentor employees. Goals are achieved through consensus building rather than control (Zammuto and Krakower, 1991).

The rational goal model involves a control/external focus in which planning and goal setting are utilised to achieve productivity and efficiency. This model is also referred to as a 'rational culture' because of its emphasis on outcomes and goal fulfilment (Denison and Spreitzer, 1991). Organisations of this type are production oriented, and managers organise employees in the pursuit of designated goals and objectives and rewards are linked to outcomes. Productivity and efficiency are major goals of this organisational model (Zammuto and Krakower, 1991). Research has suggested that the different models of culture described above can and do coexist in the same organisation (Parker and Bradley, 2000) and a balance of the four culture types is regarded as desirable.

### **Employee Attitudes**

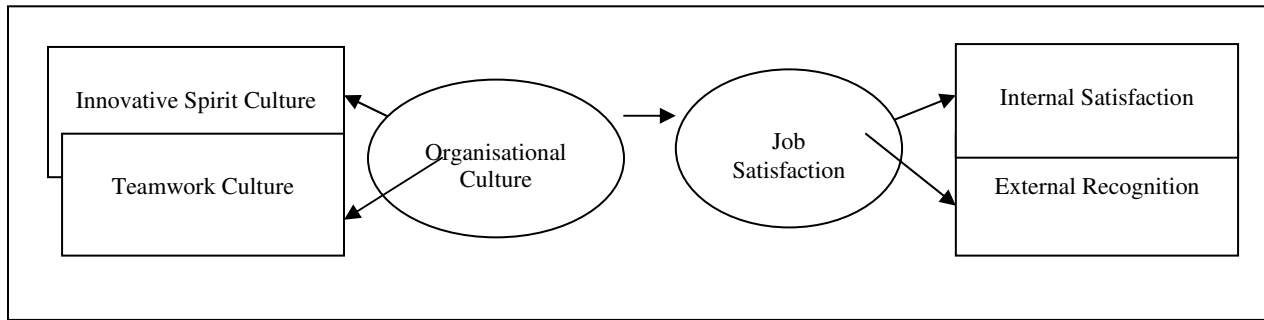
Researchers have examined the fit or match between a person and an organisation extensively in the literature. Overall findings have supported the existence of a positive relation between the congruence of organisational values/culture with employee attitudes toward the organisation (Amos and Weathington, 2008). The Person-Environment (P-E) Fit Theory assumes that individuals prefer an environment that possesses characteristics (e.g. values, beliefs) that are similar to their own (Kroeger, 1995). In the context of an organisation, this theory is referred to as person-organisation (P-O) fit.

The concept of P-O fit is important to organisations because it suggests that if people fit well with an organisation, they are likely to exhibit more positive attitudes and behaviours. This relation is supported by the literature, and many studies have found relations between P-O fit and work-related attitudes and behaviours (Ugboro, 1993; Saks and Ashforth, 1997; Sekiguchi, 2004).

An important aspect of employee attitude is employee job satisfaction. Job satisfaction has been identified as the most intensely studied variable in organisational research (Rainey, 1991). Job satisfaction is a general attitude that employees have towards their jobs, and is directly tied to individual needs including challenging work, equitable rewards and a supportive work environment and colleagues (Ostroff, 1992). According to Quarstein et al. (1992), overall satisfaction is a function of a combination of situational characteristics and situational occurrences.

The situational characteristics commonly proposed as key factors in job satisfaction are the work itself, pay, promotion, supervision and co-workers (Smith et al., 1969), although other variables such as employee involvement and organisational commitment may impact also.

Lee and Chang (2008) examined the relationship between organisational culture and employee attitudes, particularly employee job satisfaction in the wire and cable manufacturing companies. They found significant correlations between two aspects of organisational culture and two aspects of job satisfaction as shown in Figure 2. Their results suggested that an organisation needs an innovative and group-oriented culture which promotes employee job satisfaction.

**Figure 2: Relationship between Organisational Culture and Job Satisfaction**

In a study by Amos and Weathington (2008), it was found that the perceived congruence of employee-organisational values or culture by employees is positively associated with satisfaction with the job and organisation as a whole and employee commitment to the organisation. The results also support a negative relation between value congruence and employee turnover intentions.

Given the importance of performance capacity to the public sector organisations and the numerous models that have attempted to identify determinants of work-related satisfaction, it is surprising that there have been only a handful of studies examining the motivational basis of public sector professionals related to job satisfaction (McCue and Gianakis, 1997). Among the studies examining job satisfaction of public sector professionals were conducted by Emmert and Taher (1992) and de Leon and Taher (1996).

Another important factor concerning employee attitude is occupationally-induced stress. Stress at work is a major problem for both individuals within an organisation and for the organisation itself (Leong et al., 1996). Since the pioneering research of Kahn et al. (1964) on organisation role theory, many studies have inquired into the relationship between work role stressors and a variety of consequences. Work role stressors such as role conflict and role ambiguity are job-related source of organisational stress (Chang, 2008). The stress is seen as an undesirable phenomenon which is brought about by inadequate coping with environmental sources of stressors associated with a particular job (e.g. work overload, role conflict/ambiguity, poor working conditions), and which results in negative mental and physical ill health consequences (Cooper and Payne, 1988). Stress at work is a well known factor for low motivation and morale, decrease in performance, high turnover and sick-leave, accidents, low job satisfaction, low quality products and services, poor internal communication and conflicts (McHugh, 1993; Murphy, 1995; Schabracq and Cooper, 2000). Chusmir and Franks (1988) argued that all the above problems are related, directly or indirectly, to stress and they have an effect on overall organisational efficiency and effectiveness. Montgomery et al. (1996) see severe job stress as dysfunctional and decreasing commitment and productivity; while Williams et al. (2001) found out that short-term outcomes of job stress have both physiological and behavioural effects leading to poor job performance.

The following section discusses the research methodology that was adopted to examine the organisational culture, employee job stress and employee job satisfaction within a tax administration.

### **Research Methodology**

In this study, the relevant information for assessing the organisational culture, employee job stress and employee job satisfaction within the Malaysian indirect tax administration was gathered through a questionnaire survey. Organisational culture was measured using the items proposed by Zammuto and Krakower (1991). Employees' job stress was measured using the items employed by Chang (2008). Employees' job satisfaction was measured based on the items used by McCue and Gianakis (1997). The tax employees were selected from the Royal Malaysian Customs Wilayah Persekutuan Kuala Lumpur (RMC-WPKL). The total number of employees at the RMC-WPKL at the time of data collection (November 2009) was 697.

Since the information available on the number of employees at RMC-WPKL is according to the departments, this study employed a proportionate stratified random sampling method to select the number of employees from each department at RMC-WPKL. In determining the sample size, Sekaran (2003, p.294) provided a table that generalized scientific guideline for sample size decisions. According to the table, for a population size of 700, the appropriate sample size is 248. The total number of employees of RMC-WPKL is 697 (almost 700), therefore the appropriate sample size for this study is also 248. Assuming a response rate of around 80 percent, the author distributed 315 questionnaires to the Customs employees to get an effective sample size of 248. The 315 subjects were drawn using simple random sampling procedure. Table 1 shows the sampling procedure employed in this study.

**Table 1: Proportionate Stratified Random Sampling**

Department	Number of Staff	Number of Staff Selected	Actual Sampling Fraction
Customs	171	80	0.4678
Internal Taxes	197	80	0.4060
Technical Services	122	60	0.4918
Management	127	60	0.4724
Preventive	80	35	0.4375
Total	697	315	0.4519

The questionnaire for the tax employees was administered personally i.e. the researcher personally delivered the questionnaires to the participants and then collected the questionnaires from them. Examination of the response rate shows that the response rate for this study is excellent. This is consistent with Sekaran (2003) who suggested that personally administered questionnaire could yield almost a 100 percent response rate. The response rate for the survey and the details of the sample are summarized in Table 2.

**Table 2: Tax Employees Survey: Response Rate**

	Employees
Sample selected	315
Questionnaires distributed	315
Questionnaires returned	288
Response rate (%)	91.4
Usable responses	250

Source: Survey on tax employees

## **Results**

### **Perception about Organisational Culture**

This section provides results of the perceptions of the tax employees regarding the organisational culture that exists in their organisation. These findings are based on the strength of the tax employees' agreement with the items which represent the different type of organisational cultures that exist in an organisation based on the theory previously discussed. From the organisational culture theory:

- OC1, OC2 and OC3 represented the rational culture;
- OC4, OC5 and OC6 represented the group culture;
- OC7 and OC8 represented the developmental culture; and
- OC9 and OC10 represented the hierarchical culture.

Table 3 presents summary statistics for the strength of agreement, including rankings, about the perceived organisational culture that exists at the Royal Malaysian Customs.

Table 3 shows that the respondents in this study indicated a high agreement towards the Customs Department emphasis on getting the job done (OC2), the bureaucratic procedures that have to be followed (OC10) and the department as a very formalised and structured place (OC9).

The mean scores for the items OC2, OC10 and OC9 are 3.86, 3.82 and 3.78 respectively. The items that have the weakest agreement were the perception that the Customs Department is a very dynamic and entrepreneurial place (OC7) and the perception that the people at the department are willing to stand up and take risks (OC8). The mean scores for items OC7 and OC8 are 3.12 and 3.05 respectively. Based on the overall result, it can be concluded the Royal Malaysian Customs is dominated by the bureaucratic/hierarchical culture.

**Table 3: Summary Statistics of Organisational Culture as Perceived by Tax Employees**

Q	OCI	Organisational Culture Items (OCI)	Frequency					Mean (S.D.)	Rank
			1	2	3	4	5		
2	OC2	A major concern in the Customs Department is with getting the job done	0 0.0%	8 3.2%	50 20.0%	162 64.8%	30 12.0%	3.86 (0.66)	1
10	OC10	Bureaucratic procedures generally govern what people do in the Customs Department	1 0.4%	12 4.8%	56 22.4%	142 56.8%	39 15.6%	3.82 (0.76)	2
9	OC9	The Customs Department is a very formalised and structured place	10 4.0%	6 2.4%	43 17.2%	161 64.4%	30 12.0%	3.78 (0.84)	3
4	OC4	The Customs Department is a very personal place	1 0.4%	9 3.6%	84 33.6%	115 46.0%	41 16.4%	3.74 (0.79)	4
1	OC1	The Customs Department is very production oriented	10 4.0%	23 9.2%	53 21.2%	127 50.8%	37 14.8%	3.63 (0.98)	5
5	OC5	The Customs Department is like an extended family	2 0.8%	48 19.2%	55 22.0%	102 40.8%	43 17.2%	3.54 (1.01)	6
6	OC6	People in the Customs Department seem to share a lot of themselves	0 0.0%	39 15.6%	66 26.4%	118 47.2%	27 10.8%	3.53 (0.88)	7
3	OC3	People in the Customs Department are very personally involved	1 0.4%	29 11.6%	104 41.6%	93 37.2%	23 9.2%	3.43 (0.83)	8
7	OC7	The Customs Department is a very dynamic and entrepreneurial place	16 6.4%	55 22.0%	82 32.8%	78 31.2%	19 7.6%	3.12 (1.04)	9
8	OC8	People at the Customs Department are willing to stand up and take risks	12 4.8%	68 27.2%	86 34.4%	63 25.2%	21 8.4%	3.05 (1.03)	10

Source: Tax employees survey

### Perception about Job Stress

This section provides results of the perceptions of the tax employees regarding the existence of stress in their job and workplace. These findings are based on the strength of the tax employees' agreement regarding the stress items. Results are presented for the total sample. The stress items are stated in negative statements, where agreement with the statement indicates the respondents' agreement with the existence of stress element in performing their tasks. Table 4 presents the summary of statistics showing the strengths of the tax employees' agreement towards the existence of stress for the total sample in this study. Table 4 shows that, the items with the largest agreements shown by the respondents in the sample is S10: I do not feel certain how I will be evaluated for a raise or promotion (Mean = 3.23, S.D. = 1.17).

**Table 4: Summary Statistics of Stress as Perceived by Tax Employees**

Q	SI	Stress Items (SI)	Frequency					Mean (S.D)	Rank
			1	2	3	4	5		
10	S10	I do not feel certain how I will be evaluated for a raise or promotion	13 5.2%	67 26.8%	60 24.0%	69 27.6%	41 16.4%	3.23 (1.17)	1
9	S9	I receive many assignments without the manpower to complete them within the deadlines	27 10.8%	66 26.4%	25 10.0%	89 35.6%	43 17.2%	3.22 (1.30)	2
6	S6	I receive many assignments without adequate resources and materials to execute them	33 13.2%	114 45.6%	14 5.6%	62 24.8%	27 10.8%	2.74 (1.27)	3
2	S2	There is a lack of policies and guidelines to help me	38 15.2%	97 38.8%	46 18.4%	60 24.0%	9 3.6%	2.62 (1.11)	4
1	S1	I do not have enough time to complete my work	47 18.8%	99 39.6%	36 14.4%	51 20.4%	17 6.8%	2.57 (1.20)	5
8	S8	I receive assignments that are not within my training, capability and job descriptions	41 16.4%	112 44.8%	32 12.8%	46 18.4%	19 7.6%	2.56 (1.19)	6
7	S7	I feel that I work under incompatible policies and guidelines	47 18.8%	109 43.6%	27 10.8%	43 17.2%	24 9.6%	2.55 (1.25)	7
4	S4	I receive incompatible orders from two or more colleagues	59 23.6%	115 46.0%	19 7.6%	30 12.0%	27 10.8%	2.40 (1.27)	8
5	S5	I have to work under vague directives or orders	62 24.8%	112 44.8%	20 8.0%	42 16.8%	14 5.6%	2.34 (1.18)	9
3	S3	There are no clear, planned goals and objectives for my job	121 48.4%	84 33.6%	18 7.2%	25 10.0%	2 0.8%	1.81 (1.00)	10

Source: Tax employees survey



### Perception about Job Satisfaction

Table 5 presents summary statistics for the strength of agreement, including rankings, about the perceived job satisfaction of the tax employees working at the Royal Malaysian Customs. It can be seen from the table that the items with the weakest agreement are the department's concern for its employees' welfare (JS8) and the department's system for recognising and rewarding performance (JS4). The mean scores for the items JS8 and JS4 are 3.10 and 2.82 respectively.

**Table 5: Summary Statistics of Satisfaction as Perceived by Tax Employees**

Q	JSI	Job Satisfaction Items (JSI)	Frequency					Mean (S.D.)	Rank
			1	2	3	4	5		
1	JS1	I am satisfied with my job	0 0.0%	17 6.8%	34 13.6%	135 54.0%	64 25.6%	3.98 (0.82)	1
3	JS3	I am satisfied with my co-workers	2 0.8%	32 12.8%	33 13.2%	120 48.0%	63 25.2%	3.84 (0.97)	2
7	JS7	I am satisfied with my opportunity 'to make a difference' or to contribute to the overall success of the Customs Department	0 0.0%	23 9.2%	76 30.4%	122 48.8%	29 11.6%	3.63 (0.81)	3
6	JS6	I am satisfied with my career progress in the Customs Department up to this point	17 6.8%	15 6.0%	59 23.6%	129 51.6%	30 12.0%	3.56 (1.01)	4
10	JS10	I am satisfied with the overall quality of the Customs Department's services	3 1.2%	39 15.6%	52 20.8%	132 52.8%	24 9.6%	3.54 (0.91)	5
5	JS5	I am satisfied with the direction or advice I receive from others in the Customs Department	13 5.2%	30 12.0%	61 24.4%	130 52.0%	16 6.4%	3.42 (0.96)	6
9	JS9	I am satisfied with the Customs Department's overall efficiency in operations	12 4.8%	54 21.6%	46 18.4%	117 46.8%	21 8.4%	3.32 (1.05)	7
2	JS2	I am satisfied with my pay	21 4.8%	59 23.6%	48 19.2%	98 39.2%	33 13.2%	3.32 (1.12)	8
8	JS8	I am satisfied with the Customs Department's concern for its employees' welfare	18 7.2%	68 27.2%	57 22.8%	86 34.4%	21 8.4%	3.10 (1.11)	9
4	JS4	I am satisfied with the Customs Department's system for recognising and rewarding outstanding performance	38 15.2%	65 26.0%	73 29.2%	53 21.2%	21 8.4%	2.82 (1.18)	10

Source: Tax employees survey

From Table 5, it shows that the tax employees are dissatisfied with the Customs Department's concern for its employees' welfare (JS8) and the department's system for recognising and rewarding outstanding performance (JS4).

### Correlation between Organisational Culture, Job Stress and Job Satisfaction

To test whether there is a correlation between organisational culture, job stress and job satisfaction from the survey on the tax employees, a nonparametric correlation test using Spearman Rank Correlation Coefficient was employed. The items which have the highest mean scores for organisational culture, the highest mean score for job stress and the lowest mean scores for job satisfaction were selected to test their correlations. These items are as follows:

- **Organisational Culture:**  
Both items 9 and 10 represented the hierarchical culture.  
Item 9 - The Customs Department is a very formalised and structured place.  
Item 10 - Bureaucratic procedures generally govern what people do in the Customs Department.
- **Job Stress:**  
Item 10 - I do not feel certain how I will be evaluated for a raise or promotion.
- **Job Satisfaction:**  
Item 4 - I am satisfied with the Customs Department's system for recognising and rewarding outstanding performance.  
Item 8 - I am satisfied with the Customs Department's concern for its employees' welfare.

The result of the correlation test is shown in Table 6. From the result, it shows that the main source of job stress (item 10) is significantly correlated with the two most dissatisfied items in job satisfaction (item 4 and 8). Job stress item 10 is also significantly correlated with the hierarchical culture represented by culture item 9 and 10. Job satisfaction item 4 and 8 are also significantly correlated with culture item 9. In conclusion, the result shows that job stress is negatively correlated with job satisfaction; job stress is positively correlated with hierarchical culture; and job satisfaction is negatively correlated with hierarchical culture at the Royal Malaysian Customs.

**Table 6: Nonparametric Correlations (Spearman Rank Correlation Coefficient)**

			Stress 10	Satisfaction 4	Satisfaction 8	Culture 9	Culture 10
Spearman's rho	Stress 10	Correlation Coefficient Sig.(1-tailed) N	1.000 . 250	-.460** .000 250	-.438** .000 250	.208** .000 250	.126* .023 250
	Satisfaction 4	Correlation Coefficient Sig.(1-tailed) N	-.460** .000 250	1.000 . 250	.723** .000 250	-.301** .000 250	.020 .375 250
	Satisfaction 8	Correlation Coefficient Sig.(1-tailed) N	-.438** .000 250	.723** .000 250	1.000 . 250	-.329** .000 250	.054 .198 250
	Culture 9	Correlation Coefficient Sig.(1-tailed) N	.208** .000 250	-.301** .000 250	-.329** .000 250	1.000 . 250	.480** .000 250
	Culture 10	Correlation Coefficient Sig.(1-tailed) N	.126* .023 250	.020 .375 250	.054 .198 250	.480** .000 250	1.000 . 250

\*\*Correlation is significant at the 0.01 level (1-tailed)

\*Correlation is significant at the 0.05 level (1-tailed)

## ***Discussion of Findings***

The finding of this study shows that organisational culture at the Royal Malaysian Customs did not contribute to employees needs. The general perceptions on stress and job dissatisfaction are significantly correlated with the hierarchical culture which is dominant in the Customs Department. Hierarchical culture emphasis on achieving individual conformity and compliance through the enforcement of a formally stated rules and procedures; and rewards employees performance based on rank. The system of rewarding performance based on ranked shows association with the findings on the source of job dissatisfaction among the tax employees, where they were dissatisfied with the Customs Department's concern for their welfare and the system for recognising and rewarding outstanding performance. The correlation test performed in this study shows that tax employees' job satisfaction is negatively correlated with the hierarchical culture. Studies in various industries and countries show that bureaucratic/hierarchical culture had a negative impact on job satisfaction (Wallach, 1983; Kratina, 1990; Brewer, 1993; Trice and Beyer, 1993; Brewer, 1994; Krausz et al., 1995; London and Larsen, 1999; Lok and Crawford, 2001; Brewer and Clippard, 2002; Rashid et al., 2003; Silverthorne, 2004). In addition, hierarchical culture does not promote innovative leaders with visions that maintain a focus on the external environment or a dynamic and entrepreneurial organisational environment with readiness for change (Zammuto and Krakower, 1991). Lee and Chang (2008) found that an organisation needs an innovative and group-oriented culture to promote employee job satisfaction.

It is therefore suggested that the management of the Royal Malaysian Customs should adopt the human relations model for the department's organisational culture. The model involves a flexible/internal focus in which training and the broader development of human resources are utilised to achieve cohesion and employee morale. This model of organisational culture has also been referred to as 'group culture' because it is associated with trust and participation through teamwork. Managers in organisations of this type tend to encourage and mentor employees where goals are achieved through consensus building rather than control. Group culture is a development team's way of working together, including their shared habits, traditions, and beliefs. A positive group culture should promote organisational ownership, group cooperation, peer learning, common working hours, and mutual respect. When managers focus on developing and supporting a positive group culture, the team is typically more self-regulating, creative, effective, and satisfied.

The finding from the survey on tax employees at the Royal Malaysian Customs also reveals that the main source of stress came from the uncertainty on the evaluation for a raise or promotion. This source of work stress is significantly correlated to their perceived job satisfaction, which indicated that the employees were dissatisfied with the Customs Department's concern for its employees' welfare and the system for recognising and rewarding performance. The result of the correlation test in this study indicates that work stress among the tax employees is negatively correlated with their job satisfaction. Studies have shown that stress at work is a well known factor for low morale, decrease in performance, high turnover and sick-leave, accidents, and low job satisfaction (McHugh, 1993; Murphy, 1995; Schabracq and Cooper, 2000).

The followings are suggestions to maximise employee performance while minimising employee stress and job dissatisfaction. Firstly, give employees as much control over their jobs as possible because control is the biggest factor in whether people feel stressed out or invigorated when facing a challenge. The more control people have over their work, the greater their job satisfaction, the higher their work quality, and the lower their stress level. Giving employees control includes giving them the power to make job-related decisions, the flexibility to organise their work in the way they find optimal, and the authority to make improvements on how their job is done. Making this work requires providing employees with the training, coaching, and information they need to make intelligent decisions.

Secondly, communicate clearly and often about everything important as one of the greatest sources of employee stress is not knowing; for example not knowing about changes taking place in the organisation, not knowing their supervisor's job and performance expectations, and not knowing if they are doing a good job. Communicating clearly in these areas not only reduces employee stress, it also helps them do a far better job.

Finally, talk with the employees about what makes the organisation great, how the organisation brings value to the society, and how the employees make that possible. People want to feel part of something great and they want to feel that they are making a significant contribution to that greatness. When they feel this way, they not only become energised by challenges, they're also more able to endure difficulties without becoming burnt out.

### **Conclusion**

Determining the culture which is appropriate for all organisations is an impossible task because the characteristics of the organisation, its external environment, and situational constraints dictate different values, beliefs and behaviours. However, all organisations, including those in the public sector, should guide their institutions toward development of a strong commitment to organisational values that enhance organisational performance. Thus, tax administrators should determine their existing cultural values and tax employees' attitudes to find ways for improving tax administration efficiency and effectiveness. Without doubt, cultural and attitude change is a difficult process but can be implemented with planned programs and actions that can create a culture which reduces employee stress and generates employee job satisfaction.

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