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

By

AHMAD RIDZWAN MAJID

Thesis Submitted to
Othman Yeop Abdullah Graduate School of Business,
Universiti Utara Malaysia,
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.

Ahmad Ridzwan Bin Majid
801911

Othman Yeop Abdullah Graduate School of Business
Universiti Utara Malaysia
06010 UUM Sintok
Kedah Darul Aman
PERMISSION TO USE

In presenting this thesis as partial fulfillment of the requirements for a Universiti Utara Malaysia postgraduate degree programme, I therefore agree that Universiti Utara Malaysia may make it freely for inspection. I further agree that permission for copying of this thesis in any manner, in whole or in part, for scholarly proposes may be granted by my supervisor, or in their absence, by the Dean of College of Business. It is understood that any copying or publication or use of this thesis or parts thereof for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to Universiti Utara Malaysia for any scholarly use which may be made of any material from my thesis.

Request of permission to copy or to make other use of material in this thesis, in whole or in part should be addressed to:

Dean of Othman Yeop Abdullah Graduate School of Business
Universiti Utara Malaysia
06010 UUM Sintok
Kedah Darul Aman
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 menggunakananya untuk menghargai mereka atau pekerja yang beprestasi baik kerana ia bertujuan menghasilkan satu amalan ganjaran berkesan dan proses pemberian ganjaran organisasi secekap yang mungkin. Ganjaran organisasi adalah salah satu elemen penting untuk memberi ganjaran kepada pekerja yang telah mencapai keputusan tinggi dan melepas 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.
DEDICATIONS

I would like to thank my parents, Ramlee Bin Hassan and Azizah binti Che Lah, who’s their patience and continuous support has given me strength and courage to be able to complete this study. It is my pleasure to have my colleagues, Hazrita Binti Harun, Suzilinna Abd Aziz, my staff, Nurul Zaharah, Mohd Fahmi and Shahrul Izwan, my superior En Ahmad Fuad and En Muhammad who have continuously encourages me and with all the support that all of you provided me has indeed very special to me to record here, on this very page.

Also

My heartfelt appreciation goes to Dr Afiq, Uda Azam, Nik, Renny, Zuki, Logesh, Kapten Azuha, and Dr. Faizal for your time, the experiences, knowledge and sharing’s that all of you gave me in my quest of pursuing this degree at UUM, Kuala Lumpur Campus. To all others whose name that I did not mention here, thank you for everything of helping me in one way or another throughout the completion of this project.
ACKNOWLEDGEMENT

“In the name of Allah The Most Gracious And The Most Merciful”

First and foremost, I would like to extend my gratitude to Allah S.W.T for providing me the strength and spirit to be able to motivate me and give me all the good of health to complete this study.

Secondly, my undivided appreciation goes to my supervisor, Dr. Wan Shakizah Binti Wan Mohd Noor, whose guidance, patience, continuous support, constructive comments and her careful reading and direction, has therefore enabled me gain valuable skills and enrich my knowledge as to complete this project paper.

Thirdly, I would like to acknowledge with gratitude to En. Ahmad Fuad Bin Ahmad Zamri, who has encouraged me to further my study. I would also sincerely thank Maybank for the financial support that is given to me in order for me to pursue this study.

Finally, to all my friends that in many ways have encouraged and support me in completing this research. Their constructive critiques and opinion has somewhat reflected in this completion of the project paper.
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.........................................................................18
  2.1 Introduction...................................................................................................18
  2.2 Motivation Theory........................................................................................18
  2.3 McGregor Theory X and Theory Y..............................................................19
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 22\textsuperscript{nd} 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 contents of the thesis is for internal user only
References

Adams’ Equity Theory (n.d). Retrieved
http://www.mindtools.com/pages/article/newLDR96.htm
(1943):370-96.
Billakop, G. (2010), retrieved on May 3, 2011 from
http://www.cnr.berkeley.edu/ucce50/ag-labor/7labor/08.htm


http://jhp.sagepub.com/content/31/1/114.abstract


Available at: http://works.bepress.com/dow_scott/38


