

**RELATIONSHIP BETWEEN ORGANIZATIONAL REWARDS
SATISFACTION AND WORK PERFORMANCE OF HUMAN RESOURCE
PROFESSIONAL IN GROUP HUMAN CAPITAL SECTOR, MAYBANK**

By

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Othman Yeop Abdullah Graduate School of Business,
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in fulfillment of the Requirement for the Degree of Master of Human Resource
Management**

DECLARATION

I declare that the substance of this project paper has never been submitted for any degree or post graduate programme and qualifications.

I certify that all the supports and assistance received in the course of preparing and completing this project paper and all the sources abstracted and referred have been acknowledged in this project paper.

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ABSTRACT

Rewards always play a significant role in influencing company's growth and employees' retention. Employees in this new era are more interested in the way organization use its resources thus they seek better approach and effective organizational rewards practice as to be efficient as possible. Not to mention that organizational rewards are one of the key elements to reward high-performer and eventually resulting in better performance traction and high retention. Nevertheless employees' perceptions toward rewards over its transparency, fairness and objectivity are always being the key over the satisfaction of the rewards itself. Hence this study investigates the relationship between organizational rewards and work performance. The target group is HR Professional in Maybank's Malaysia. The HR professionals were given standardized questionnaire in respect of the rewards practice in Maybank and required to respond to those questions accordingly. The data was collected from 128 questionnaires returned, out of 312 questionnaires distributed. Regression analysis results showed weak relationship between two components of rewards tested against work performance and the other showed no relationship at all, thus having weak linear correlation with work performance.

ABSTRAK

Ganjaran dan faedah yang disediakan oleh organisasi sentiasa memainkan peranan penting dalam mempengaruhi pertumbuhan syarikat dan pengekalan pekerja untuk terus berkhidmat. Pekerja dalam era baru ini lebih berminat kepada bagaimana organisasi menggunakan sumber-sumber yang ada dan menggunakannya untuk menghargai mereka atau pekerja yang berprestasi baik kerana ia bertujuan menghasilkan satu amalan ganjaran berkesan dan proses pemberian ganjaran organisasi secepat yang mungkin. Ganjaran organisasi adalah salah satu elemen penting untuk memberi ganjaran kepada pekerja yang telah mencapai keputusan tinggi dan melepasi penilaian prestasi yang ditetapkan. Walau bagaimanapun persepsi pekerja ke arah ganjaran dan faedah yang diberikan oleh pihak syarikat supaya lebih telus, adil dan objektif agar pekerja akan berasa berpuas hati dengan fungsi proses ganjaran syarikat dan seterusnya mendorong pekerja untuk berkerja dengan lebih kuat lagi bagi menghasilkan produktiviti yang lebih cemerlang. Oleh itu kajian ini cuba merungkai hubungan antara ganjaran organisasi dan prestasi kerja. Kumpulan sasaran adalah mereka yang bertugas di bahagian sumber manusia di Maybank Malaysia. Para staf HR telah diberi set soal selidik yang seragam mengenai amalan ganjaran dan pemberian faedah pekerja di Maybank dan dikehendaki menjawab soalan dan memulangkan jawapan kepada penyelidik di dalam masa yang ditetapkan. Data yang dikumpulkan adalah berdasarkan daripada 128 set soal selidik yang dikembalikan, daripada 312 soal selidik yang diedarkan. Keputusan analisis regresi menunjukkan hubungan yang lemah antara dua komponen ganjaran/faedah yang diuji kesannya terhadap prestasi kerja. Manakala dua elemen ganjaran yang lain, iaitu kepuasan terhadap faedah pekerjaan dan struktur pentadbiran gaji, menunjukkan tiada hubungan langsung dan hanya mempunyai korelasi linear lemah dengan prestasi kerja.

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TABLE OF CONTENTS

DECLARATION.....	i
PERMISSION TO USE.....	ii
ABSTRACT.....	iii
ABSTRAK.....	iv
DEDICATIONS.....	v
ACKNOWLEDGEMENT.....	vi
TABLE OF CONTENTS.....	vii
LIST OF FIGURES.....	xi
LIST OF TABLE.....	xii
CHAPTER 1 INTRODUCTION.....	1
1.1 Introduction.....	1
1.2 Background of Maybank.....	4
1.3 Background of the Study.....	6
1.4 Problem Statement.....	10
1.5 Research Questions.....	13
1.6 Research Objectives.....	14
1.7 Significance of Study.....	14
1.8 Limitations.....	16
1.9 Organization of Thesis.....	17
CHAPTER 2 LITERATURE REVIEW	
2.1 Introduction.....	18
2.2 Motivation Theory.....	18
2.3 McGregor Theory X and Theory Y.....	19

2.4	Maslow Theory.....	21
2.5	Fredrick Herzberg Theory.....	23
2.6	Work Performance.....	24
2.7	Pay Satisfaction.....	25
2.8	Pay Level Satisfaction.....	26
2.9	Raise Satisfaction.....	27
2.10	Salary Administration.....	28
2.11	Benefit Satisfaction.....	29

CHAPTER 3 RESEACRH METHODOLOGY

3.1	Introduction.....	31
3.2	Research Approach.....	31
3.3	Research Framework.....	32
3.4	Hypotheses.....	34
3.5	Research Design.....	34
3.6	Population and Target Group.....	35
3.7	Sampling Procedures.....	35
3.8	Research Instrument.....	37
	3.8.1 Rewards Satisfaction.....	38
	3.8.2 Work Performance.....	38
3.9	Operational Definition of Key Terms.....	39
3.10	Data Collection Method.....	41
3.11	Pilot Test.....	41
3.12	Data Analysis and Techniques.....	42
	3.12.1 Descriptive Statistic.....	42
	3.12.2 Inferential Statistic.....	42

a)	Pearson Correlation Coefficient.....	43
b)	Linear Regression.....	44

CHAPTER 4 RESULTS AND FINDINGS

4.1	Introduction.....	45
4.2	Reliability Test.....	46
4.3	Data Screening.....	47
4.3.1	Missing Values.....	47
4.3.2	Normality Test.....	47
4.4	Survey Response.....	50
4.5	Descriptive Analysis.....	50
4.5.1	Profiles of Respondents.....	51
4.5.2	Demographic Profiles of Respondents.....	51
4.6	Descriptive Analysis of the Variables.....	53
4.7	Correlation Analysis.....	54
4.8	Regression Analysis.....	56
4.8.1	The Relationship between Rewards Satisfaction and Work Performance.....	56
4.9	Testing the Hypothesis.....	57

CHAPTER 5 CONCLUSION

5.1	Introduction.....	59
5.2	Discuss of the Findings.....	59
5.3	Recommendations to Organization.....	63
5.4	Recommendations for Future Research.....	65
5.5	Research Implication.....	66
5.6	Conclusion.....	67

References.....	68
Appendix A SURVEY INSTRUMENT.....	76
Appendix B SPSS Output.....	80

TABLE OF FIGURES

FIGURE 1	Maslow Hierarchy of Needs.....	21
FIGURE 2	Research Framework.....	32
FIGURE 3	Normal Q-Q Plot for Rewards Satisfaction – Pay (Mean).....	48
FIGURE 4	Normal Q-Q Plot for Rewards Satisfaction – Benefits (Mean).....	48
FIGURE 5	Normal Q-Q Plot for Rewards Satisfaction – Raise (Mean).....	49
FIGURE 6	Normal Q-Q Plot for Rewards Satisfaction – Salary Admin (Mean	49
FIGURE 7	Normal Q-Q Plot for Rewards Satisfaction – Work Performance (Mean).....	50

LIST OF TABLES

TABLE 1	Type of Variables Measure.....	33
TABLE 2	List of Key Terminologies.....	39
TABLE 3	Interpretation of Strength of Correlation Coefficient.....	43
TABLE 4	Reliability Analysis Cronbach Alpha.....	46
TABLE 5	Demographic Profiles of Respondents.....	52
TABLE 6	Result of Descriptive Analysis.....	53
TABLE 7	Relationship of Correlation.....	55
TABLE 8	Correlation between Variables.....	56
TABLE 9	Regression Analysis Rewards satisfaction on Work Performance	57
TABLE 10	Hypotheses Testing.....	58
TABLE 11	Mean of Work performance.....	61
TABLE 12	Percentage and Mean for dissatisfied Group.....	62

CHAPTER 1

INTRODUCTION

1.1 Introduction

We began to realize on living in the world of uncertainties, where rapid globalization and economic transformation and the series of financial crisis that rocked the world's economy are the trend the world is anxious about. Hence moving towards 22nd century with complex environment, rapid-technology changes, and limited resources, organizations' survival is very much depended on how efficient is the organization drives the performance of its employees. The financial crisis has quickly changed the landscape of world economic of which reflected in quick contraction of production, as a result of slow demand. This has therefore had an impact on the employment and how the organization manages its human resources.

During the last quarter of 2008, world economies has entered a dramatic collapsed which begin in United States and spread to European economy that was later found under tremendous pressures, evidenced in Greece and Italy. Both countries were in the bottom of their worst economy ever. The whole economies then were moved into uncalled recession. As a result, lots of enterprises were shut down, that resulted in the slowdown in goods supplies. The low demand and the ability of the enterprises to curb with the cost pressure in the demanding economic pressure has somewhat resulted to big time of lay off that caused millions of people to have lost their jobs experienced by Indonesia, Malaysia, the Philippines and Thailand, the four hardest-hit countries in ASEAN (Lee and Rhee 1999), during 1997 Asian Financial Crisis.

The economic-challenge was evident in several ways that caused the overturn of world economy in the entire economic-segments; make it even a struggle to the organization to keep up with better and efficient manpower planning as opposed to cost containment. Nevertheless, with proper planning and anticipation, organization therefore could optimize the limitation of resources with productive manpower performance towards driving high productivity and better return to the organization. This indeed requires a strong and appropriate intervention on Human Resource Management practice (HRM) that helps organization survives and overcome the challenge that occurs during the long-term economic crisis.

This consistent with the fact that most, if not all organizations, are very particular about what drives the performance of the employee. Billkop (2006), pointed out that rewards generally has positive bearing on the individual performance, thus conform on the positive relationship between rewards and performance of the employees.

In general, the performance of the employees would determine the success and the failure of the organization. According to Lowler (1996), impressive human resource is the power factor of an organization in compare to others and it is focused on it, so the personnel and their rule is an advantage in stable condition.

However, how would the organization approach to stimulate the performance of the employees in light of the tight economic outlook and limited resources? Howes (2010) remarked, many approaches have been developed and adopted worldwide to improve the employee's performance including goal setting approach, measurement and feedback approach, involvement of employees in decision approach,

organization's culture approach, organization's expectation approach, job design approach, rewards and recognition approach. These approaches aim at increases the level of motivation of the employees that eventually resulted in better employees' performance.

Most of the literatures in human resource suggest that there is a positive relation between rewards and work performance. However for some, argued that the huge cost implications in managing rewards could be well translated in return, by performing and productive employees. Bregmann & Scarpello (2002) opined that an individual's desire to join an organization, to remain with an organization, and to increase effort for the organization is a function of the design and implementation of the organization's compensation system.

Although previous research emphasis has actually been on the outcome of rewards satisfaction on the work performance, it has been recognized that reward system is not the only factor that can influence employee performance, (Carragher and Buckley, 2008; Savelsbergh, et. al., 2010). Therefore there is a greater need to examine the relationship between organizational rewards satisfaction and work performance. This study would help to uncover what motivates Maybank's HR Professional and more specifically to find out which aspects of organizational rewards functions well and which aspect could be further improved.

1.2 Background of Maybank

The Maybank Group is Malaysia's financial services leader with a network of over 2,100 offices in 17 countries worldwide and serving 21 million customers. The Bank was incorporated on 31 May 1960 and commenced operations on 12 September of the same year. It quickly expanded its network and was listed on the Kuala Lumpur Stock Exchange (now Bursa Malaysia) on 17 February 1962. By its second anniversary on 12 September 1962, Maybank had branches operational in numerous parts of Malaysia as well as Singapore, Brunei, Hong Kong and London. Maybank's market capitalization stands at RM76.6 billion with a total asset of RM495 billion and recorded RM7.89 billion profits before tax for Financial Year End 2012.

To realize the Group's vision of becoming the Regional Financial Services Leader by 2015 and to support the Group's five strategic objectives, in July 2010, the group organization structure was re-aligned into three business pillars which allow for a more coordinated and effective business execution: Community Financial Services, Global Wholesale Banking and Insurance and Takaful. Maybank plays a part in millions of lives. Helping people buy new homes, expand their businesses, get better education, save, invest and make plans for the future. By being at the heart of the communities Maybankers serve, by innovating better products, and by always putting the customer first, each and every day, 47,000 Maybankers in Malaysia and around the world are Humanising Financial Services Across Asia.

In Malaysia, Maybank has an extensive network that falls under the Community Financial Services (CFS) pillar, with 386 branches and 4,596 self-service terminals.

In remote rural areas, Maybank provides mobile bus-banking services, and in 18 rural areas in Malaysia, Maybank is the only bank available. On top of that Maybank is also the nation's biggest internet banking provider with a 55% market share. Meanwhile its Islamic First Policy is to be proving to be an appropriate and effective driver behind its commitment to promote the Islamic Finance Services.

Specifically, Group Human Capital is headed by Puan Nora Manaf and the structure of Group Human Capital is divided into three core areas, i.e. Business Human Capital (BHC), Center of Expertise (COE), Shared Services (SSC) and representative Head of Country's HR that exists in all parts of Maybank Group overseas. The Business Human Capital sits in with the Maybank Core Business pillars and provides strategic HR solutions to the business. The role requires understanding of business acumen and strong in HRs' solution. The Center of expertise, namely, Talent & Organizational Development, Performance & Rewards Management, Organizational Learning, Industrial Relations, Employee Communication and Engagement, Shared Service Center, Resourcing Center and Executive Leadership Coach.

Maybank's Group Human Capital is providing 3 dimensions of solutions to the customers that are Maybank's staff. Group Human Capital or better known as GHC provides 3 level of dimensions that covers transactional, functional and strategic. Transactional refers to HR processes, system and technology of which helps the employee on basic operations of HR such as salary administration, leave and on-line services. The second dimension or level of service provided by GHC is providing HR products, Skills of HR to facilitate the process of performance management system, Consequence Management and any other HR operational matters. The final

level of service provided by GHC is to provide strategic advisory in the areas of culture management, change management and strategic decision making

1.3 Background of the Study

Organizational rewards is used to attract, retain, and drive employees' performance, which ultimately increase better performance of the organization, thus the study attempted to examine the extent of how much the rewards received, influenced the work performance of employees.

According to McCormick and Tiffin (1979), motivation can be either intrinsic or extrinsic. As organizational rewards address the two basic of motivation, that is intrinsic or extrinsic, so there is a need for the organization to look into how does the organizational reward influence employee's motivation extrinsically. However organization may also have to factor in the influence of intrinsic motivation that inherent in the job itself, the feelings of achievement, job satisfaction and sense of accomplishment. With this in mind, organization would be able to design the rewards strategy as to match the expectation of the employees.

Intrinsic rewards are those that exist in the job itself. Intrinsic rewards increase feelings of self-esteem and accomplishment (Honig-Haftel and Martin 1993: 261). Hence intrinsic motivation, deriving from within the person or from the activity itself, positively affects behavior, performance, and well-being (Ryan & Deci, 2000). Examples of needs that one would look into are achievement, variety, challenge, autonomy, responsibility, and personal and professional growth. Mahaney and

Lederer (2006) also sampled out that those needs also include status, recognition, praise from superiors and co-workers, personal satisfaction, and feelings of self-esteem.

Mottaz (1985) argued that Intrinsic rewards are derived from the content of the task itself and include such factors as one is given interesting and challenging task to work on, have the self-direction and responsibility, variety in opportunities and tasks, given the space and freedom to express creativity, opportunities to use skills and abilities to the fullest potentials, and gotten sufficient feedback regarding the effectiveness of one's efforts. This is consistent with the fact that every employees are thought to be motivated, hence to work hard to produce intended results when they have sense of pride in their work, they believe their efforts are important to the success of the team, and their jobs are fun, challenging, and rewarding (Mahaney and Lederer 2006: 50).

Another dimension that we have to analyze on beside the intrinsic rewards is extrinsic rewards. Element of work condition, pay level and pay rise, fringe benefits, security promotion, contract of service and work environment are examples of extrinsic reward, thus external to the job itself which is outside the individual. Other examples include competitive salaries, pay raises, merit bonuses, and such indirect forms of payment as compensatory time off (Mottaz 1985: 366, Mahaney and Lederer 2006: 43).

According to Goldsmith, Veum and Darity (2000), a competitive salary premium may have a positive bearing and powerful effect on productivity of employee by

improving nutrition, boosting morale, encouraging greater commitment to organizational goals, reducing turnover and the disruption caused by it, attracting top talents and inspiring employee to put forth greater effort. This is consistent with Stajkovic and Luthans (2001) who argued that people are attracted to well-paying jobs' hence extend extra effort and commitment to perform the activities that bring them more pay, and otherwise become agitated if their pay is threatened or decreased.

Extrinsic rewards are used for talent's retention as to ensure that top's talent remains with the organization. It is a gesture from the management that the company is recognizing the high performers and valuing team contributions to quality and higher productivity. Typically, the monetary rewards consist of a cash bonus or incentives allocated to each team member. The team bonus would be given on top of the salary. This has therefore would increase the morale of the employees thus resulting in better performance. Beardwell & Claydon (2007) also argued that motivation, in context of work, is a psychological process that results from the interaction between an employee and the work environment and it is characterized by a certain level of willingness. The employees are willing to increase their work effort in order to obtain a specific need or desire that they hold.

Basing on the premise that organizational rewards has somewhat linked to employees' performance, as such, every organization needs to develop the right organizational rewards strategy. This is to ensure the strategy matches the expectation of the employees. If the organization expected maximum performance from the employees, so do the employees expected the same from the organization,

in respect of rewards satisfaction as to fulfill the expectation of their intrinsic and extrinsic rewards' needs.

Nevertheless, the discrepancy in the expectation for both organization and employees would consequently have some bearings on the overall organizational performance. According to Bergmann & Scarpello (2002), employees' satisfaction with their pay has been the major focus of study since 1960's. It is a function of the discrepancy between employees' perception of how much pay they should receive and how much pay they actually receive. Milkovich & Newman (2008) hypothesized that most researchers agree that if these perceptions are equal, then an employee is said to experience pay satisfaction.

In contrast, employee's performance is vital to the organization thus managing rewards effectively is remains key in human resource practices. Adam Equity Theory (1963) hypothesized that rewards may result in decreasing of employee performance such as high number of absenteeism, as well as lack of interest in doing task that is not included in their job description. The theory also predicts that the decrease in employees' performance happens whenever the reward does not match the contributions put in by the employees.

1.4 Problem Statement

This study focuses on the relationship between rewards satisfaction and work performance. In essence, an organizational rewards satisfaction plays a prominent role in driving the desired work performance of employees. Many studies have been conducted in the past to further understand the relationship of the rewards satisfaction and work performance. However there were mix findings in the literature which type of rewards is more effective to increase employee performance.

According to Perry *et al* (2006) financial rewards is not the most motivating factors and several studies have found that among the employees surveyed, money was not the most important motivator, and in some instances managers have found money to have a reverse effect on the employees' motivations (University of Texas, undated). Balkin and Dolan (1997) also concerned on the use of extrinsic rewards that are tightly linked to team performance, may have the reverse effect of which teach team members, to become money-driven and undermine their intrinsic interest in the work itself.

Nevertheless according to Brian (2005), the unreliable reward system also brings the "compensatory damage" that has hugely detrimental effects to the financial performance of the organization. As a result, the unreliable reward programme could be well translated on the reverse effects of its intended income, evidenced in reduced employees' productivity, equity issues on the fairness and transparency of the rewards process as well as other flaws in the Human Recourse Management (HRM)

practices. Thus possibly could invite some negative perceptions from the employees on the fairness and transparency of the rewards programme within the organization. However despite many studies on reward satisfaction (Ducharme, Singh, & Podolsky, 2005; Vest, Scott & Markham, 1994; Wu & Wang, 2008), most of them are either outdated and not fit or irrelevant to today's setting. In addition to that, in most studies, the scope of study was not focusing on the impact of many types of organizational rewards specifically on individual work performance. Hence further studies to reflect on different audience and target setting must be explored and various organizational rewards must be examined in respect of its impact on individual work performance.

Indeed, many researches in the past have shown that employees' performance is influenced by rewards satisfaction, but the context of study was on the different setting such that the researchers are predominantly western-oriented and the focus then was on the context of western world. This has minimum reflection on the Asian countries especially Malaysia. In addition, less attention also has been given to study on the rewards satisfaction amongst the human resource staff that hypothetically reflects positively on their work performance.

As this case refers to Malaysia's context, it is vital to understand the overall rewards system in Maybank and its relationship with Maybank's human resource professional especially in discharging their duties. In view that human resource professional in Maybank acts as a strategic business partner, the emphasis on the work performance is rather critical as the expectation of the business and the customers within, has increases tremendously. Therefore with this in mind, the study aims to uncover the

relationship between rewards satisfaction amongst the human resource professional in Maybank and the impact on their work performance.

Based on the 2011, Maybanks' Internal Customers Employee Engagement Survey (ICES) of which Maybank's employees are given a survey to feedback on the performance of Group Human Capital. There are 7 key drivers that were measured. There were Group Human Capital as a Strategic Advisor, Effectiveness, Performance Management, Recruitment, Shared Services Centre, Group Organizational Learning and Internal Communication. Based on the results, the perceptions of HR performance quality of work for HR however requires significant action plan as to improve the impression of the customers. Only 38% satisfied with the service rendered by HR as a strategic advisor. For performance management and recruitment, the survey showed only 45% of the employees surveyed satisfied with HR services with regards to performance management and recruitment. However overall HR effectiveness based on the average scores of the seven dimensions only recorded 48% satisfaction level. This is somewhat signifies employees in Maybank group feel that HR professional in Maybank still need to improve on quality or work that includes the HR tools, HR systems as well as individual skills and competencies.

The interview with 10 selected respondent who are the Business HR Managers and Executive during the pilot test recently signifies the significant issues, there is, in their Base Pay received as compared to the amount they heard from other organization or they are convinced that they should be paid and rewarded higher. The researcher had a chance to discuss on what are key gaps in Maybank and thus they have listed that basic pay, bonus and structure pay that limits their earnings thus

resulting in low satisfaction in respect of rewards as whole. With this in mind, it is therefore making the study on the impact that rewards satisfaction has on the work performance among the human resource staff in Maybank, is justifiable.

1.5 Research Questions

This research is an attempt to examine the relationship between the independent variables which are organizational rewards and the dependent variables; employees' work performance. This research also aims to uncover the relationship between components of organizational rewards that includes 1) pay level, 2) benefits, 3) raise and 4) salary administration, with the employees' satisfactions specially on how well organizational rewards drives employees' motivation over any of these components as spelled out below. Thus this study would attempt to answer four below issues:

- 1) Is there any relationship between pay satisfaction and work performance?
- 2) Is there any relationship between raise satisfaction and work performance?
- 3) Is there any relationship between benefits satisfaction and work performance?
- 4) Is there any relationship between salary administration satisfaction and work performance?

1.6 Research Objectives

The objectives of this research seek to understand the following:

1. To examine the relationship between pay level satisfaction and employees' work performance
2. To examine the relationship between benefits satisfaction and employees' work performance
3. To examine the relationship between pay raise and employees' work performance
4. To examine the relationship between salary administration and employees' work performance

1.7 Significance of Study

This study would give the management of Group Human Capital, Maybank better understanding of what is the significant components in the organizational rewards such as; pay level, benefit, raise and pay structure that drives work performance of employee particularly the human resource professional. As Lawler (1985), argued rewards cause satisfaction of the employees to be affected, which directly influence the performance of the employees. Thus this study therefore attempts to answer which part of the reward components that has bigger bearing on the employees' work performance.

Salary and benefits are part of a total rewards and compensation package. According to Stewards and Brown (2009), employee compensation is the process of paying and rewarding people for the contribution they make to an organization. This is consistent with Mathis and Jackson (2003) that says compensation rewards people for performing organizational work through pay, incentives and benefits. According to Aswathappa, employees 'living status in the society, satisfaction, loyalty and productivity are influenced by the compensation hence it is very important for employees as that is the very main drive as to why they commit to come work every day.

Lawler (1985) and Gerhart and Milkovich (1990) also concluded pay and benefits are that of factors influence the performance with regards to work and organization. Firstly, it depends on the amount received and the amount the individual feels he or she should receive. Secondly, comparison to what others collect influences peoples performance, and thirdly, and employees satisfaction with both intrinsic and extrinsic rewards received affects overall job performance. Fourthly; people differ widely in the rewards they desire and in the value they attach to each. And the firth, that many extrinsic rewards satisfy only because they lead to other rewards. All these observations suggest the need for a diverse reward system.

Being the number one Maybank in Malaysia, rewards competitiveness is the key for one of the Maybank Employee Value Proposition (EVP). This study thus therefore provides true insights of employees' satisfaction and how it impacts the work performance. Maybank has been ranked as the 3rd employer of choice in 2012 by Graduan. Over 100 companies surveyed by Graduan and Maybank came out topped

in the financial institution category, above its main competitor CIMB. This is really a proof point that Maybank has in order to attract top talent to join the organization in the future. With this in mind, the study would be able to suggest on how does HR professional feels towards the rewards they received as any reverse feedback would give some indicator to the Management in reviewing the pay policies but to ensure adjustment to market as to ensure the total rewards strategy is still competitive and highly regarded by the employee.

1.8 Limitations

The limitations on this research were:

- a) **Limited reach** - That of the study was focuses on Maybank Malaysia; therefore the findings could not be generalized for Maybank Overseas Unit

- b) **That of time contrsaint** - The time accorded to complete this study is limited. As a part time student and on full time employment, time is of an essence. The researcher tries his level best to produce a good and comprehensive research work within this constraint.

- c) **Information and Data** - Though this is a random sample, the questionnaire was delivered face to face to the respondents. This was to ensure the fulfilment of this research for a representative samples. Due to the nature of work of the respondent and that they are scattered everywhere within Maybank Malaysia, to see them face to face proves to be a laborious task. Nevertheless a significant number responded diligently due to the researcher assertiveness.

- d) **4) Lack of experience** - This is the researcher maiden research work. The researcher admits that should there be any shortcomings to this research, write-up and findings the researcher takes full responsibility fully and solely. There have been valuable knowledge gains from this research which will be of benefit for future similar endeavours.

1.9 Organization of Thesis

This thesis comprises of five chapters. Chapter 1 introduced the basic principle of the issues and the importance of the study on the organizational rewards and its impact on the employees' work performance. This chapter provides introduction, the background of Maybank, background of study, research questions and research objectives, significance of the study, problems and limitations, were given in details. Under the chapter 2, literature review is carried out based on the existing research on areas of rewards and work performance as well as on theories of motivation. Research methodology is discussed in the chapter 3. This includes research framework, hypotheses, research design, and operational definition, measurement of variables, data collection, sampling, data collection procedures and technique of data analysis. Chapter 4 provides discussion on the results and findings. The demographic profiles of the respondents are summarized and analyzed, reliability, descriptive, correlation and regression, and results of hypotheses are tested and presented. Final section, chapter 5, concludes and recapitulates the study finding by putting up the discussion of the findings, recommendation to organization, recommendation for future research, research implication and conclusion. The chapter ends for future research with recommendation.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter discusses the reviews and key summaries that have been conducted in this particular area of research. This chapter also gathered the conceptual of key terms and critically evaluates the past research and current as to reflect on this research. With this, theoretical and empirical contribution of past researchers investigated of the same variable or similar issues would prevail. As work performance is the key dependent variable in this research therefore this chapter would also discuss the theory and relevant literature of work performance.

2.2 Motivation Theory

According to Kast and Resenweig (1985) motivation refers to a motive what prompts a person to act in a certain way or at least develop an inclination for specific behaviour. Yorks (1976) argued that motivation can be defined as those forces within an individual that drive or hinder one to satisfy their basic needs or wants. However one has to note that motivation works variedly in people. Hence the level of needs differs from one to another such that, will eventually determine what rewards will satisfy an them. Dessler (1986) concluded that most psychologists believe that all motivation is ultimately derived from attention that results when one or more of our important needs are unsatisfied, however, Maslow hypothesized that "Only

unsatisfied needs provide the sources of motivation; a satisfied need creates no tension and therefore no motivation".(Burke 1987, 32).

Employees who are motivated are the key factors to increase productivity, deliver better service, produce quality products and eventually help the organization to achieve its core objective. With this in mind, managers therefore must have a clear understanding of how to shape and influence the motivation of employees as motivated employees produces better results. Dielemen & Tooneen (2006) opined that Managers are indeed in dilemma in providing and creating those motivations to employees as both emphasis motivation to be rooted in the job (intrinsic) or external factors (extrinsic) to get one to perform and deliver the jobs. This is consistent with Harris in Milapo (2001) who argued that motivation is vital and one of the key factors that could differentiate between a performer and non-performer. He also argued that even people with the right skills and qualification would still perform poorly if their motivation is unfulfilled and ignored. It is therefore in achieving higher level of performance, organization is required to put a serious attention towards one's motivation, be it intrinsic or extrinsic. Hence if those satisfiers are used and employee feels the impact of those satisfiers, thus could help the organization to retain, attract, and increase employees' commitment and satisfactions.

2.3 McGregor Theory X and Theory Y

The eminent psychologist, the world has ever witnessed, Douglas McGregor in his book, "The Human Side of Enterprise" published in 1960 has examined theories on

behavior of individuals at work, and he has then formulated two models which he calls Theory X and Theory Y. In his theory McGregor developed two distinct preconceived perceptions of how people observe, particularly how human behaves at work and one's organisational life. Based on his observation McGregor then proposed that managers could be divided into two categories based upon the fundamental assumptions held regarding their employees.

Mcgregor (1960) also pointed out that a manager who believed his/her subordinates were generally lazy, uninspired, unimaginative, and only react to reward and punishments would be classified as "Theory X". On the other hand, a manager who believed her/his subordinates wanted to excel, desirous and capable of independent thought and action, and responded well to "higher order" tasks was labelled "Theory Y". Theory Y assumes that people are not by nature, lazy and unreliable. They usually are self-directed and creative at work, if properly motivated. It is for the management to unleash this potential in individuals (employees). Theory Y suggests how management could focus in creating better opportunities, helps removing obstacles, providing guidance and encouraging growth. As a result, the management could possibly match the individual goals with organizational goals.

2.4 Abraham Harold Maslow's Theory of Need

It was in 1943 a Psychologist Mr. Abraham Harold Maslow suggested his Theory of Human Motivation. His theory is one popular and extensively cited theory of motivation. Maslow's theory is based on the Hierarchy of Human Needs. According to Maslow, human behavior is related to his needs. It is adjusted as per the nature of needs to be satisfied. In hierarchy of needs theory, Maslow identified five types / sets of human need arranged in a hierarchy of their importance and priority, namely physiological needs; safety needs social needs, esteem needs and self-fulfilment needs. Below diagram depicts the level of hierarchy needs suggested by Maslow (1943)

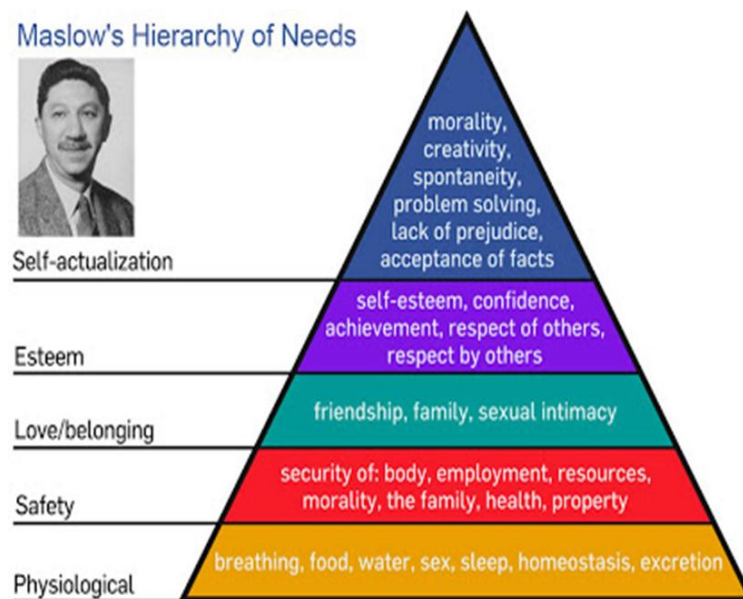


Figure 1
Maslow Hierarchy of Needs

According to Maslow (1943) suggested that these needs are generally experienced by people. Self-fulfilment is the highest need of Maslow's motivation theory. He believes individuals have the desire to achieve and eventually realize their full

potential and skills. However he sees that differently at the bottom of the hierarchy, of which this need is never fully satisfied; as people grow psychologically new opportunities to grow tend to emerge.

Physiological needs are the ones required in order to satisfy the basics of life, such as air, water, food, sex and sleep. The lower order needs have to be satisfied in order to pursue higher level motivators along the lines of self-fulfilment. The argument of his theory is that the need for self-fulfilment cannot be satisfied. Individual is always wanting and therefore it is only a need that is not satisfied that can motivate behaviour and the dominant need is the one that makes one to act in a particular way in order to fulfil it. People develop psychologically as they advance up the hierarchy but progress is not achieved in a straightforward manner. The lower needs continue to exist temporary and dominate motivation and individuals time and again return to needs that have earlier on been satisfied. In line with his argument is that, for adequate work motivation leaders and managers need to understand the active needs that create individual employee motivation.

According to Boeree (2006) If Maslow's theory is true, there are very important leadership implications it provides to promote workplace motivation. There are a variety of ways to motivate employees through their liberal and open style of management which could open for more ideas and trust, objective compensation plans that rewards individual and team, clarity in role definitions and meaningful organisation activities. In order to be able to provide physiological motivation an organisation should ensure that it provides for example as basic as sufficient lunch breaks, place to eat, place to have fun, place to read, many more creative way to

create the work place as truly second home as well not to neglect offer on the monetary part in terms of salary and other perks that enable the workers to be able to meet employee basic needs.

2.5 Frederick Herzberg's Hygiene and Motivational Factors Theory

Herzberg's theory is rooted into two underlined parallel sets of needs namely men need as an animal to avoid pain and as a human the need for psychological growth. In his theory he listed and agreed with a number of factors that are similar to Maslow's hierarchy of needs, however his theory is more towards how the working environment effects one's motivation. He categorized these factors into two categories namely hygiene factors (dissatisfiers) and motivators (satisfiers). Under the hygiene factors he concluded factors such as working conditions, company policies and administrative practices, salary and benefits, supervision, status, job security, co-workers and personal life while the motivators include factors such as recognition, achievement, advancement, growth, responsibility and job challenge. One set of needs is associated with what a person does while the other is concerned with the situation in which it is done.

The motivators have the ability to create an effective motivation in individuals in order to be able to perform and perform to their potential while the dissatisfiers describe the work environment that could lead to the element of the opposite, of which resulting have much effect in creating positive job attitudes. The hygiene factors are dissatisfiers because they form the environment in which man is persistently trying to adjust while the motivators create motivation because they are

the tasks available to facilitate the achievement of growth. Herzberg argues that hygiene factors must be initially observed in the job before motivators can be used to stimulate the job and the resultant feeling of motivation to be achieved. This implies that we cannot motivators until all the hygiene factors have been fulfilled. Hygiene's theory spells out unique and distinct issues which people need in their work to enable them feel motivated to perform well. In this context, Herzberg agrees that one's motivation needs should not be observed in isolation thus the hygiene and motivators must be analysed together to ensure the result of it could be well translated in staff performance.

2.6 Work Performance

An organization success in driving its strategic objectives rests with the ability of its employees to drive maximum performance. Sackett and De Vore (2005), (cited from Carr et al, 2005) found the workplace justice theory that is form of perceived injustice in the workplace can lead to counter-productive work behaviors, and, to that extent, to some de-motivation. Almost by definition, a type of injustice is directly relevant to pay diversity and an issue of resources and resource distribution. There were so many ways to evaluate employees work performance (Williams & Anderson, 1991). According to William and Anderson (1991), they had discovered that the two measures to assess the performance of employees through the benefits offered to organizational citizenship behaviors of individuals and organizations.

According to Borman and Motowidlo (1997) call task performance – that is, “the effectiveness with which job incumbents perform activities than contribute to the

organization's technical core" They both also hypothesized that such behaviors are important because they "shape the organizational, social, and psychological context that serves as the catalyst for task activities and processes".

2.7 Pay Satisfaction

Organizations often use many criteria to study how effective their compensation plans are in driving the motivation of employees to work harder or as a tool to reward performer. These criteria include improved performance, compliance with laws and regulations, cost reduction, and contribution to the strategic plans (Bergmann, & Scarpello, 2002; Gomez-Mejia, 1992). Besides Heneman (1985) highlighted that a consistent findings in the literature that there is a positive relationship between pay level and pay satisfaction. This is line with Heneman & Judge (2000) argued satisfaction with pay is directly related to the pay level.

Nevertheless Lawler (1971) cautioned that in order to model the precise relationship between pay level and pay satisfaction, care must be taken to consider the characteristics of the person and job as well as pay system administration (Dyer & Theriault, 1976) which may also influence pay satisfaction. Besides employee's tardiness and attitudes also the components that have been researched on the effectiveness of compensation plans towards driving the important of organizational outcomes. Heneman (1985) hypothesized that pay satisfaction has been shown to be related to attendance, turnover, and union vote.

However only two previous studies, Griffin, Mathieu, and Jacobs (2001) and Schneider, Hanges, Smith, and Salvaggio (2003), that linked pay satisfaction to outcomes at the organizational level of analysis. The Schneider et al. (2003) study, by contrast, assessed a narrower range of satisfaction with pay; their measure used two items, namely respondents' comparison of pay with others in similar jobs and respondents' rating of the amount of their pay.

2.8 Pay Level Satisfaction

In addition, Lawler and Porter (1967) found that satisfaction with pay seems to be more a function of where an individual currently slots himself on pay, relative to where he feels he should be, than of his absolute pay level. The actual pay level and satisfaction is probably a function of the discrepancy of perceived pay level and the amount that employees believe their pays should be (William et al, 2006) (cited from Till & Karren, 2011). According to Malhotra *et al.*, (2007), perceived satisfaction with the pay received on the work done and relatively paid better, if not equal, provided by other organization.

Besides that it is not surprising that salary or wages as measures of pay level consistently have been shown to influence pay satisfaction (Berger & Schwab,1980; Dreher, 1980; Dreher et al., 1988; Futrell, 1978; Lawler, 1971; Miceli & Lane, 1991; Motowidlo, 1982; Ronan & Organt, 1973; Schwab & Wallace, 1974). Amount of pay relative to others working in similar jobs in other organizations (external equity) positively would have a direct influence over pay level satisfaction (Dyer &

Theriault, 1976; Gerhart & Milkovich, (1992); Lawler, 1971; Miceli & Lane, 1991; Rice, Philips, & Mcfarlin, 1990).

For generating pay satisfaction organizations have to ensure transparent policy of perception of pay-for performance. Perception of pay-for-performance is therefore influence positive influence on pay satisfaction. Bordia and Blau (1998) observed, perceived relationships between pay and performance account for more variances in pay raise satisfaction than all the demographic variables put together. Thus, establishing a pay-for-performance compensation system may be the most effective way to promote pay level satisfaction.

2.9 Raise Satisfaction

Pay raise satisfaction are influenced by three variables that was hypothesized by Dyer & Theriault (1976), as per below mentioned:

- 1) The past raise history of the individual is expected to positively influence pay raise satisfaction. This has influence someone who have experienced the raise in the past would have positive reaction towards the raises
- 2) Accuracy of performance assessment , positively influences pay satisfaction
- 3) Perceived contingency between performance and pay, influences pay raise satisfaction

However Dyer & Theriault (1976) argued should the employee perceive the appropriateness of pay criteria of which based on other criteria than performance, are also likely to see the criteria as appropriate thus resulting in the lower satisfaction with pay raise. The same sentiment was discovered from Folgerand Konovsky (1989) who hypothesized that the perceived fairness of pay raise procedures, explained variance in pay satisfaction beyond the effect due to pay raises.

2.10 Salary Administration

Dyer and Theriault (1976) pointed that perceived understanding of pay criteria has a direct influence over pay satisfaction. Therefore it is logic to argue that employees who understand the pay policies, pay criteria, pay structure, the pay system and as well as the administration of pay in the organization will be then resulted in the salary administration satisfaction. Miceli and Lane (1991), put forward that perceived managerial influence over the pay would affect satisfaction with the way the pay system is structured and administered.; and those who have perceived that the manager play a less influential over the pay system is likely to have better satisfaction over salary administration.

Besides most of the organization uses the performance appraisals as a basic in their pay decision thus those who relate their salary administration to performance appraisal dissatisfaction would influence their salary administration satisfaction. Heneman (1985) argued that attitudes about the performance appraisal process were often related to pay system administration, and based on Dyer and Theriault's (1976) findings, such attitudes should influence pay satisfaction.

2.11 Benefits Satisfaction

Most of the organizations use the differentiated employee benefits to attract, retain, and motivate employee. It will increase employee satisfaction, if the benefits offered are matching the needs and the expectation of the employee. Employee benefits are defined, as that part of the total compensation package, other than pay for time worked, provided to employees in whole or in part by employer payments such as life insurance, pension, workers' compensation, vacation etc. (Milkovich & Newman, 1999; Moussa, 2000).

Benefit satisfaction often related to employee satisfaction and part of the retention tool. Most of the organization would have a differentiated benefits programme as to attract talent and to retain talent. According to Dreher, Ash and Bretz (1988), benefits satisfaction is influenced by benefit coverage and employee cost. However employees of all level are normally given the coverage of benefits. Hence it may be useful to investigate factors that differs their perception towards benefit satisfaction (Gerhart & Milkovich, 1992); Miceli & Lane, 1991). Nevertheless, the individual differences still determine the level of benefits satisfaction as that would be the most predictive measure.

Miceli and Lane (1991) discovered that age negatively influences benefit satisfaction. Therefore, simply put that the longest serving staff in the organization is not influenced by the benefits satisfaction. This can be well-linked to the argument that the use of medical benefits, the most expensive of all benefits to employers and often employees (Milkovich & Newman, 2008), increases with age (Taubman &

Rosen, 1982). Since older employees may be particularly sensitive to out of pocket benefit expenses (Barringer, Milkovich, & Mitchell, 1990), they are expected to be less satisfied with their benefits.

Second, salary grade level is hypothesized to be negatively related to benefit satisfaction. Miceli and Lane (1991) highlighted that as inputs into the benefit system (like co-payment, deductibles, etc.) increases relative to benefit outcomes, satisfaction with benefits should decrease. In this context however suggests that the higher the level of income for employee earn in the organization, the lesser the impact on the benefits satisfaction persists among the higher-earning groups.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

This chapter covers the methodological aspect of the research and put forward the research design, population and sampling, data collection, data analysis and explains the limitations. This chapter would give a clear description of the specific steps employed in this research paper.

3.2 Research Approach

In analyzing process based on independent variable, this research would employ the correlation and relations type of study. These factors in independent variable will be later analyzed to show whether or not there is any significant bearing on the relationship with the variables. Following model depicts the relationship between the independent variables and dependant variables forming the theoretical framework of this research.

3.3 Research Framework

The researcher framework is basically based on the potential source and consequence of the reward which introduced by Ballentine, et al (2009). The detail framework is as follows is as shown in Figure 1-1.

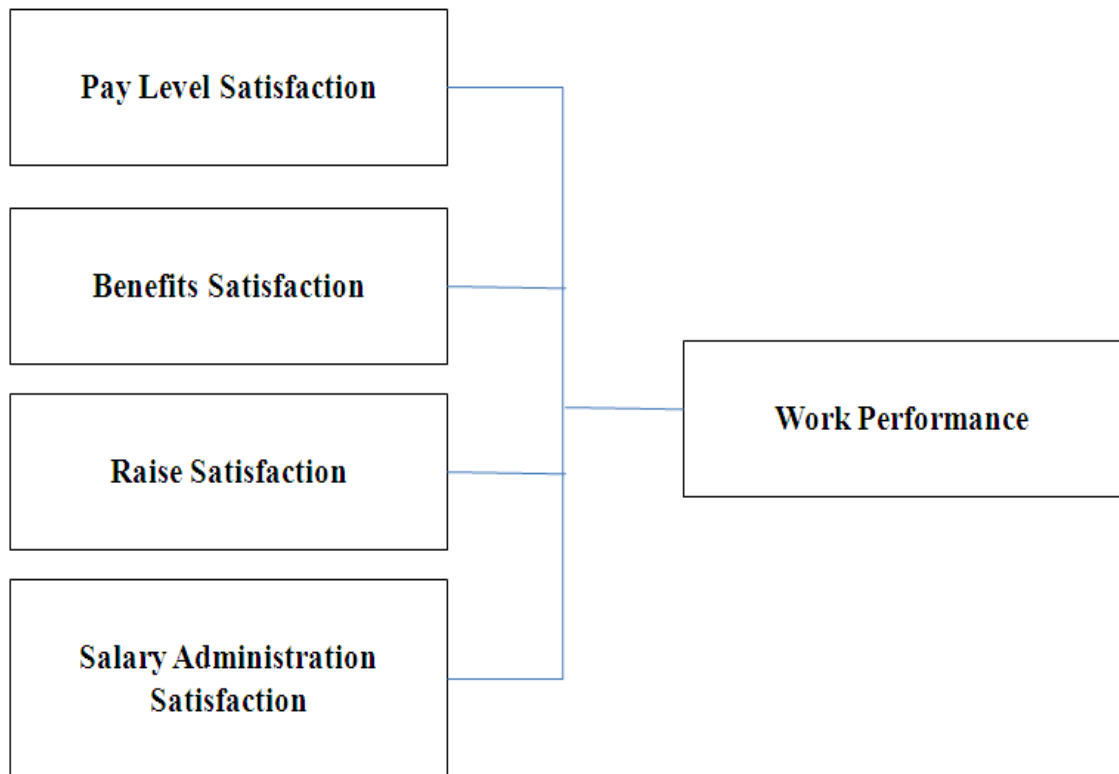


Figure 2
Research Framework

As shown in figure 2-1, the dependent variable (DV) is work performance. The independent variables (IV) are pay-level satisfaction, benefits satisfaction, raise satisfaction and salary structure or administration satisfaction.

As shown in Figure 1.1, the way dependent variables (DV) and independent variables (IV) are measured is as per table 1 below:

Table 1
Type of Variables to measure

Variable Type	Description	Measured by
DV	Work Performance	Delivery and quality of work done
		Level of engagement
		Teamwork
		Discipline
IV (1)	Pay Level Satisfaction	My take home pay
		My current salary
		My overall level of pay
		Size of my current salary
IV (2)	Benefits Satisfaction	Amount the Bank pays towards my benefits
		The Value of My Benefits
		The number of benefits I receive
IV (3)	Pay Raise Satisfaction	My most recent increment
		Influence my supervisor has on my pay
		The raises that I have typically received in the past
		How my raises are determined
IV (4)	Salary Administration Satisfaction	The Bank's pay structure
		Information the Bank gives about pay issues of concern to me
		Pay of other jobs in the Bank
		Consistency of the Bank's pay policies
		Different in pay among jobs in the Bank
		How the Bank administers pay

3.4 Hypotheses

Based on the above objectives, the present study seeks to test the following hypothesis:

- H1: There is a positive and significant relationship between pay level and work performance
- H2: There is a positive and significant relationship between benefit and work performance
- H3: There is a positive and significant relationship between raise satisfaction and work performance
- H4: There is a positive and significant relationship between salary structure and work performance

3.5 Research Design

This is an exploratory nature of research of which attempt to study the relationship between reward satisfaction and work performance. Questionnaire was used for data collection. This method chosen due to the practicality and time spent on this. Thus this method was easy to manage given the time constraint and the depth of this research.

According to Zikmund (2003), the aim of quantitative research is to determine the quality or extent of some phenomenon in the form of numbers. Thus the study would test the relationship between two Organizational Rewards (as an independent

variables) comprises of elements pay, raise, benefits and salary administration, with work performance of the employees (as dependent variables) comprises of work performance, teamwork and discipline. Therefore, in establishing the relationship between organizational rewards and work performance, correlation technique will be performed. According to Cavana et al. (2000), correlation study is specifically used to identify the relationship between independent and dependent variable

3.6 Population and Target Group

This study focuses on the HR professional in Maybank in order to understand the relationship between organizational rewards satisfaction and work performance of HR professional in Maybank. Though Maybank has the HR professionals outside Malaysia, however due to distance and timing constraint thus this study focuses only for Maybank's HR Professional in Malaysia. Total population of HR in Malaysia as of April 2013 is 312 staff that functions in three core areas i.e. Business Human Capital, Centre of Expertise and Shared Services Center.

3.7 Sampling Procedures

The study seeks to understand the behavior of HR professional towards works performance which is arguably influenced by their satisfaction in organizational rewards, thus HR professional in Maybank's Malaysia is the subject of this study and samples are taken from this group only. Uma Sekaran (2003) suggests that sampling design and sampling size are very crucial and important in ensuring the reliability of the study. For the purpose of this study, total 172 respondents were figure out as the

sample size through Krejcie and Morgan (1970) formula to determine the sample size.

$$s = X^2 NP (1 - P) \div d^2 (N - 1) + X^2 P (1 - P)$$

s = required sample size

X^2 = the table value of chi-square for 1 degree of freedom at the desired confidence level (3.841)

N = the population size

P = the population proportion (assumed to be 0.50 since this would provide the maximum sample size)

d = the degree of accuracy expressed as a proportion (0.05)

Below would be the calculation to identify the sample size:

s = required sample size

X^2 = the table value of chi-square for 1 degree of freedom at the desired confidence level (3.841)

N = 312

P = assumed to be 0.50

d = the degree of accuracy expressed as a proportion (0.05)

$$s = 3.841 (312)(0.5)(0.5) \div (0.05)^2 (311) + 3.841 (0.5)(0.5)$$

$$s = 299.598 \div 1.73775$$

$$s = 172.405$$

$$s = 172$$

3.7 Research Instrument – Design of Questionnaire

Questionnaire is one of the approaches used in gathering data. Besides its reliability as its collect the written feedback, questionnaire also helps to fetch data and responses which may involve the large population studies. The researcher feels questionnaire provide efficient in collecting standardized data that helps in testing to measure the research objectives.

For the purpose of this study questionnaire were distributed to the all staff of Group Human Capital, Maybank Malaysia via hand. The respondents then submitted back to the writer as the writer resides within the same building. The time given to respondents to response was one week. The questionnaires were written in English and it was a simplified version so that all the respondents could relate to the question asked and answer all the questions accordingly. The questionnaire used in this study was developing partly based on the works of Heneman III and Schwab (1985), and William and Anderson (1991). It was divided into three sections:

- Section A: Questions on Personal Background (demographics)
- Section B: Questions pertaining to elements of reward satisfaction; and
- Section C: Questions relating to work performance

Measurement scale for section B and C are based on Likert Scale of 1 to 5, where for the section B is 1=strongly dissatisfied, 2=dissatisfied, 3=not dissatisfied, 4=satisfied and 5=strongly satisfied. For the section C is 1=strongly disagree, 2= disagree, 3=not

sure, 4=agree and 5=strongly agree. A sample of questionnaire used in this study is presented as Appendix A.

3.8.1 Questionnaire Items - Rewards Satisfaction

Rewards satisfaction is the independent variable used in this study to understand how the employee's response to the rewards they received from the organization. Heneman and Schwab (1985) have presented in their research of this variable and conceptualize as how employee feels from what they received from the organization. Thus the scale of 18 items used by Heneman and Schwab (1985) is adopted in this study. These 18 scales measure overall employee's satisfaction over their organizational rewards that include pay level, benefit, raise satisfaction and salary administration. The measurement items then translated in the questionnaire as presented in the section B as appended in Appendix A.

3.8.2 Questionnaire Items - Work Performance

The variable of this study is work performance. William and Anderson (1991) conceptualized the variable as how employee contributes to the organization resulted from the benefit they received, were specific to individuals and influence indirectly by the organizational citizenship behavioral for individual. Elements of Work performance in this context as suggested by Henewan and Schwab (1985) are the work performance itself, teamwork and discipline. The scales measurement is used in the questionnaire as presented in the section C as appended in Appendix A.

3.9 Operational Definition of Key Terms

To ensure the consistency of flow of this research, the definition of the key terms used is provided. The key terminologies are as shown in Table 2.

Table 2
List of Key Terminologies

Key Terminology	Definition	Author (s)
Organizational Rewards	<ul style="list-style-type: none"> • All benefits be financial and non-financial obtained through the relationship between individual and organization • Employees feeling towards the rewards they received from the organization • There are three main types of rewards; <ol style="list-style-type: none"> 1) extrinsic rewards (external provided by the organization. Tangible in nature such as pay and benefits 2) intrinsic rewards (internal and derive from the job itself and has the psychological effects on 	Malhotra <i>et al.</i> , (2007) Heneman and Schwab's (1985) Williamson <i>et al.</i> , (2009)

	individual) 3) social rewards (interaction satisfaction with colleague and management)	
Pay Level Satisfaction	<ul style="list-style-type: none"> • Pay level satisfaction refers to individual's satisfaction towards his/her current compensation (wage or salary) • Perceived satisfaction with the pay received on the work done and relatively paid better, if not equal, provided by other organization 	Bergmann and Scarpello (2002) Heneman and Schwab's (1985), Berger & Schwab (1980), Dreher (1980), Lawler (1971), Malhotra <i>et al.</i> , (2007)
Benefits Satisfaction	Benefits satisfaction refers to satisfaction towards indirect pay : 1- Payment for time not worked 2- Insurance 3- Pension 4- Income maintenance 5- Miscellaneous	Heneman and Schwab's (1985)
Raise Satisfaction	Raise satisfaction refers to individual's changes in pay level	Heneman and Schwab's (1985)
Salary Administration	Salary administration refers to how leader or employee manage the employee wages or salary	Heneman and Schwab's (1985)

Work Performance	Work performance refers to the traditional performance of behaviors that is expected of him/her at a certain position	Williams and Anderson (1991)
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3.10 Data Collection Method

For the purpose of the study, data is gathered through questionnaire collected from respondent. Schermerhorn (2000) argued that a process of gathering data through surveys or questionnaire is a good method due to low cost relatively, bias-free, and no prior arrangement needed and element of anonymity amongst the respondent. Respondents were given a week to complete the questionnaire. From 312 questionnaire distributed, researcher received a return rate of 75% (128) of which good representative as to run for this study.

3.11 Pilot Test

For the purpose of this study, researcher has conducted a pilot test as to ensure the reliability of the instrument used. According to Azmi Ali (2010) pilot test is initiated to test the reliability of the instrument used to measure the research variable from the samples in order to achieve the objective of the studies. The pilot test was done and administered on the 15th May 2013 at Menara Maybank, KL which thirty (30) respondents were randomly selected and participated. The purpose of the pilot test also to ensure the understanding of the respondents and the requirement of the study.

3.12 Data Analysis and Techniques

3.12.1 Descriptive Statistic

The **descriptive statistics** to provide the frequencies, measurement of central tendency (mean) and percentage. Descriptive statistics are the methods used to organize, display, describe and explain a set of data with the use of table, graphs and summary measures (Norusis, 1999; Johnson and Christensen, 2000). In this study, descriptive statistic such as normality test, frequency, mean and standard deviation are used to describe the basic features of the overall data. Report generated from this method provides simple summaries pertaining to the sample of population and the measures.

3.12.2 Inferential Statistics

The inferential statistics to perform the t-test, ANOVA, Pearson Correlation and Regression Analysis. Inferential statistics is a process of drawing conclusion from the data that are subject to random variation. It also used to make judgment of the probability that an observed difference between groups is a dependable one or one that might have happened by chance in this study. In short, inferential statistics are used to make inferences about a population from a sample in order to make assumptions about the wider population and enable to make predictions about the future. Besides, it enable researcher to make inferences from the data into more general conditions. Pearson correlation coefficient and linear regression have been deployed to analyze the data.

a) **Pearson Correlation Coefficient**

Correlation is a measurement about the strength of the linear relationship between two variables. Pearson's product-moment correlation gives information about the linear relationship between two continuous variables. The value of this correlation coefficient ranges between -1 and +1. The magnitude of the coefficient shows the strength of the linear relationship exist between the two variables where the (+) and (-) sign shows the direction of the relationship example positive linear relationship or negative linear relationship (Fah and Hoon, 2009). Besides, the values of 0.00 represent a lack of correlation. The closer the measure is to 1.00, the more likely the relationship is statistically significant (Muchinsky, 1993). According to —Guilford Rule of Thumb the strength of correlation is shown in Table 3.

Table 3
Interpretation of Strength of Correlation Coefficient

Value of Coefficient	Relation between Variables
0.00 - 0.30	Very Low Relationship
0.30 - 0.50	Low Relationship
0.50 - 0.70	High Relationship
0.70 - 1.00	Very High Relationship

b) Linear Regression

Regression analysis is a set of statistical procedures used to predict and explain the value of dependent variable based on the value of one or more independent variables (Fah and Hoon, 2009). For each subject (or experimental unit), the purpose is to find the best straight line through the data. Note that, in linear regression the slope and/or intercept produces a scientific meaning that need to be sighted carefully.

Cohen (1988) suggested the strength of correlation 'r' value to e used in order to identify and to determine the strength between two variables. The level of correlations or 'r' value; 0.10 to 0.29 or -0.10 to -0.29 is small and weak, 0.30 to 0.49 or -0.30 to -0.49 is medium and moderate and 0.50 to 1.0 or -0.50 to -1.0 is large and strong.

CHAPTER 4

RESULTS AND FINDINGS

4.1 Introduction

This chapter presents finding of the study. The objective is to interpret the study thus present it in an analytical manner. The first section will present the reports on the data screening then followed by the demographic reports i.e. gender, age, experience, years of experience and marital status. The final chapter seeks to present on analysis using several statistic methods such as reliability analysis, descriptive statistics (frequency, means and standard deviation), correlation and multiple regression analysis. This analysis is conducted using the SPSS 17.0. Thus the findings is sequencing in the order of (1) reliability test, (2) data screening – missing values and normality, (3) survey response, (4) descriptive analysis – profiles of respondent and demographic profiles of respondents, (5) Descriptive analysis of variables, (6) correlation analysis, (7) regression analysis and (8) Testing the hypothesis. Finally this chapter ends with the summary of the findings.

4.2 Reliability Test

Table 4 shows that independent variables (pay, raise, benefits, salary administration) and the dependent variables (work performance, teamwork, and discipline) were reliable based on the Alpha Values reading.

Table 4
Reliability Analysis Cronbach Alpha

Variables	No of Items	Alpha Values
Independent Variables		
IV1 Pay Satisfaction	4	0.961
IV2 Benefits Satisfaction	4	0.925
IV3 Raise Satisfaction	4	0.843
IV4 Salary Administration	6	0.846
Dependent Variables		
DV Work Performance	21	0.763

The common measures of scale reliability are using average values which are equivalent to Cronbach's Alpha. Cronbach's Alpha is the most common measure of internal consistency ("reliability"). It is most commonly used when you have multiple *Likert* questions in a survey/questionnaire that form a scale therefore Cronbach's Alpha wish to determine if the scale is reliable. Simply put the reliability measures to which extent the measure is without error output. Cronbach's Alpha simply provides us with an overall reliability coefficient for a set of variables, e.g. questions. The closer the reliability gets to 1.0, the better it is. However 0.8 is considered as good reliability, whereas 0.7 to 0.799 is considered as acceptable and

values less than 0.60 are considered poor (Sekaran et.al,2003). The reliability value for independent variables are pay satisfaction; 0.961, benefits satisfaction; 0.925, raise satisfaction; 0.843 and salary administration satisfaction; 0.846. In contrast, reliability for dependent variables and in this study work performance recorded reliability of 0.763. Table 4 depicted the reliability values of all variables.

4.3 Data Screening

4.3.1 Missing Value

Based on the analysis, it is confirmed that there are no missing values during the inputting and transferring the data. Thus results derived from SPSS Version 17.0, the percentage of missing values recorded 0.00% thus confirmed that there is no missing values.

4.3.2 Normality

Normality test is used to confirm the data structure is well distributed such that falls under normal distribution. Hence, the researcher used the Normal Q-Q plot to verify the samples whether or not the samples population of study could have driven from some specific target population group. The data will appear linear or straight line to submit to the basis of normal probability plot (Coakes and Steed, 2003). Figure 3 to Figure 7 shows the data points that had linear distribution of the independent variables.

Normal Q-Q Plot of PSMean

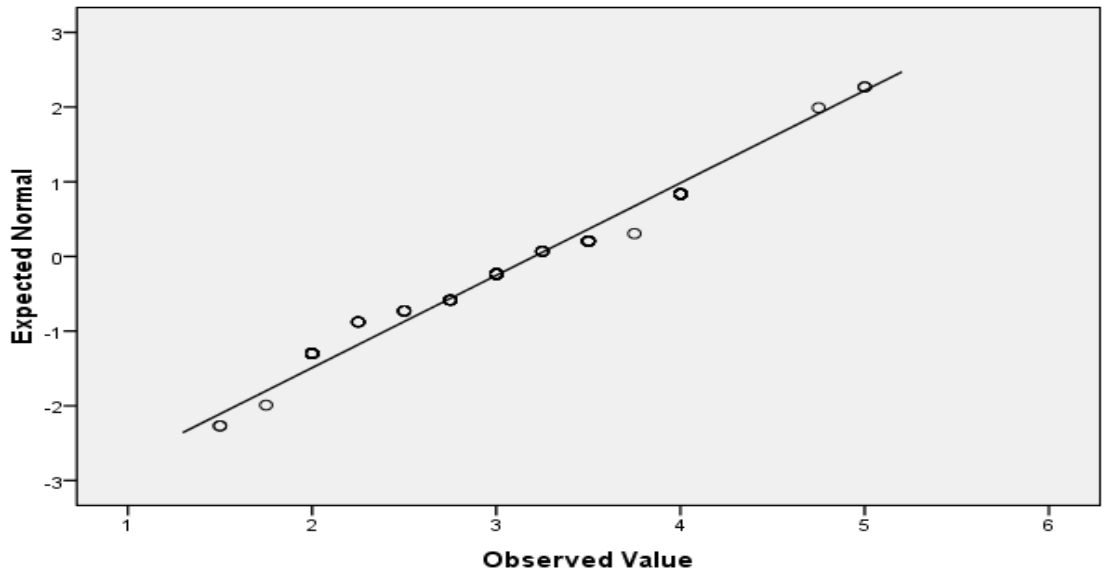


Figure 3
Normal Q-Q Plot for Rewards Satisfaction –Pay

Normal Q-Q Plot of BSMean

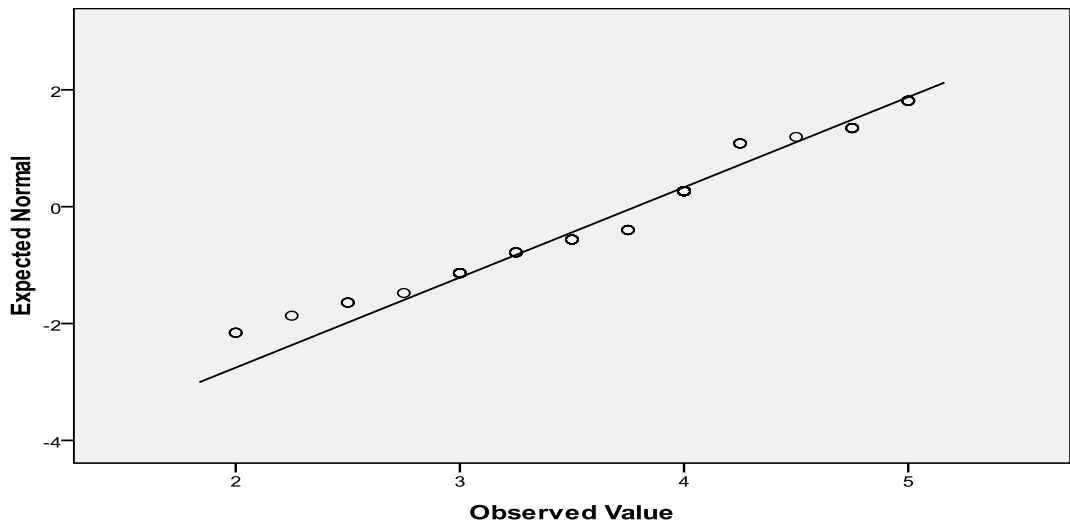


Figure 4
Normal Q-Q Plot for Rewards Satisfaction –Pay

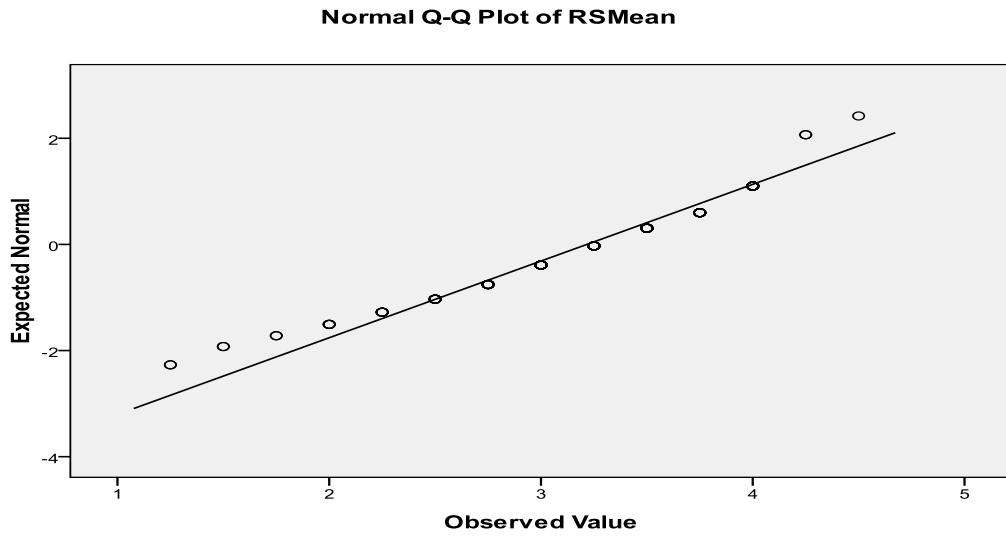


Figure 5
Normal Q-Q Plot for Rewards Satisfaction –Pay

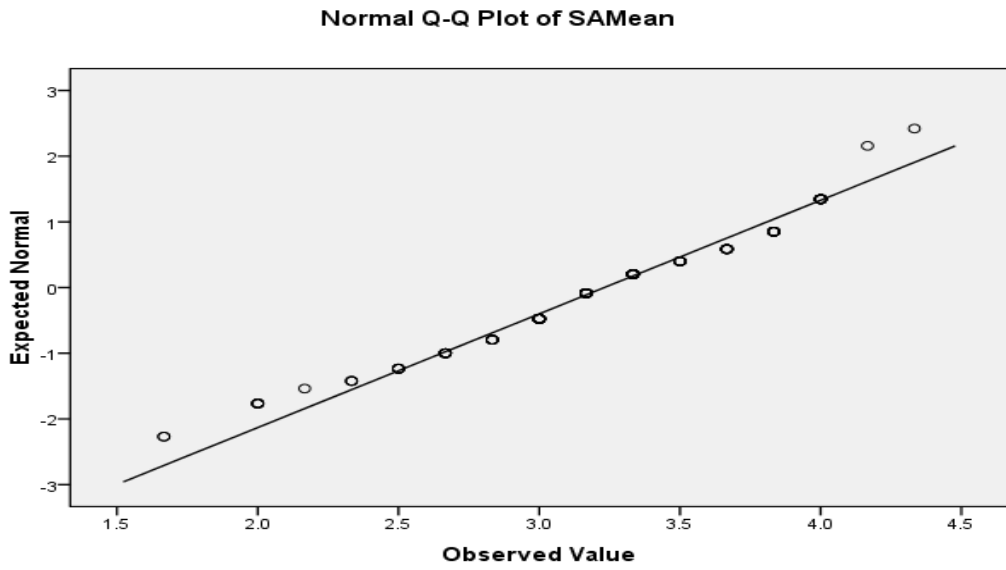


Figure 6
Normal Q-Q Plot for Rewards Satisfaction –Pay

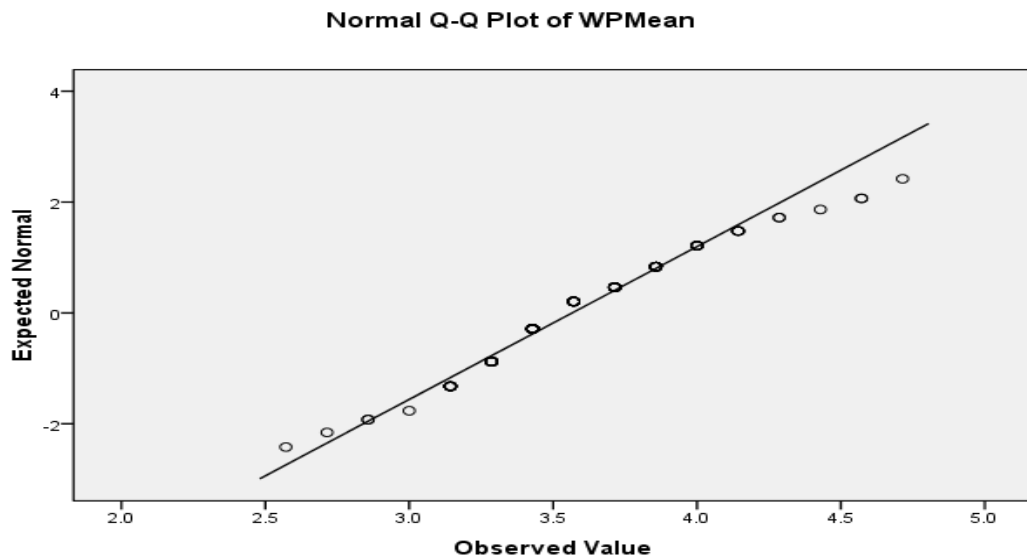


Figure 7
Normal Q-Q Plot for Rewards Satisfaction –Pay

4.4 Survey Responses

From 312 questionnaires distributed to the respondents, only 128 returned. The rate of response is 74%. This rate of returned questionnaire is considered to be at the acceptable level (hair et. al, 1984) as it is above the 50%, thus significantly strong to be used for this study.

4.5 Descriptive Analysis

The data for this study was collected from 128 staff of HR for Maybank’s Malaysia based at Menara Maybank, Group Organizational Learning, Bangi and Regional HR at respective states throughout Malaysia.

4.5.1 Profiles of Respondents

In this study, the respondents were chosen from the Group Human Capital, Maybank's Head Office. A total of 312 set questionnaires distributed to the target group by e-mail. However only 128 sets out of 312 set questionnaires distributed, were returned by hand for analysis. Thus the response rate is 74%.

4.5.2 Demographic Profile of the Respondents

Table 5 shows the demographic profiles of the respondents. Majority respondent as shown in Table 5 were female (59.4%) as compared to male (40.6%) of which still 53.9% of total respondents are still single and 46.1% married. Besides majority respondents are Islam (69.5%), followed by Buddha (15.6%) and Christian (10.9%). 82% of the respondents are below 40 years old as shown in Table 5. Staff with more than 10 years of service accounted the majority (35.2%) respondent participated in this survey.

Table 5
Demographic Profile of the Respondents

No	Variables	Frequency	Per cent (%)	
1	Gender	Male	52	40.6
		Female	76	59.4
2	Age	20-30 years old	62	48.4
		31-40 years old	43	33.6
		41-50 years old	18	14.1
		>50 years old	5	3.9
3	Experience	1-3 years	24	18.8
		4-5 years	31	24.2
		6-10 years	28	21.9
		>10 years	45	35.2
4	Religion	Islam	89	69.5
		Budhha	20	15.6
		Hindu	5	3.9
		Christian	14	10.9
5	Marital status	Single	69	53.9
		Married	59	46.1

4.6 Descriptive Analysis of the Variables

Means and Standard Deviation were computed and analyzed as to better understand the variability of the variables that uses interval scale. Fah and Hoon (2009) defined mean as the average value of a data set. It produces a mathematical number that reflect the average and may be used to report central tendencies. While Standard Deviation is a measure of dispersion ‘or spread‘ of data. It is used as a common summary of the range of score associated with a measure of central tendency- the mean average. It is obtained by summing the squared values of the deviation of each observation from the mean, dividing by the total number of observation and then taking the positive square root of the result (Gorard, 2005).The results are as depicted in Table 6 below:

**Table 6
Results of Descriptive Analysis**

Items	Independent Variables (IV)				Dependent Variables (DV)
	Pay Satisfaction (Mean)	Benefits Satisfaction (Mean)	Raise Satisfaction (Mean)	Salary Administration Satisfaction (Mean)	Work Performance (Mean)
N	128	128	128	128	128
Mean	3.21	3.79	3.22	3.23	3.5
Std. Deviation	0.808	0.648	0.692	0.578	0.308

For the overall work performance the overall mean achieved is 3.50 of which 128 respondents agrees that they still perform and deliver their task and promote team work and backed by high-disciplined. Benefit satisfaction has the closest mean to work performance. Whereas mean for Pay Satisfaction, Raise Satisfaction and Salary Administration scored below 3.5. The lowest score are Pay Satisfaction and Raise Satisfaction with a mean of 3.21 (STD of .808) and 3.22 (STD of .692) respectively that signifies it as needing some form of revival.

4.7 Correlation Analysis

Correlation analysis is used to examine the strong association between variables. Inter-correlations coefficients (r) were calculated by the means of Pearson's Product Moment. According to Cohen (1988), r ranging from 0.10 to 0.29 is regarded as indicating low degree of correlation; r 0.30 to 0.49 suggests the moderate degree of correlation and r ranging from 0.50 to 1.00 regarded as having high degree of correlation.

According to Zikmund (2003) simple correlation coefficient is a statistical measure of the co-variation or association between two variables. The correlation coefficient, r , ranges from the +1.00 to -1.00. Below is the simplified table on the correlation coefficient.

Table 7
Relationship of Correlation

Result, r	Relationship
1	Perfect positive linear correlation
-1	Perfect negative linear correlation
$+0.50 < r < +1.00$	Strong positive linear correlation
$-1.00 < r < -0.50$	Strong negative linear correlation
$0 < r < +0.50$	Weak positive linear correlation
$-0.50 < r < 0$	Weak negative linear correlation

The correlation matrix of the variables measured is shown in Table 8 below. This table showcases that of four (4) dimension of rewards satisfaction on three elements of work performance. The weak positive linear correlation to the pay satisfaction ($0 < r=0.012 < +0.50$), benefits also has weak negative linear correlations; ($-0.50 < r= -.260 < 0$), pay raise has weak positive linear correlations ($0 < r=-0.191 < +0.50$) and salary administration satisfaction shown negative weak linear correlation ($-0.50 < r= -.128 < 0$). In short 2 out of 4 rewards satisfaction components, namely benefits and salary administration possess weak negative linear correlation and pay raise and pay satisfaction has weak positive linear correlation with work performance.

Table 8
Correlation between Variables

Variables	Pay (Mean)	Benefits (Mean)	Raise (Mean)	Salary Admin (Mean)	Work Performance (Mean)
Pay (Mean)	1				
Benefits (Mean)	.458**	1			
Raise (Mean)	.696**	.493**	1		
Salary Admin (Mean)	.608**	.338**	.642**	1	
Work Performance (Mean)	.012	-.260**	-.191*	-.128	1

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

* . Correlation is significant at the 0.05 level (2-tailed).

4.8 Regression Analysis

4.8.1 The Relationship of Rewards Satisfaction on Work Performance

Table 9
Regression Analysis Rewards Satisfaction on Work Performance

Variables	Unstandardized Coefficients		Standardized Coefficients	<i>t</i>	<i>Sig.</i>
	B	Std. Error	Beta		
(Constant)	4.070	.183		22.190	.000
Pay Satisfaction (Mean)	.143	.047	.375	3.018	.003
Benefits Satisfaction (Mean)	-.129	.047	-.272	-2.778	.006
Raise Satisfaction (Mean)	-.113	.058	-.253	-1.930	.056
Salary Admin (Mean)	-.054	.061	-.101	-.885	.378

P<0.05, r: 0.370, r₂ : 13.7%, F : 4.867

From the regression analysis, the model summary as shown in Table 9 above signifies that the Rewards Satisfaction in this study have not influenced strongly the Work Performance of Maybanks' HR professional. This is explained via the r square (r^2) which represents 0.137 or 13.7% (Appendix B – SPSS Output) as the contributor factor towards the dimension of rewards satisfaction. Simply put, the r (r^2) square confirmed that 87% are contributed by other factors which are not analyzed in this research.

4.9 Testing the Hypothesis

This chapter has analyzed each of the hypotheses which had already been discussed in Chapter 2. Based on the analysis, it can be concluded that there is weak relationship and minimal influence between Rewards Satisfaction with work performance of Human Resource staff in Maybank, Head Office. The results of the hypotheses testing are summarized in Table 10 below:

Table 10
Hypothesis Testing

H1	There is a positive and significant relationship between pay level and work performance	Rejected
H2	There is a positive and significant relationship between benefit and work performance	Rejected
H3	There is a positive and significant relationship between raise satisfaction and work performance	Rejected
H4	There is a positive and significant relationship between salary structure and work performance	Rejected

With weak r value that signifies the correlations of variables with two rewards components that is pay and raise, had the weak positive linear correlation and as for the other two rewards components had weak negative correlation with work performance. Beside the regression analysis explains only $r^2 = 13.7\%$ of work performance influenced by rewards satisfaction of which leave the remaining 86% factors/ or other variables that were not examined or unknown in this study. Thus the entire hypothesis is rejected.

CHAPTER 5

DISCUSSION, RECOMMENDATION AND CONCLUSION

5.1 Introduction

In this final chapter, discussion, recommendation and conclusion of the study are put forward as well as the recommendation of how the research should be carried out in the future. This chapter seeks to summarize the discussion of the study and outlining the key recommendation that is arrived based on the finding of this research. This chapter will conclude with final conclusion on the overall study, at the end.

5.2 Discussion of the findings

The main purpose of this study is to examine the relationship between rewards satisfaction and work performance amongst the HR Professional in Maybank's Malaysia. The findings suggest that rewards satisfaction, have insignificant influence over employees' satisfaction that could impact one performance however its impact is proven not as great as it assumed to have. This study has proven otherwise that rewards satisfaction is not the key factors to motivate employees and therefore has got no strong bearing over the work performance of the employee there is. Thus contribution of this study really uncovered that rewards satisfaction has no influenced over the work performance of Human Resource Staff in Maybank Head Office of which proven that rewards satisfaction be pay, benefits, raise and salary administration has very weak link in influencing the work performance of the employees

Besides, the examination supports the fact that weak linear relationship exist between rewards satisfaction and work performance. However since the rewards satisfaction is comprises of four key dimensions so one could undermined the rest. Hence the relationship could be a nonlinear form. Compared with rewards satisfaction of which referring to the pay, benefit, raise and salary administration, there are other factors in the organizational-dynamic such as culture, leadership and Organizational Citizenship Behavior as well as motive that could drive one's performance intrinsically were not examined in this study.

As the study clearly rejected the hypotheses put forward, one could agree that rewards as the key factor to push for better work performance, cannot be over-emphasized. This simply because employees does not looking into rewards as to motivate them to perform but also looking into other elements of satisfaction that could relate to one's motivation to still perform though not happy with the pay, the benefits, the raise or even doubting on the structure of salary being administered. Thus we have to look back into human's drive to motivation. As discussed earlier in this study on the intrinsic rewards that one could have from the job itself, thus create the inner strength to continue to perform and as any amount of salary received from the job is thereafter used to fulfill one's basic needs as per Maslow's Theory. Maslow also argued that only unsatisfied needs provide the sources of motivation. In this context, one's need is fulfilled as based on this study it seems that HR professional in Maybank has all the right motivation to work and perform of which shown in the mean shown in table 11 for all related variables asked in the questionnaire for work performance. That is the same case that Kast and Resenweigh

(1985) argued that motivation refers to motive that prompt a person to act whether positively or negatively towards work. In this case though the mean for organization rewards is lower than the mean in Work Performance, one should have other force as to perform the job up the mark and avoid the aspects that would fail the job assigned.

Table 11
Percentage of respondent agreed with the statement on Work Performance

Variables (DV) : Work Performance	Mean	% Agree with the statement
24.I adequately complete assigned duties	4.05	87%
25.I fulfill responsibilities specified in my job description	4.1	91%
26.I perform tasks that are expected of me	4.07	91%
27.I meet formal requirements of my job	4.09	93%
28.I engage in activities that will directly affect my performance evaluation	3.94	83%
29.I neglect aspects of the job I am obligated to perform	2.56	24%
30.I fail to perform essential duties	2.15	16%

Based on the mean as shown in Table 11 above, we could conclude there are other elements that could drive HR professional in Maybank to still perform and deliver their task accordingly though they have reversed their feedbacks on the elements of rewards of which to certain extend did not satisfy with the organizational rewards they received. Based on this we could infer that rewards package does not concern the HR professional as to extend compromise their quality of work.

Table 12
Percentage and Mean for the dissatisfied Group

Variables	Dissatisfied (%)	Neutral (%)	Satisfied (%)	Mean
Pay Satisfaction	21.2	33.6	45.2	3.21
Benefits Satisfaction	3.1	21.8	75.1	3.79
Raise Satisfaction	11.8	43	45.2	3.22
Salary Admin Satisfaction	8.6	54.7	36.7	3.23

However based on this study we could acknowledge the fact that HR professionals are not truly satisfied with the rewards as well. This could be well analyzed from the response that they gave on rewards elements that was asked as shown in Table 12. 21% of HR professional still not satisfied with the pay received and 33.6% are neutral about this issue. If to include the neutral respondent, we could conclude that Maybank has 55% of its HR professional who are not happy with the pay received. In addition to that, raise satisfaction though recorded low 11% respondent did not satisfy but if we were to include the neutral group of 43%, HR professional in general do not see raise satisfy their needs. Nevertheless, the benefits satisfaction recorded high percentage of satisfaction amongst HR professional. This is could be well linked to the overall total compensation that Maybank offers to the staff.

In term of benefits Maybank, being the leading bank in Malaysia has so much to offer to its staff. Maybank is one of the financial institutions that still give the uncapped medical benefits to its staff and their family. On top of that Maybank also offers other benefits such as Long Term Incentive Plan or better known as ESOS (Employee Share Ownership Scheme) and many more that could potentially draw positive respond from respondent. However that itself could not be concluded as a

factor to showcase the satisfaction of HR Professional over rewards given or experienced by them.

5.3 Recommendations to Organization

Organization has to continue to explore the opportunity to better understand the needs of the employee to ensure their engagement levels and productivity levels are always on the positive side. From this study it can be easily inferred that HR Professionals do see the importance of rewards however the result showed from the hypotheses confirmed otherwise though HR Professional place great value on the importance of rewards however any gaps in the rewards itself does not influence their quality of work.

This therefore would require the organization to look into the employees' need beyond the rewards satisfaction. As the market outlook going uncertain, rewards are not the best tool to retain when all the cost increases. Therefore organization must look into other HRM practices that could be used in the employees' performance. Training and Development, Coaching and Mentoring Programme, International Assignment, Job Rotation and continuous engagement activities to entice the motivation and drive the performance of the employees. This is more like long-term gain for employees and organization rather than the short-term gain if we emphasize on rewards to get the buy-in from the employee.

In contrast, many if not all the organizations in the world are gearing towards better productivity thus many has undergone transformation, initiating initiative to flat their

cost by flattening the organization structure that could result in head count's saving, employee is given more empowerment as to be creative and innovative in realizing their full potential. This is somewhat in trend, with many organizations is not just looking into rewards as their only key employee value proposition (EVP) but also now creatively ties that with the mission and vision of the organization. This indeed requires overturn in approaching rewards and ties that with healthy organizational climate that sees, encouragement of ideas breeding, increase in the level of freedom and transparency, better team synergy and work-life balanced. Thus therefore could lead to better organization performance.

To achieve better position and becomes more appealing to the employees and to the external talent, organization really has to look into more areas as to provide the ideal working experience to the employees. Organization should ensure the organization policies are employee's friendly of which is always open for continuous improvement as to suit the dynamics or the market and increase demand amongst the employees. However this does not permit for employee to blatantly request for any exorbitant amount of changes – thus the synergy and understanding between employee and the management must be continuously instilled and encouraged.

Organization must also look into ensuring that employees would have strong trust in the job security, helpful co-workers by promoting great team work within the organization, healthy work environment, encourage work-life balanced, supporting personal and individual growth as well give more empowerment to the employees as to provides them with the right platform for them to innovate and perform. It is indeed the management has to look into this entire work environment as pointed by

Herzberg theory discussed in early of study as to what motivates one and if the work environment is not considered so the motivators in this case, rewards, would not work and achieve its intended objective as to drive employees' performance.

As the employees maturity grows and so do the expectation. The gender biasness and bureaucracy should be avoided as to ensure the harmony in the organization is intact and preserved. However in most organization, has already emphasized on this as well as creating one value and cultures that could bring everybody together in achieving organizational goals. Though we agree that pay for performance is to acknowledge the performance of one, however we should not overlooked on the stage of teamwork requires so in any rewards design, organization must not discount the important of teamwork spirit in rewarding individual as well as team in achieving team and organizational goals.

5.4 Recommendations for Future Research

For the future research, the sample size should be expanded so that better capture on the representative of the population. And to ensure better response from the respondents, researcher must spend a time to explain the whole questions for the respondent to avoid from the respondent make a mistakes when answer the questions. This would ensure the responds to be more reflective on the situation.

The researcher also would want to recommend other researchers who might want to continue this research to also include the intrinsic rewards as one the independent variable to be tested against the work performance as other element of extrinsic

rewards as used in this study showed very weak linear correlation with work performance.

The researcher also feels that the next researcher should do more precise in categorized the samples such that their levels and income bracket so that we would be able to understand more between the low income and high income group.

The researcher hope that this study would encourage more study on HR professionals as to uncover their motive to perform their task as they should also at the same time ensuring other staff to be well paid; as the irony is that, people tends to look to HR when they are not happy and the question is who to look at HR professional when the needs come for them to express their dissatisfaction.

5.5 Research Implication

The finding and analysis of this research will provides clarity on what drives performance of HR Professional in Maybank. It is confirmed that rewards satisfaction has no bearing over the work performance, so the management would need to look into other factors that could lead to some gaps in HR's performance. The HR's management in Maybank has also needs to look into process, infrastructure, development plan for the staff ,career's advancement and culture so that HR Professional could be more effective and efficient in the course on discharging their duties. As HR in Maybank is supporting the Maybank's Group agenda to be the powerhouse of regional financial services by 2015, HR must also be

able to support its agenda as well as the very own people agenda. This therefore requires more reflection and efforts by the management beyond the rewards.

5.6 Conclusion

In the overall, all the objectives of this study were achieved in which were to investigate the relationship between organizational rewards satisfaction (Pay, Benefit, Raise and Salary Administration) and work performance. The study stands to conclude that there were no correlation between organizational rewards and work performance amongst the HR Professional in Maybank.

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