THE INFLUENCE OF HUMAN RESOURCE MANAGEMENT PRACTICES
AND PROACTIVE PERSONALITY ON JOB PERFORMANCE AMONG
COMMERCIAL BANK EMPLOYEES

BY

HEMA D/O SUBRAMANIAM

Thesis Submitted To
Othman Yeop Abdullah Graduate School of Business,
Universiti Utara Malaysia,
In Partial Fulfillment of the Requirement for the Master in Human Resource Management
PERMISSION TO USE

In presenting this project paper in partial fulfillment of the requirements for a postgraduate degree from Universiti Utara Malaysia, I agree that the University Library make a freely available for inspection. I further agree that permission for copying of this project paper in any manner, in whole or in part, for scholarly purpose may be granted by my supervisor or, in her absence by the Dean of Othman Yeop Abdullah Graduate School of Business. It is understood that any copying or publication or use of this project paper or parts thereof for financial gain shall not be given to me and to Universiti Utara Malaysia for any scholarly use which may be made of any material from my project paper.

Request for permission to copy or make other use of materials in this project paper, in whole or in part should be addressed to:

Dean of Othman Yeop Abdullah Graduate School of Business
Universiti Utara Malaysia
06010 UUM Sintok
Kedah Darul Aman
ABSTRAK

ABSTRACT

This study examined the influence of three dimensions of human resource management practices which are compensation and benefits, training and development and performance appraisal and achievement together with proactive personality on job performance among the commercial bank employees in Kuala Lumpur, Malaysia. Job performance was measured by combining task performance and organizational citizenship behavior. The researcher’s intention of merging dimensions of human resource management practices and proactive personality on job performance is to validate the Determinants of Job Performance Model by Cardy and Dobbins and Waldman (1994). A total of 120 commercial bank employees participated in this study. Regression analysis was performed to test the research hypotheses. The results of this findings revealed that the two dimensions of human resource management practices (i.e. training and performance management and internal and external equity) did not have a significant influence on job performance. However, compensation and benefits were found to have impacted job performance significantly. Similarly, proactive personality was found to have significant influence on job performance. This study provided theoretical and practical implications.
Firstly, I would like to convey my gratitude to God for giving me the strength, health, and motivation to complete this research paper. My highest respect and thanks to my parents, siblings and my fiancé for giving me morale support and encouragement during the process of preparing this research paper. I would like to take the opportunity express greatest gratitude and thank you to my supervisor Dr. Johanim Johari for the invaluable knowledge, efforts and time in providing me with the proper guidance, assistance and effortless support throughout the entire process. Dr. Johanim has been a good mentor by guiding me in order to complete my literature review. I also thank all the lecturers, college mates and my friends who have created an environment of support and encouragements. I would like to address a special thanks to the respondents who have contributed significantly by participating in the study and answering the questionnaires. So, in a nutshell, I would like express thousands of heartfelt thanks to each and every single person who supported and assisted me directly or indirectly in completing the this research paper.
TABLE OF CONTENTS

Permission to use i
Abstrak ii
Abstract iii
Acknowledgement iv
Table of Content v
List of Tables viii
List of Figures ix

CHAPTER ONE :INTRODUCTION
1.0 Introduction 1
1.1 Background of Study 1
1.2 Problem Statement 5
1.3 Research Questions 13
1.4 Research Objectives 13
1.5 Scope of Study 13
1.6 Significance of Study 14
1.7 Definition of Key Terms 16
   1.7.1 Dependent Variable 16
      Job Performance
         • Task Performance 16
         • Organizational Citizenship Behavior 16
   1.7.2 Independent Variable 16
      1.7.2.1 Human Resource Management Practices 16
         • Compensation and Benefits 17
         • Training and Development 17
         • Performance Appraisal and Achievement 17
      1.7.2.2 Proactive Personality 17
1.8 Organization of the Study 17
CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction 19
2.1 The conceptual background of job performance 19
2.2 Concept of Human Resource Management Practices 22
  2.2.1 Concept of Compensation and Benefits 24
  2.2.2 Concept of Training and Development 26
  2.2.3 Concept of Performance Appraisal and Achievement 28
2.3 Concept of Proactive Personality 31
2.4 Underlying Theories 32
  2.4.1 Social Exchange Theory 33
  2.4.2 Self-Determination Theory 34
  2.4.3 Determinants of Job Performance Model 35
2.5 Hypotheses Development 37
  2.5.1 Compensation and benefits and job performance 37
  2.5.2 Training and development and job performance 39
  2.5.3 Performance appraisal and achievement and job performance. 41
  2.5.4 Proactive personality on job performance 42
2.6 Theoretical Framework 43
2.7 Summary of the chapter 44

CHAPTER THREE: METHODOLOGY

3.0 Introduction 45
3.1 Research design and Unit of Analysis 45
3.3 Measurement and Questionnaire Design 46
3.4 Population and Sample 53
3.5 Data Collection Method 54
3.6 Pre-testing of Instrument and Pilot Test 56
3.7 Analysis Techniques 56
3.8 Summary of the Chapter 59
CHAPTER FOUR: DATA ANALYSES AND FINDINGS

4.0 Introduction 60
4.1 Data Screening 60
4.2 Respondent’s Demographic Profile 61
4.3 Exploratory Factor Analysis (EFA) 64
4.4 Re-statement of hypotheses 68
4.5 Reliability Analysis 69
4.6 Descriptive Statistic 70
4.7 Pearson Correlation Analysis 71
4.8 Multiple Regression Analysis 72
4.9 Summary of the Chapter 74

CHAPTER FIVE: DISCUSSION

5.0 Introduction 75
5.1 Restatement of hypotheses and recapitulation of the research results 75
5.2 Theoretical and Practical Implications 81
5.3 Limitations of the Study 83
5.4 Recommendations for Future Researchers 84
5.5 Conclusion 85

References 87
Appendices 98

Appendix A  Questionnaire
Appendix B  Frequency Distribution of Respondent’s Profile
Appendix C  Descriptive Statistic of Variables (Reliability, Mean and Standard Deviation)
Appendix D  Pearson Correlation Result
Appendix E  Multiple Regression Result
LIST OF TABLE

Table 3.1  Items and Sources of Items for Each Variable  

Table 3.2  Total number of distributed and received questionnaires  

Table 3.3  Reliability of Each Variable  

Table 4.1  Frequencies Distribution of Respondent’s Demographic Profile  

Table 4.2  Factor Loadings based on Exploratory Factor Analysis for Independent Variable  

Table 4.3  Factor Loadings based on Exploratory Factor Analysis for Dependent Variable  

Table 4.4  Reliability Coefficients Results  

Table 4.5  Descriptive Statistic Output  

Table 4.6  Results of Correlation Analysis  

Table 4.7  Results of Multiple Regression Analysis
<table>
<thead>
<tr>
<th>Figure 2.1</th>
<th>Hypothesized Theoretical Framework</th>
<th>44</th>
</tr>
</thead>
</table>
CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter presents the background of study, the problem statement, research questions, research objectives, significance of the study and also the operational definition of the key terms used in this study.

1.1 Background of study

According to the Association of Banks in Malaysia (2015), the financial system in Malaysia is segregated into two categories which are financial institution and financial market. Banking sector is one of the strongest sectors in the service industry which, falls under the financial institution category. Based on the report of Central Bank of Malaysia (2014), banking sectors are licensed institutes under the Banking and Financial Institutions Act 1989 (BAFIA) that supervised by Central Bank of Malaysia. Banking sector in Malaysia is divided into finance companies, merchant banks, Islamic banks and commercial banks.

The banking sector in Malaysia was first established in Penang and Malacca in 1867 by the British merchant communities (Association of Banks in Malaysia, 2015). In those
The contents of the thesis is for internal user only
REFERENCES


Li, N., Liang, J., & Crant, J. (2010). The role of proactive personality in job satisfaction


