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**THE RELATIONSHIP OF REWARDS TO EMPLOYEE'S PERFORMANCE
IN THE E-BANKING ENVIRONMENT AMONG LOCAL BANKS IN
KUALA LUMPUR**



**MASTER OF SCIENCE (BANKING)
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IN THE E-BANKING ENVIRONMENT AMONG LOCAL BANKS IN
KUALA LUMPUR**



**BY
SIVAKUMAR A/L P.PERUMAL**

**Dissertation Submitted to the
Othman Yeop Abdullah Graduate School of Business, Universiti Utara Malaysia,
in Fulfillment of the Requirement for the Degree of
Master of Science (Banking)**



**Pusat Pengajian Ekonomi,
Kewangan dan Perbankan**

SCHOOL OF ECONOMICS, FINANCE, AND BANKING

Universiti Utara Malaysia

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ABSTRACT

The purpose of this study is to examine the relationship between reward system (monetary and non-monetary rewards) and employee's performances in the e-banking environments among local bank in Kuala Lumpur. A survey involving 150 banking staff which involved in the e-banking environments. Three monetary rewards factors (salary, merit paid and bonus) and five non-monetary rewards factors (recognition, learning opportunity, challenging work, career advancement and work autonomy) were tested. The data was analyzed using SPSS. Pearson Correlation Coefficient and Regression analysis was run to examine the effect of rewards on the employee performances in the e-banking environments. The result revealed that there is a positive significant relationship between rewards system (monetary and non-monetary) and employee's performances. The result of this of this study is able to assist an organisation to understand the sentiment of the employee's views towards the rewards.

Keywords: Rewards, employee performances, e-banking and local bank.



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ABSTRAK

Kajian ini bertujuan untuk mengenal pasti hubungan antara ganjaran (ganjaran kewangan dan bukan kewangan) kepada prestasi pekerja dalam persekitaran e-perbankan di Kuala Lumpur. Satu kaji selidik melibatkan 150 pekerja perbankan yang terlibat dalam persekitaran e-perbankan. Tiga faktor ganjaran kewangan (gaji, merit bayaran dan bonus) dan lima faktor ganjaran bukan kewangan (penghargaan, peluang belajar, tugas mencabar, peluang kerjaya dan kerja autonomi) telah diuji. Data dianalisis menggunakan SPSS. Analisis “Pearson Correlation Coefficient and Regression” dijalankan untuk mengkaji keberkesanan sistem ganjaran terhadap prestasi perkerja dalam persekitaran e-perbankan. Keputusan daripada analisis in menunjukkan bahawa terdapat hubungan positif yang kukuh antara ganjaran (ganjaran kewangan dan bukan kewangan) dengan prestasi pekerja. Hasil dari kajian ini dapat membantu organisasi untuk memahami sentimen pandangan pekerja terhadap ganjaran.

Kata Kunci: Ganjaran, prestasi pekerja, e-perbankan dan perbankan tempatan.



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CHAPTER 1

INTRODUCTION

1.1 Background of Study

The Malaysian financial institution has played the significant role to develop economic growth and development through the various periods of monetary improvement. Satisfaction of the employees is the major component to the achievement of the banking sector in any nation of the world. In the banking institution the employer more concern on employee performance due to strong influences of this variable to overall bank performances

Employee performances also the main aspect to guarantee the organisation to run efficiently and productively. Organisation performances improve by the excellent employee performances and proper performance management system is required to maintain the excellent performance.

Based on Aguinis (2009), performance management is classified as an ongoing procedure of recognising, measuring and enhance the productivity & groups and adjusting productivity to the fundamental objectives of the organisation.

Performance management need all managers to assure that all of their employee activities and outputs are corresponding with the organization's intention and therefore support the organization to gain a competitive advantage, (Aguinis, 2009), organization that have a great performance management have various benefits such as increased in self-esteem, clear mind about their organizational goals, improve motivations and others. There is so much changing occurring in the business world and every business entity or organisation has many relay on employee's performance. Rewards are recognised an important tool to review the employee's performance.

Schuler and Jackson (1996) explained, the connection between rewards, inspiration and satisfaction of workers have much importance to the achievement overall industry performances. Further explained both types reward monetary and non-monetary rewards should get to the employee. Several employees favour to monetary and non- monetary reward it depends on the task and support given by management. Some employees feel that they are being valued by the organisation and furthermore feel that the organisation concerned their career improvement. These type rewards will improve of employee performances level to their job (Dewhurst, 2010).

According to Fay and Thompson (2001), rewards scheme playing a significant part in organisation performances to bring and maintain high-potential performer employee to accomplish high-level performances of the company.

The employee gives their greatest hard work when they have a feel their efforts is approached and rewarded by the management. Employee performances will be influenced by several factors like working environment, superior and colleague relationship, career and development opportunities and company policies and procedure, etc. These all factor which impacts employee performance and motivation. The rewards are most significance role for influences.

Imbalance reward will impact to reduce employee productivity by the non-attendance of the employee, diminishing interest of work and satisfaction job (Adam Equity Theory, 1963). The theory spread the decline employee's performances might happen when employee felt their commitments were not rewarded properly. Is mean rewards be able to influence on employee's performances.

1.2 Banking Industry - Commercial Bank In Malaysia

Banking industry started on 1900 in Malaysia after development of the economic specifically in rubber plantation and tin industry. Evolution of the economic effect to opening local and foreign bank. Malaysia first local bank is Kwong Yik, Selangor as financial institution (now as Malayan Banking Berhad) in 1913. The financial industry in Malaysia was continued improved until governing body taken to supervise the operation activities for various banks in Malaysia. Bank Negara Malaysia (BNM) was established on 26 January 1959 as a statutory body and administered by the Central Bank of Malaysia Act 2009.

Both local and foreign bank made improvement in the various industries with providing services. Thus, the market shares of banking sector are higher compared to other industries. Below are the table 1 which shows the list of commercial bank in Malaysia. There are commercial banks in Malaysia which consist of 8 of local and 19 of foreign bank.

Table 1 : List of commercial bank in Malaysia

List of Commercial Bank in Malaysia	
Commercial Banks- Local Bank:	
1.	Affin Bank Berhad
2.	Alliance Bank Malaysia Berhad
3.	AmBank (M) Berhad
4.	CIMB Bank Berhad
5.	Hong Leong Bank Berhad
6.	Malayan Banking Berhad
7.	Public Bank Berhad
8.	RHB Bank Berhad
Commercial Banks- Foreign Bank:	
1.	BNP Paribas Malaysia Berhad
2.	Bangkok Bank Berhad
3.	Bank of America Malaysia Berhad
4.	Bank of China (Malaysia) Berhad
5.	Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad
6.	Citibank Berhad
7.	Deutsche Bank (Malaysia) Berhad
8.	HSBC Bank Malaysia Berhad
9.	India International Bank (Malaysia) Berhad
10.	Industrial and Commercial Bank of China (Malaysia) Berhad
11.	J.P. Morgan Chase Bank Berhad
12.	Mizuho Bank (Malaysia) Berhad
13.	National Bank of Abu Dhabi Malaysia Berhad
14.	OCBC Bank (Malaysia) Berhad
15.	Standard Chartered Bank Malaysia Berhad
16.	Sumitomo Mitsui Banking Corporation Malaysia Berhad
17.	The Bank of Nova Scotia Berhad
18.	The Royal Bank of Scotland Berhad
19.	United Overseas Bank (Malaysia) Bhd.

Source: Bank Negara Malaysia (2016)

1.3 E-Banking Malaysia

E-banking is characterized as the automated services of new and conventional banking products and services specifically to clients through electronic and interactive correspondence channels. E-banking systems allow the banking customers, individuals or businesses to access information, account and transactions of business on financial products and services through an internet connection. Banking industry has been continuously changes over the previous decades, accordingly of advances in IT, deregulation, and globalization. These modifications impact the traditional method to use in banking activities.

1st June 2000, Bank Negara Malaysia was allowed local bank to provide Internet banking services. The first local banks provide an e-banking service in Malaysia was Maybank on June 15, 2000. Consequently an e-banking service was provided by CIMB Bank, Hong Leong Bank, Alliance Bank and etc. E-banking services deliver by the web portal composed of credit card payment, bill payment, account summary, banking enquiry and funds transfer as well as transaction history.

According Bank Negara Malaysia procedure, established local bank in Malaysia are permitted to set up informational web sites. The advanced e-banking services only allowed to local banking industry to communicate or transactional web sites with effect from June 1, 2000. Locally incorporated foreign banks was allowed to established

communicative Web sites from Jan 1, 2001 and transactional Web sites from Jan 1 2002 (Low, 2000).

According to Safeana et al. (2010), the revaluation from traditional banking to e-banking has been a dramatic change. The transformation of e-banking established from the Automated Teller Machines (ATMS) and telephone banking (tele-banking), direct bill payment, electronic fund transfer and the transformation online (internet) banking.

Futhermore, Olanipekun *et al.* (2013) observed the effect of e-banking on employee performances and customer satisfaction. The purpose of the study was to verify influences of e-banking environments have generally developed on the effectiveness and efficiency of banks services. The study proved e-banking environment has positively influences on the employee performances in terms of enhanced effectiveness of the service provide by bank employee. Further improved the customer satisfaction.

1.4 Problem Statement

This study focuses on the relationship between reward systems to employee performances in a banking industry which involve in e-banking environment specifically in Kuala Lumpur area.

The banking sector, especially in Malaysia, can be categorised as one of the important sectors which have played the significant role in assisting the economic revolution and growth of the Malaysian economy. Due to this, research being conduct in order to

illustrate the integration of these two elements whereby rewards and employee's performances as independent variables and dependent variables respectively.

E-banking services have a major impact on the financial industry. Improvement of banking industry has enhanced banking efficiency in providing services to customers. Banks should react to clients' needs by adjusting and using the innovative/advancing technology. The advance development of e-banking has enabled banks to enhance productivity and efficiency, bringing down transaction costs and provide virtual banking services. The e-banking services assist to transfer the fund internally and across borders. Willcocks and Lester (1996) clearly mentioned the advantage of acceptance of information and communication technology as assist to speed process, enhanced communication, efficiency management, development of product value and gaining competitive advantage.

According to Kalleberg (1977), reward described as a main source for the employees and it also has expectation for the employee to receive from their job. Based on past research has been proved there are direct relation among reward and employee performance. The rewards system that is superior eventually helps an organisation to attract motivate and retain talent in an organisation. The rewards usually give based on the job requirement, job responsibility and also job qualification.

Allen and Kilmann (2001) explained rewards system can affect employee work performance by developing employee skill, knowledge and capabilities to achieve the

organisation strategy. Yap, Bove and Beverland (2009) explain that reward system directly influences to employee performance and indirectly effect employee behaviour to develop the role of performance without reducing existing performance. Amstrong and Reilly (2011) explained reward system play a significant part to enhancing the performance of the employee and to succeed organisational strategy.

These researchers reflect Malaysia's framework, the important of the reward system and its influence on the employee performance specifically in the financial institution. This study reward divided two categories which is monetary and non-monetary reward. Monetary reward classified salary, merit paid & bonus and non-monetary classified recognition, learning opportunity, challenging work, career advancement and work autonomy.

1.5 Research Questions

This research to observe the impact of the independent variables of rewards with dependent variable among banking staff. Under the rewards, there is two dimensions namely financial and non-financial reward. The dependent variable in this study is employee performances. The design of the questions in this study is able to provide knowledge on the effect of rewards toward employee's performance.

The following research questions can be put forward for the studies, which are based on the independent variables and dependent variables above:

1. Is there a significant relationship between salary and employee performances?
2. Is there a significant relationship between merit-paid and employee performances?
3. Is there any relationship between bonus and employee performances?
4. Is there any relationship between recognition/praise and employee performance?
5. Is there a significant relationship between learning opportunity and employee performances?
6. Is there a significant relationship between challenging work and employee performances?
7. Is there any relationship between career advancement and employee performances?
8. Is there any relationship between work autonomy/independence and employee performance?
9. Is there a significant relationship between monetary reward and employee performances?
10. Is there a significant relationship between non-monetary reward and employee performances?
11. Is there a significant relationship between reward (monetary and non-monetary) and employee performances?

1.6 Research objectives

The overall objective of this paper is to test the relationship between reward and employee performance. Apart from that, the research helps to identify which of the reward (monetary or non-monetary) that is most significant towards employee's performances. The result of this of this study is able to assist an organisation to understand the sentiment of the employee's views towards the rewards. It also provides an input to the decision-making the process of improving overall reward system. Eventually, the improving of overall system process should aim for new or changes the e-banking environment. The specific objectives of these studies are as follows:

1. To determine the relationship between salary and employee's performances.
2. To identify the relationship between merit paid and employee's performances.
3. To define the relationship between bonus and employee's performances.
4. To investigate the relationship between recognition/praise and employee's performances.
5. To determine the relationship between learning opportunity and employee's performances.
6. To identify the relationship between challenging work and employee's performances.
7. To define the relationship between career advancement and employee's performances.
8. To investigate the relationship between work autonomy/independence and employee's performances.

9. To determine relationship between monetary rewards and employee's performances.
10. To determine relationship between non-monetary rewards and employee's performances.
11. To determine relationship between rewards (monetary and non-monetary) and employee's performances.

1.7 Scope and limitation of the study

Reward is very important to the management as well as for the employee. This paper serves as a dynamic support for the bank to classify the important of rewards to employee to sustain in organization for a long term. The paper also brings into the limelight on the employee's performance that prevails in the banking sector in Kuala Lumpur and specifically involve in e-banking environments.

This research is limited to employees in banking sector which involve e-banking environments in Kuala Lumpur. Based on the time constraint, this research unable to precede larger states but this study was focussed from various departments in the banking industry from officer level and above. The selection of these respondents is based on non-probability convenience sampling.

1.8 Organization of the Thesis

This study covers banking staff specific e-banking environments in Kuala Lumpur area which involve from various departments. The minimum sample size required for this study is 150 respondents in to complete the research. The project thesis on this study is arranged and organized in five chapters. Chapter one is the first introduction chapter which consists of background of study, describes the problem statements, research questions, and scope of the study. Chapter two is literature reviews which focus on the employee's performances as dependent variable with the independent variable comprise on rewards research findings by other researchers. Chapter three is the research methodology chapter and the chapter includes the explanation the data and methodology of estimation. Chapter four is the result chapter. This chapter illustrate in details of the finding and data analysis of the research. Chapter five is the discussion and recommendation chapter and in this last chapter discuss the results from the research that concur with the objectives of the study.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

The literature review considers previous researcher did significant part for researcher to compare with past study and same time provide as guideline to support the research study. In this chapter, deliberate more on the rewards and employee performances

2.2 Employee Performances

Employee Performances described productivity and efficiency of each individual work.

McClay, Campbell and Cudeck (1994) describe job performance related action of the person to achieve the specific mission of the organisation. Similarly, Campbell (1990) action or behaviour established by the worker for the organisational achievement and the achievement evaluated by productivity, revenue, profit, dividend and quality of service.

The above researcher opinion supported by Viswesvaran and Ones (2000), which is employee performance, refers to the behaviour, accessible actions and outcomes that employee carrying to contributing and connected to the organisation goals.

Basically, employee performance is the achievement made and result gained at work. Employee's performance as significant part of the company development. The performance of employees highly connected to a type of reward strategy implemented by organisation for workers (Bari, Arif & Shoaib (2013). The employee is an inseparable and important part of the organisation. Mostly employee productivity largely depends on the competent, skilled and qualified workforce. To boost employee behaviour it means improving employee performance, which ultimately benefits the organisation as well as the employees, concerned as well (Rounok, & Parvin, 2011).

Blanchard and Wits (2009) mention that if organisations fail to recognise reward for the high performance it directly influences to reduce achievement of employee. Reward system to motivate the employee to be performing better and reward considers one of the main factors that influence of employee work performances.

There are few related factors influence employee's work performance such as salary, hours of work, physical environment, condition attached to the work, the nature of the job tasks, co-workers and others. All these factors need to be considered adequately in employee performance improvement. (Jones & Lock-wood, 2002).

2.3 Rewards

Each organisation should be having appropriate reward scheme for the workers (Sarvadi, 2010). Rewards playing significant part in organisations. Employee rewards consider as motivation provider by organisations for the well performer and to satisfy the individual and group base. The organisation should have the specific reward scheme to achieve their goals and productivity by attractive reward scheme.

The business did not run without profit and same time employees have not work without salary. So employer should be compensating to employee by their commitment and performances. Compensating described financial and non-financial should be provided by organisation for their employees.

Rewards scheme consider as management tools for organisation performance by controlling individual behaviour and motivating workers at the organisation (Lawler and Cohen, 1992). Furthermore, is a major cause in contributing satisfaction to the worker. Schuler and Jackson (1987) accepted the correlation among reward, motivation, job satisfaction of worker directly influences of organisation development, and it will influence to improve capability of the organisation (Khalid, Salim and Loke, 2011).

There are two basic types of rewards in the workplace. Armstrong (2007) divided reward system to monetary (tangible) and non-monetary (non-tangible). The monetary rewards comprise basic salary, increment, sales base allowance, performances based bonus and other allowances.

According to Luthans (2000), reward divided to monetary and non-monetary which utilised to improve the productivity of the workers. Monetary reward related to financial or money aspects like salary, increment, bonus, gift etc and non-monetary rewards related non-cash aspects like recognition, certification, gratitude etc.

Bratton and Gold (2003) defined financial and non-financial rewards offered by organisation as a return for the employee commitment and effort. Reward providing benefits to employee to earn from their organisation and estimate employee to contribute loyalty and satisfaction on their job. (Malhotra, Budhwar and Prowse, 2007).

Reward systems are a consider implementation of strategies to reward people fairly according to with the employee performances and organisation policy. Reward scheme to improve and helping the organisation to provide better performance by employee with satisfying their job.

Thus, achieved the target should be rewarded quickly as a way to motivate the employee. By this way, the workers directly influence to reward by providing better productivity to achieve. Effective reward scheme always providing the positive result to promote expected result in the organisation and same time motivate the employee to take positive actions. Reward scheme should be effectively promoted in the organisation to receive the good result by improving worker performances (Torrington & Hall, 2008).

An efficient reward scheme divided to three parts. First does the employee for their excellent performance give the immediate reward on the spot after achievement. Second are short- term rewards given monthly basis based on achievement and long-term rewards offered by employer as showed dedication for the employee (Schoeffler, 2005). Long-term rewards granted to workers with a high-level performer to become continually loyal to the organisation and it decrease worker resignation. This kind reward should be used strategically by an organisation to sustain employee in their organisation. (Yokoyama, 2007).

Normally, organisations frequently practice monetary rewards to avoid unhappiness of employees and motivate them even though the monetary reward is not the good strategy for the longer period (Mossbarger and Eddington, 2003). According to Deeprose (1994) explained monetary term reward is not a good motivator to reduce dissatisfactions. However, according to Armstrong (1996), monetary rewards are important to recognising employee performance, effort, achievement and to improve self-confidence.

Consequently, organisations utilise monetary rewards to promote organisational plan. Furthermore, non-monetary reward also important tools to provide benefit to employees compare to cash term (Chiang and Birtch, 2008). Nowadays, employees more prefer further than financial reward based on their effort and contribution (Millmore et al, 2007). As a conclusion, the role of financial and non-financial reward scheme in organisation is to motivate the employees to appreciate their performance and talent to achieving the organisation mission.

The reward system support workers to contribute and utilise their creativeness and capability, to be a better accountability and engagement to their jobs and it resulting in higher achievement and improved working achievement. The compound of monetary and non-monetary forms of stimulation is achieved through full engagement of workers, who in turn provide a great degree of production and quality through increased efficiency, productivity, and effectiveness.

The monetary rewards comprise direct and indirect monetary systems of reward, like salary, allowances, increment etc. The non-monetary rewards are those are not received in the form of money, e.g. recognition, learning opportunities, challenging task, career improvement, work autonomy etc. Considering the importance of reward in the overall of employee performances.

2.4 Monetary Rewards

Monetary rewards include that salary and benefits, bonus and merit paid which impact to worker performance as follows:

2.4.1 Salary and Benefit

Generally, salary is the primary purpose of having a job for an individual. This is deemed as a motivation for human survival. Tella, Ayeni, & Popoola (2007) stressed that in order to effectively use salary as a motivation to a worker; the employer must consider four key mechanisms of wages types, which are remuneration, extra

payment, basic salary and other benefits. The structures may vary according to the employees' job profile.

Compensation elements such as fixed pay, flexible pay and benefit has the positive relationship with employee performances and can be a factor of motivation for employees to satisfy with their job. Thus, it will improve performances among workers (Ghazanfar, Chuanmin, Khanand Bashir, 2012). Yaseen (2013) reveal on her survey in civil hospitals around Punjab's cities like Rawalpindi, Lahore, Multan, Bahawalpur and Faisalabad that compensations have a direct impact on doctors' satisfaction level and suggest that local authority should implement proper performance management system that will tackle the performance of government servants in hospitals.

Meanwhile, Serrano & Vieira (2005) through their research explained satisfaction of employee for lower and higher-level salary employee in the European Union. Based on the research job satisfaction is very lower for those employees paid lower compare to higher paid employee. The study support that low payment employment will be the negative impact on satisfaction and employee performance.

Furthermore Beard (2001), the basic salary was paid based on the employee performance, capability and knowledge. Payment of salary will increase job satisfaction and performance of the employee. Insufficient payment in financial reward will affect the employee satisfaction and performances such as delay of work, reduce productivity, dissatisfaction and it will impact to the organisation (Omolayo, 2007; Owalabi, 2007).

2.4.2 Bonus

Bonuses have strong relation with employee performances. According to Lingham (2008) performance-based bonuses directly influence toward individual or group performances. The huge bonus provided based on measurement by employee achievement and effort in organisation (Lowery, Petty, Thompson, 1996).

Providing of bonuses as advantaged and it revealed of employee effort, capability and performances (Lawler, 2006). The organisation normally practise providing bonus to segregate among worker, which is higher performer worker will be highly rewarded and to satisfying their job. Normally cash bonuses used to reward employee to motivating the employee for next year performances to receive large bonuses as per received base year. For those received a lower bonus will be considered to improve their performances to get more bonuses for next year (Finkle, 2011).

Generally, the past studies explained rewards have a positive relationship but different reward have a different influence performance and behaviour. The past studies proved mixed results based on individual reward and their influence on productivity.

2.4.3 Merit Paid

Merit-paid is a performance related payment. It is a quantum payment or rewards given to employees who have shown good performance, productive and talented employees that have performed well and shown increased contribution to the

organization. Merit-pay can take several basic forms and examples of merit-pay are annual merit increment (annual increase based on individual performance rating that being measured), Performance Bonus and direct compensation payment (Milkovich et al, 2002).

Based on the study by Lowery, Beadles, Petty M. Amstler and Thompson (2002), increment provides based on employee performances and effort which used by 4 methods. First method measured by past performance of the employee. Second is based on key performances rating on the employee. Third methods measured by individual achievement and fourth method measured by long-term achievement by an employee in the organisation.

According to Lowery, Beadles, Petty M. Amstler and Thompson (2002), explained the involvement of the employee in salary increment plans can directly influence on job performance.

2.5 Non-Monetary Rewards

Non-monetary rewards include that acknowledgement, learning opportunity, challenging of the workplace, work autonomy/ independence and career development directly influence employee performance as follows:

2.5.1 Recognition/ Praise

Recognition considers powerful motivation components. Recognition by the employer directly impact employee to feel appreciated and comfortable. Recognition of an employee enhances his or her reaction towards the accomplishment of organisational to goals and objectives. The recognition directly influences and boost the positive behaviour and action of the employee to improve their performances.

Deeprise (1994) explained that recognising of employee improves employee performances and it should be recognised in appropriate method to improve their performances. Furthermore Danish and Usman (2010) supported recognition in an effective manner will build up better working condition and motivate to improve worker productivity.

Locke (1973) cited in Dartey-Baah (2010) revealed recognition consider as positive motivation for a worker and showed the employer appreciated of employee effort and performances done by employee according to organisation standard. Recognition considers one of the desire or requirements for employee/public according to Maslow hierarchy of needs.

2.5.2 Learning Opportunity

Learning opportunity is important tools for improving employee skill and knowledge. It also improves the employee performance by given internal and external training opportunity. Human resource playing the important role to build learning strategy and promote to their employee for career development.

Worker and organisation received a benefit in both side by providing the learning opportunities career. Learning development directly improve employee productivity and also their performance (Webster, 2011). Basically, employees need to develop their career and learning new skills for advance them self. This will happen by providing learning opportunity by the organisation to update and increase employee capability to handle new assignments to achieving organisation goals (Shutan, 2010).

2.5.3 Challenging of work

Challenging work means providing advanced level job to the employee for improve their capability and to become more active in managing and performing well in the organisation (Govaerts,kyndt, Dochy, Baert, 2011) it will develop performance of employees (in an article: Leadership and Motivation Training, 2010).

Challenging work will be influenced to retention of the best employee in the organisation by five actions. First, monitor the employee which is they are preferable for challenging work. Second is promoting to use employee creativity to managing their job to develop and update their performances. The third organisation should

provide opportunity and freedom to employee use their skills in the workplace. Fourth providing training and guidance to improve their knowledge and be expert in specific job area. Finally, let employee learn from the mistake it helpful to improve them and become an expert in job area. By this action, it will improve performances and satisfaction of job employee.

2.5.4. Career advancement

Career advancement opportunities are vital for the development of an organisation. Employees should be given the chance to prove themselves that they are capable of holding extra job responsibilities if they deserve it. Mwanje (2010) reveal in her study on Bank of Uganda that some elements in the organisation such as favouritism, inflexible organisational structure, irrelevant training and poor policies and procedures on promotion have dampened the chance of the employees to progress. Apart from that, lack of career path and growth also reported being a constraint to career advancement.

Career development consider as rewarding for those employee achieved in organisation goals (Rose, 1998). Developments careers for employees consider one of the rewards method used by organisation and promoting well workplace condition. On the other hand, training would further help employees to improve employee performances.

Training will enhance skills of the employees, give them a chance for job refreshment as well as help them to analyse their work rate at the same time. In addition, training gives a benefit to their contribution to the organisation.

Gazioglu and Tansel (2002) discovered training development lead to improve employee performance as compared to no training. Employees training lead workers to be motivated and increase their discretionary behaviour as well as satisfaction towards career advancement (Latif, Jan and Shaheen, 2013). As a result, it will enhance the employee's performances.

2.5.5. Work Autonomy/ Independence

Most Employees prefer on freedom and flexible time work with minimal supervision by employer and it make more comfortable for them in work place. Roberts (2005) discovered from study there was positive relationship between the employee autonomy and the job performances. He further explains, proving freedom to employee significantly improve of employee performances.

Implementation of incentives to boost productivity and employee freedom directly connect to increasing job satisfaction of the employee in the organisation (Eriksson and Villeval, 2008; Falk and Kosfeld, 2006). Autonomy of employee makes the employees more freedom, it beneficial for employee longer period to manage themselves of the job given by the organisation.

Employee autonomy considers best effort for organisation that encourage employee to focus to develop their career and it created to job satisfaction of employee by this will influence the performances of the organisation (Kosfeld, 2006).

Based on Maslow (1998), Non-monetary reward highly influences the people. He argued work autonomy is a fundamental reward directly influenced and develop satisfaction of employee. Furthermore supported by Danish and Usman (2010) work autonomy is a significant effect in various organisations. Danish and Usman (2010) explained work autonomy increased the satisfaction of employee even in the complex task and it continually improves the performance of the employee. Work autonomy can be concluded providing freedom to employee, flexible working hours and did the work from home. This kind autonomy influences employee outcome and performances.

2.6 Rewards and Employee Performances

Rewards are acknowledged an important instrument to review the employee's performance. The organisation practices reward for the worker's motivation. we can conclude that good reward scheme attracts new staffs and same time motivate existing staffs to perform well. Employees give their best hard work for achieving objective and the hard work depends on compensation provide by organisation. Better rewards playing important role to influences the worker effort in their organisation. The various researcher conducted studies and found that positive relation between rewards and employee performances.

According past studied (Eisenberger, 2011: Heng ,2012), they recognized if company neglect to reward the workers, it will immediately negative impact on the employee performances and effective reward scheme as a great motivator compare to insufficient reward scheme lead to dissatisfaction level among workers in term of lower productivity, higher turnover, absence and lack of loyalty. The organisation should develop better reward scheme for the employee in order retain high-skill employee because they contribution are very important for the organisation success.

Mehmood (2013) explained to improve employee performance through by reward which playing important role to build positive behaviour among employee. Reward considers important tools to improve productivity of employee to achieve the organisation goals and to fulfil employee satisfaction (Maire & Nick, 2002).

Khan and Farooq (2010) conducted a study on the influence of rewards on employee motivation in banking industry. Based on research revealed a positive connection between reward and employee motivation among the employee of banking industry Pakistan. The study proved motivated employee are more performed on their job. Motivation refer to the employees was recognised and rewarded and it make them to be more perform well according they capacity. Furthermore, another research conducted in cement industry in Pakistan regarding the relationship between reward and employee performance. Finally, the studies concluded there is a significant connection between employee's performance and reward scheme (Qureshi, Zaman, & Shah, 2010).

Research by, Erbas and Arat (2012) observed the influence of monetary and non-monetary reward for food sectors in Turkey. The result showed both reward monetary and non-monetary playing important role for employee performances. They further explained monetary reward is more influences employee to improve employee productivity compare to non-monetary reward.

2.7 E-banking Environment

There was limited past studies has been established in e-banking environment. Therefore, past studies were requested to investigate further in e-banking environment and this would be source of help to academicians and banks staff. In addition, this study may add new value to the literature with regards to the influences of rewards on employee's performances in banking industry specifically e-banking environments.

According to Quresh, Zafar and Khan (2008) mention that increasing of technology usage directly improve banking industry performances by daily basis. E-banking considers necessary system for banking services. Banking industry on the major industry to implemented high technology to improve the efficiency and provide better services to consumer. Additionally e-banking services improved the services and efficiency time saving.

Nowadays, the business industry changed according to competitive e-banking environment (Blau, 2007). The contemporary trend has changed from external environmental analysis to more sophisticated internal organizational analysis. All kind of business including those in the banking industry, not considering of their size

or level of improvement have embraced plan to survive. Due to high competition and changing client needs in the financial industry have to invent and execute plans that will facilitate to reduce the customer services procedure to attract and retain more customers (Brown, Cajee, Davies & Stroebel, 2003).

2.8 Theories

2.8.1 Expectancy Theory

According to Vroom's (1964), theory of motivation based on persons' belief regarding their capability to complete the task has been given and acquires the expected rewards. Employee motivation related to performance of employee and employee belief that their hard work will deliver to great result to obtain the reward and acknowledgement. The theory establishes the evidence show that great association between reward, recognition, and employee's job satisfaction. Danish and Usman (2010) explained the workers are less motivated if the company careless to provide appropriate recognition and the workers extremely motivated when the company provide adequate benefits, reward and recognition.

Furthermore, Nel et al (2001) describe the employee make decision based on their expectation. The expectation refers to type of the rewards expected by employee by their performances and productivity. It means that employee will be motivated for a work by provide some desired reward expect by employee. This further supported by Schultz (1982), employee will prefer to perform the job, which bring some reward to them. By this way, the employee will show more loyalty and productivity to achieve

the goals if they are confident the hard work will bring some reward or recognition. Such as salary increase, promotions, encouragement and appreciations. Theory explained, it is important to relate performance with rewards.

The relevance of this theory to for this research that rewards playing significant role and attractive reward assist to improve employee performance. Thus, employee's belief that their performance and hard work will lead to desired rewards. As conclusion, expectancy theory stated that employees are motivated for enhanced work performance by guarantee of rewards, which is linked to some specific objective. This theory is thus based on the philosophy that employee have much differences in their needs so is in the importance they attach to the rewards.

2.9 Chapter Summary

As a conclusion, the past researches are very useful in order to provide better guidance and information, which can be used to, makes this paper more meaningful. Besides that, it also delivers further explanation and discussion on the subject.

The literature reviewed so far has indicated the relationship of reward system with employee performance. The past researches are very useful in order to provide better guidance and information, which can be used to, makes this paper more meaningful. Besides that, it also delivers further explanation and discussion on the subject. Research methodology involves research framework, measurement of variables, data collection and data analysis procedures. These were discussed in the next chapter.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

This chapter will explain the overall process, procedures as well as data collection method being used in this study. Besides that, this chapter also includes the research design, research framework and the statistical methods.

3.2 Research Framework

The tentative model was accepted as confirmed to formulate the final research model. Based on the final research model, the hypotheses were developed and tested in the following quantitative study phase

3.2.1 Variables

This study also involves monetary reward and non-monetary rewards as independent variables. The tentative model was accepted as confirmed to formulate the final research model. Based on the final research model, the hypotheses were developed and tested in the following quantitative study phase. Relationship of the variable for this study is referred to figure 1 as follows:

Figure 1: The Framework of Study

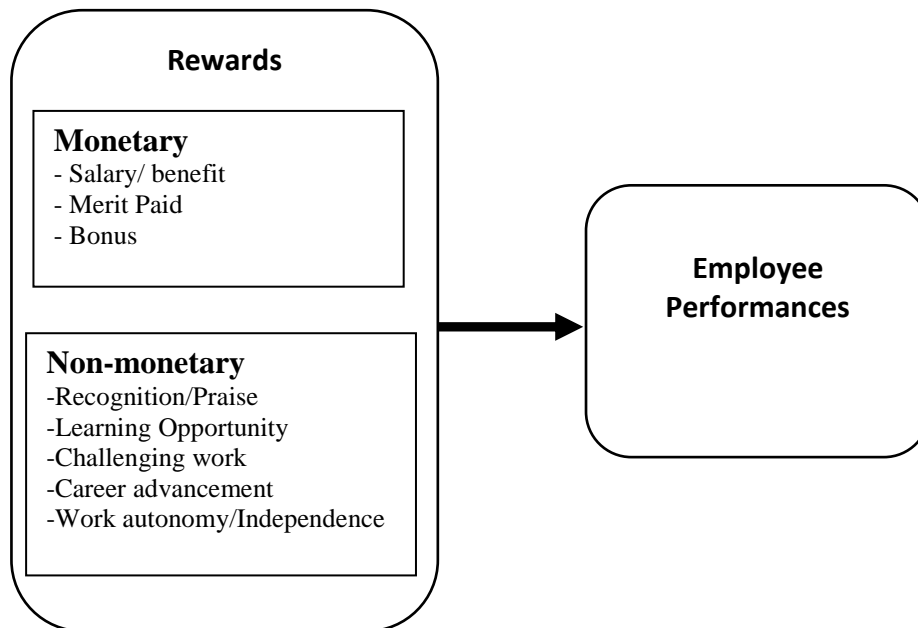


Figure 1 consists of two components which act as independent variables (Monetary rewards and Non-Monetary Rewards) and dependent variable (Employee Performances).

3.3 Hypotheses Development

The quantitative research presents statically data which representative of the total target population (Barson, 2003). Previous researchers point out, quantitative research has been used to determine the casual relationship among variable to testing the hypotheses (Kerlinger, 1986). Therefore, once the research model was finalised in the previous step, the hypotheses then existed derived.

The following hypotheses in this study were proposed as follows:

H1: Salary has a positive relationship with employee performances.

According Beard (2001), the basic salary was paid based on the employee performance, capability and knowledge. Payment of salary will increase job satisfaction and performance of the employee. Insufficient payment in financial reward will affect the employee satisfaction and performances such as delay of work reduce productivity, dissatisfaction and it will impact to the organisation (Omolayo, 2007; Owalabi, 2007).

H2: Merit paid has a positive relationship with employee performances.

Based on the study by Lowery, Beadles, Petty M. Amstler and Thompson (2002), increment provides based on employee performances and effort which used by 4 methods. First method measured by past performance of the employee. Second is based on key performances rating on the employee. Third methods measured by individual achievement and fourth method measured by long-term achievement by an employee in the organisation.

According to Lowery, Beadles, Petty M. Amstler and Thompson (2002), explained the involvement of the employee in salary increment plans can directly influence on job performance.

H3: Bonus has a positive relationship with employee performances.

Bonuses have strong relation with employee performances. According to Lingham (2008) performance-based bonuses directly influence toward individual or group performances. The huge bonus provided based on measurement by employee achievement and effort in organisation (Lowery, Petty, Thompson, 1996).

H4: Recognition has a positive relationship with employee performances.

Locke (1973) cited in Dartey-Baah (2010) revealed recognition consider as positive motivation for a worker and showed the employer appreciated of employee effort and performances done by employee according to organisation standard. Recognition considers one of the desire or requirements for employee/public according to Maslow hierarchy of needs.

H5: Learning opportunity has a positive relationship with employee performances.

Learning development directly improve employee productivity and also their performance (Webster, 2011). Basically, employees need to develop their career and learning new skills for advance them self. This will happen by providing learning opportunity by the organisation to update and increase employee capability to handle new assignments to achieving organisation goals (Shutan, 2010).

H6: Challenging work has a positive relationship with employee performances.

Challenging work means providing advanced level job to the employee for improve their capability and to become more active in managing and performing well in the organisation (Govaerts,kyndt, Dochy, Baert, 2011) it will develop performance of employees (in an article: Leadership and Motivation Training, 2010).

H7: Career advancement has a positive relationship with employee performances.

Gazioglu and Tansel (2002) discovered training development lead to improve employee performance as compare to without training. Employees training lead workers to be motivated and increase their discretionary behavior as well as satisfaction towards career advancement (Latif, Jan and Shaheen, 2013). As a result, it will enhance the employee's performances.

H8: Work autonomy/independence has a positive relationship with employee performances.

Implementation of incentives to boost productivity and employee freedom directly connect to increasing job satisfaction of the employee in the organisation (Eriksson and Villeval, 2008; Falk and Kosfeld, 2006). Autonomy of employee makes the employee more freedom, it beneficial for employee longer period to manage themselves of the job given by the organisation.

H9: Monetary rewards have a positive relationship with employee performances.

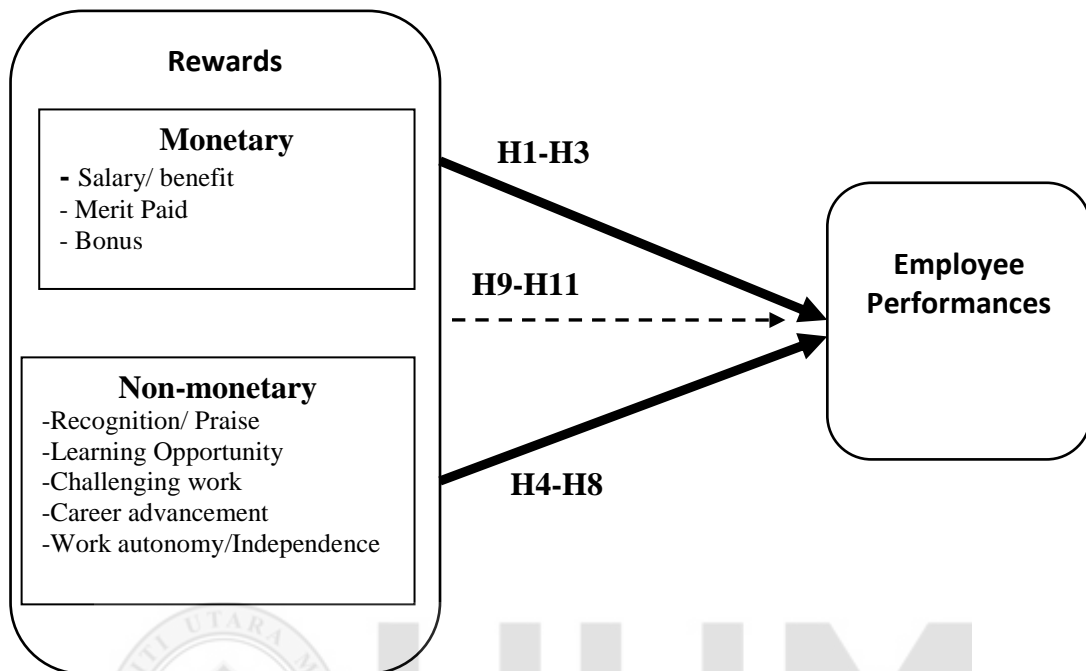
H10: Non-monetary rewards have a positive relationship with employee performances.

H11: Rewards (monetary and non-monetary) have a positive relationship with employee performances.

Research by, Erbas and Arat (2012) observed the influence of monetary and non-monetary reward for food sectors in Turkey. The result showed both reward monetary and non-monetary playing important role for employee performances. They further explained monetary reward is more influences employee to improve employee productivity compare to non-monetary reward.

Furthermore, Khan and Farooq (2010) conducted a study on the influence of rewards on employee motivation in banking industry. Based on research revealed a positive connection between reward and employee motivation among the employee of banking industry Pakistan. The study proved motivated employee are more performed on their job. Motivation refer to the employees was recognised and rewarded and it make them to be more perform well according they capacity. Furthermore another research conducted in cement industry in Pakistan regarding the relationship between reward and employee performance. Finally, the studies concluded there is a significant connection between employee's performance and reward scheme (Qureshi, Zaman, & Shah, 2010).

Figure 2: Hypotheses link with framework of Study



3.4 Research Design

This chapter clarifies the research methodology and design underpinning this research. A clarification of the detailed of the research procedure undertake by the study also includes in this part. Based on this view, the research structure is further examined and developed by a literature review of the hypotheses were developed.

3.4.1 Type of Research

This review used quantitative strategy. The quantitative process is studied involving investigation of information and data that are descriptive in nature and qualified (Sekaran, 2003). Questionnaires were distributed to respondents to obtain the

necessary information. Respondent was identified by using non-probability sampling method.

3.5 Questionnaire Development

A tentative survey question was planned based on the research hypotheses. The questionnaires are the instrument used by the researcher to analysis and characteristics that are presented within a population. The survey created was aimed at capturing the information and data required to found the connection between the independent and dependent variables. It was also to assess the model and hypotheses. The questionnaire also included the demographic information of the participants. It consists of 4 sections according to the main constructs developed in the initial research model.

3.5.1 Questionnaire Design

The Research instrument used was developed through the adaptation and modifications of the questionnaire from previous studies (Armstrong, Brown and Reilly, 2011; Muhammed Zia Ur Rehman, 2010). It is the most reasonable ways to collect data from respondents. The questionnaire comprises of 4 segment i.e. Respondents profile, monetary reward, non-monetary reward and employees performance. 5 points Likert Scale is used for these purposes.

Table 2: The summary of the questionnaire is as follows:

Section	Description
A	Section A, contains 9 questions which includes demographic background of the respondents consisting of gender, age, marital status, income level, education level, position level, department, employment status and working experiences.
B	Section B, Monetary rewards contains 12 questions that includes related to the salary/ benefit (6items), merit paid (3 items) and bonus (3 items).
C	Section C, Non-monetary rewards contains 17 questions that includes related to the recognition/praise (5 items), learning opportunity (4 items), challenging work (2 items), career advancement (3 items), and work autonomy/ independence (3 items).
D	Section D, contains 9 questions that include the measurement related to employee performances.

The data gathered was analyzed by using the statistical package for Social sciences (SPSS) version 22.0 for the purpose of statistical analysis.

3.6 Population and Sampling

3.6.1 Population

Population classified group of people/population or specific things of the researcher wishes to measure and evaluate, while the sample is taken from the specific population (Uma and Roger, 2009). The purpose of research, researcher has decided to choose the selected Banking Institutions involve in e-banking environments due to limitation to obtain the 500 respondents. We have opted to do the sampling due to avoid bias in impact assessment. We also require speed, greater scope and reduce

cost. The organisations were chosen due assessable for the respondents, able to response urgently and understand the needs and purpose of this study.

3.6.2 Sampling Size

Sampling process requires in this stage which it is important to determine and decide on the size. Since the population number is large, it is not practical to collect data from the whole population (Zikmund, 2003). The size of study depend on the focus by the researcher, basically, organisation based data has three sizes of categories, small, medium and large. Therefore, for this study, the category of size lesser than 500 respondents classified as small populations (Nafukho, Graham and Muyia, 2010).

The context of this research was banking staff who involve in e-banking environments specifically among local bank in Kuala Lumpur. The study examined the factors and variables of monetary and non-monetary rewards and also employee's performances. To generate sample frame, a detailed listing of banking staff who involve in e-banking environments specifically among local bank in Kuala Lumpur was obtained by phone confirmation from Human Resources (HR) Department in local Bank 2017. The figure given by HR Department is an estimated figure due to confidential information.

Hence, considering the time and cost constraints, a sample size of 150 as respondents is to be acceptable in this study as referred in this study as referred to Sekaran (2003).

3.6.3 Sampling Design

There is two type of sampling method which probability and non-probability sampling (Sekaran & Bougie, 2009). For this research study, the researcher adopted non-probability convenient sampling method. The advantages of the random sampling method are less cost and easy for collection the data and evaluate.

3.6.4 Sampling Framework

Non-probability convenient sampling method was used in this study. The below table illustrate the non-probability convenient sampling method.

Table 3.0: Non-probability convenient sampling method

Banks	Population in E-Banking Environments
Affin Bank Berhad	40
Alliance Bank Malaysia Berhad	40
AmBank (M) Berhad	60
CIMB Bank Berhad	80
Hong Leong Bank Berhad	70
Malayan Banking Berhad	80
Public Bank Berhad	70
RHB Bank Berhad	60
Total	500

Therefore, 150 employees had been chosen as the sample size from the population of banking staff who involve in e-banking environments is 500 employees it was expected that 30.0 percent of the respondents would respond to the survey. The standard of 30.0 percent acceptable survey response rates was applied in this study (Smat, Ramayah and Saad, 2006).

3.7 Data Collection Procedure & Pilot Test

A non-probability sampling method called convenient sampling was applied to test the connection between rewards, job satisfaction and employee performances. The recommended sample size for this research is 150 respondents among local banking staff which involve in e-banking environments around Kuala Lumpur area.

There are 250 questionnaires have been distributed and sent out to the respondents. However, only 150 questionnaires are useful for this research and received within 3 weeks, due to time constraint the research proceed with 150 questionnaires. Total Number of 30 survey forms were distributed and conducted as pilot test prior to actual data collection in order to measure the reliability of the survey questionnaires. As results, the scale for 30 survey forms of the constructs was reliable and steadfast as all the Cronbach's alpha significantly more than 0.8 as per below table.

Table 4.0: Reliability Test by Grouping

Variables	Number of Item	Cronbach's Alpha
Monetary Rewards	12	0.978
Non-Monetary Rewards	17	0.974
Employee Performance's	9	0.930

Table 4.0 shows that independent variables (monetary and non-monetary rewards) and dependent variable (employee performances) were reliable and test by grouping. According to Sekaran and Bougie (2009), the cronbach's alpha value of 0.9 and above is considered as excellent reliable. Using the SPSS reliability procedure, the internal consistency of two instruments comprising the 30 questionnaire for pilot test to obtaining cronbach's alpha value. Based on above result shows that monetary reward has 12 items questions related to monetary rewards and the cronbach's alpha value above 0.9 is considered as excellent reliable. Overall concluded, for all variable showed in excellent reliable which cronbach's alpha value is more than 0.9. Based on above table showed that non-monetary rewards have highest number of items which is 17 questions related to non-monetary rewards.

Table 5.0: Reliability Test by Variables

Variables	Number of Item	Cronbach's Alpha
Monetary Rewards		
Salary/benefit	6	0.960
Merit paid	3	0.908
Bonus	3	0.959
Non-Monetary Rewards		
Recognition/praise	5	0.918
Learning opportunity	4	0.916
Challenging work	2	0.807
Career advancement	3	0.943
Work autonomy/independence	3	0.895

Table 5.0 shows that independent (monetary and non-monetary rewards) reliability test by variable. According to Sekaran and Bougie (2009), the cronbach's alpha value of 0.9 and above is considered as excellent reliable and 0.8 above is considered as good reliable. Based on above result shows that most of the cronbach's alpha value above is 0.9 which is excellent reliable except for the challenging work and work autonomy the cronbach's alpha value above 0.8 is considered as good reliable. Furthermore, the table showed that salary/benefit variable has highest number of items which is 6 questions related under monetary rewards.

3.8 Technique Data Analysis

Data on the demographic characteristics of respondents was analysed using descriptive statistics, frequencies and percentages. Statistical Data on rewards, job satisfaction and employee performances were analysed with Reliability Test, Pearson's correlations and Regressions analysis using The Statistical Package for Social Sciences (SPSS) in order to test the relationship between rewards and employee performances.

3.8.1 Cronbach Analysis & Pearson Correlation.

A pilot test was done covering all independent and dependent variables along with the mediating variable considered for this study in order to identify the reliability of the questionnaire. The primarily concerned with measurement consistencies can be called as reliability based on Sekaran and Bougie (2009). The study uses Cronbach's alpha to validate the internal consistency of each construct for accomplishing reliability towards the variables. The acceptable level of internal reliability of 0.6 and above

implied in this study. In Cronbach's alpha reliability analysis, the closer Cronbach's alpha to 1.0, the higher it to the internal consistency reliability. Cronbach measure;

Table 6.0: Cronbach's alpha measurements

Cronbach's alpha	$\alpha \geq .9$	$.9 > \alpha \geq .8$	$.8 > \alpha \geq .7$	$.7 > \alpha \geq .6$	$.6 > \alpha \geq .5$	$.5 > \alpha$
Internal Consistency	Excellent	Good	Acceptable	Questionable	Poor	Unacceptable

Pearson's correlation test is a single number that describes the degree of relationship between independent variable (Monetary and non-monetary) and dependents variables (Employee Performances) in order to examine one variable's direction, strong, and the significance of the bivariate associations among all the variables. Relation the sign of a connection is r and its range is from to +1.00. The value -1.00 represents a perfect negative correlation while a value +1.00 stands for a perfect positive relationship. A value of 0.0 stands lack of relationship. The nearer the measure is 1.00, the more probability the correlation. Based on "Guilford Rule of Thumb" the strong of connection between two (2) or more variables show in table 6.0

Table 7.0: 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

3.8.2 Descriptive Analysis

Descriptive analysis means the demographic report of the respondents in the form of frequency and percentage terms. About this, nine inquiries were asked in section A of the questionnaire. The questions are based on gender, age, respondent income, level of education, marital status, working experience, employment status, position level and department

3.8.3 Regression Analysis

Regression analysis used to test the relationship between the variables individually. Rewards variable (monetary and non-monetary) of was tested individually with employee performances (dependent variables).

3.9 Chapter Summary

This chapter has explained the research design, elements of methods and also the strategy for this study. It is also define on how the instruments used in data collection, criteria for the selection of respondents, improvement of the questionnaire, and collection of the study materials and also method of the survey.

This chapter also briefly explains the adoption of several analyses such as correlation and regression analysis to test the research hypotheses. The results and the finding of the study are reported in Chapter 4.



CHAPTER 4

RESULTS AND DISCUSSION

4.1 Introduction

This section find out the results obtained from the study. There are several sub components in this chapter that are Results of Sampling, Respondents' Profile, Reliability Test, Descriptive Analysis, Pearson Correlation and Regression Analysis. The study of the results based on the respondents responds by questionnaire.

4.2 Results Of Sampling

The questionnaires were circulated in the form of survey to all banking staffs who involve in e-banking environments specifically among local bank in Kuala Lumpur. The banks chosen are from CIMB Bank Berhad, Hong Leong Bank Berhad, Malayan Banking Berhad, Public Bank Berhad, RHB Bank Berhad, Affin Bank Berhad, Alliance Bank Malaysia Berhad and AmBank (M) Berhad. Around 250 questionnaires were circulated and only 60 percentages were returned within three weeks' of period.

4.3 Respondents' Profile & Descriptive Analysis

Based on the overall respondent, 43.3 percentages of respondents are males whereas the balance 56.7 percentage of respondents are females. In terms of age and income division of banking staff, the highest percentage falls within the 21-30 age groups with the income level around Ringgit Malaysia (MYR) 2001 – 4000 with 40.0 percentages for both. The lowest of age groups fall under 51 above at 6.7 percentages and income level around Ringgit Malaysia (MYR) 6001 above at 16.7 percentages.

The highest frequency of education level is 47.3 percentage in which respondents with Degree level while the lowest frequency of education level was 0.7 percentage which that respondents with Skill Certificate. For marital status segments, around 56.7 percentages of respondents are married and 36.7 percentages of respondents are single.

About 86.7 percentages of respondents are permanent status employee whereas the balance 13.3 percentage of contract status employee. Around 20.0 percentage of banking staffs have less experience than 2 Years and followed by 43.3 percentages, 20.0 percentages and 8.9 percentages that have experience in range of 2-5 years, 5-10 years and more than 10 years respectively. The highest frequencies of position level are executive level which is 30 percentages and the lowest frequencies are non-executive level represents about 13 percentages.

On the other hand, Sales and Marketing department recorded with maximum frequency of 50.0 percentages from the total respondent and the lowest are from others department represents at 0.7 percentages. The inclusive demographical profiles of the respondent are illustrated in Table 8.0.

Table 8.0: Frequency Distribution of Demography Variables

Variables	Frequency	Percent (%)
Gender		
Male	65	43.3
Female	85	56.7
Age (Years)		
20 – Below	25	16.7
21 – 30	60	40.0
31 – 40	40	26.7
40-50	15	10.0
51-Above	10	6.7
Respondent income level (RM)		
2000 – Below	15	10.0
2001– 4000	60	40.0
4001 – 6000	50	33.3
6001 – Above	25	16.7
Highest education level		
Master & PhD	20	13.3
Degree	71	47.3
Diploma & STPM	39	26.0
Skill Certificate	1	0.7
SPM	19	12.7
Marital status		
Single	55	36.7
Married	85	56.7
Divorce / Widow	10	6.7
Working Experience		
Less than 2 Years	30	20.0
2-5 Years	65	43.3
5-10 Years	30	20.0
More than 10 Years	25	16.7
Employment Status		
Permanent	130	86.7
Contract	20	13.3

Position Level		
Executive	45	30.0
Senior Executive	30	20.0
Manager	30	20.0
Senior Manager	25	16.7
Non-Executive	20	13.3
Department		
Human Resources Department	15	10.0
Operation Department	29	19.3
Accounts Department	20	13.3
Sales and Marketing Department	50	33.3
Facilities Department	10	6.7
Administration Department	25	16.7
Others	1	0.7

4.4 Reliability Test

The Cronbach's alpha value of the variables is shown in Table 5. The reliability value of the variables are more than 0.9 considered as excellent reliable, more than 0.8 considered good reliable and more than 0.7 at acceptable level. This result is supported by Sekaran and Bougie (2009) that stated the nearer the reliability coefficient finds to 1.0. As results, the scale of the constructs was reliable and steadfast as all the Cronbach's alpha significantly more than 0.8 except for reliability test by item is more than 0.7 for challenging work but it acceptable level.

Table 9.0: Reliability Test by Grouping

Variables	Number of Item	Cronbach's Alpha
Monetary Rewards	12	0.979
Non-Monetary Rewards	17	0.973
Employee Performance's	9	0.926

Table 9.0 show the result of Cronbach alpha for reliability test of grouping. Overall the results showed more than 0.9 which considered as excellent reliable and this result supported.

Table 10.0: Reliability Test by Items

Variables	Number of Item	Cronbach's Alpha
Monetary Rewards		
Salary/benefit	6	0.961
Merit paid	3	0.911
Bonus	3	0.959
Non-Monetary Rewards		
Recognition/praise	5	0.915
Learning opportunity	4	0.917
Challenging work	2	0.797
Career advancement	3	0.940
Work autonomy/independence	3	0.882

Table 10.0 show the result of Cronbach alpha for reliability test by items. Most of the results showed more than 0.9 which as excellent reliable, for work autonomy variable indicated at 0.8 above considered good reliable expect for challenging work showed more than 0.7 but is still acceptable level. Overall this result was supported.

4.5 Pearson Correlation

Pearson Correlation Analysis is a single number that describes the degree of relationship between independent variables (Monetary and Non-monetary reward) and dependent variables (Employee Performance).

4.5.1 Monetary Rewards and Employee Performances

Table 11.0 shows all the correlations between the variables examined in the study. Based on “Guilford Rule of Thumb” the strong of connection between two (2) or more variables at level 0.7 to 1.0 consider very high relationship. Based on below table 11.0 shows the result has strong correlation between all variable.

Outcome from the correlation testing proved a strong correlation between salary to employee performances ($r=0.908$). Furthermore, merit paid also strong relationship ($r=0.849$) towards employee performances and finally correlation between bonus to employee performances also strong relationship ($r=0.791$). All variable highly correlated and relation between the variable with high significance level ($p > 0.01$) and overall the findings showed that was a positive relationship between salary, merit paid and bonus with employee performances.

Table 11.0: Relationship between Monetary Reward (Salary, Merit Paid and Bonus) and employee Performances.

Variables	Pearson Correlation (r)	Level of Significant (p)
Salary	0.908**	0.00
Merit Paid	0.849**	0.00
Bonus	0.791**	0.00

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

4.5.2 Non-Monetary Rewards and Employee Performances

Table 12.0 shows all the correlation between non-monetary rewards and employee performances. The correlation coefficient was shown a strong relationship ($r= 0.900$) between recognition and employee performances. Besides learning opportunity also showed strong relationship towards employee performances ($r= 0.812$). Furthermore, challenging work has a strong relationship with employee performances ($r= 0.790$.) Career advancement and work autonomy also has strong relation with employee performance respectively ($r= 0.886$) and ($r= 0.837$). All variable highly correlated and relation between the variable with high significance level ($p> 0.01$) and overall the findings showed that was a positive relationship between variables.

Table 12.0: Relationship between Non-Monetary Reward (Recognition/Praise, Learning Opportunity, Challenging Work, Career Advancement and Work Autonomy) and employee Performances.

Variables	Pearson Correlation (r)	Level of Significant**(p)
Recognition/Praise	0.900**	0.00
Learning Opportunity	0.812**	0.00
Challenging Work	0.790**	0.00
Career Advancement	0.886**	0.00
Work Autonomy	0.837**	0.00

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

4.6 Regression Analysis

Regression analysis was performed for overall relationship between independent variables (monetary, non-monetary and combine both rewards) and towards dependent variables (employee performances). Table 4.4 shows the beta and t-values for the model. Hypothesis 9 till 11 are supporting whereby the t-value of the variables are significant ($p < 0.05$). Based on the Table 13.0, the unstandardized coefficient values of all variables are positive and less than 1.0.

Table 13.0: Results for the hypothesized model using Regression Analysis

	Hypotheses	Unstandardized coefficient	t- Value	R ²	Sig	Supported?
H9	Monetary rewards have a positive relationship with employee performances.	0.621	23.830	0.792	0.00	Yes
H10	Non-monetary rewards have a positive relationship with employee performances.	0.811	27.566	0.836	0.00	Yes
H11	Rewards have a positive relationship with employee performances.	0.737	27.364	0.835	0.00	Yes

*Significant at the 0.05 level.

H9: The coefficient for monetary reward is 0.621. So for every one unit increase in monetary reward, we expect a 0.62 point increase in the employee performances with high positive relationship. The coefficient for monetary reward (0.621) is statistically significant because its p-value of 0.000 is less than 0.05 and further supported by t-value more than two (23.830). The value of was $R^2 = 0.792$ which

indicates that 79.0 percentage of changes in dependent variable explained by independent variable. The third hypotheses are accepted.

H10: The coefficient for non-monetary reward is 0.811. So for every one unit increase in non-monetary reward, we expect a 0.81 point increase in the employee performances with very high positive relationship. The coefficient for non-monetary reward (0.811) is statistically significant because its p-value of 0.000 is less than 0.05 and further supported by t-value more than two (27.566). The value of was $R^2=.836$ which indicates that 84.0 percentage of changes in dependent variable explained by independent variable. The fourth hypotheses are accepted.

H11: The coefficient for combine both rewards is 0.737. So for every one unit increase in rewards, we expect a 0.74 point increase in the employee performances with very high positive relationship. The coefficient for rewards (0.737) is statistically significant because its p-value of 0.000 is less than 0.05 and further supported by t-value more than two (27.364). The value of was $R^2=.835$ which indicates that 84.0 percentage of changes in dependent variable explained by independent variable. The fourth hypotheses are accepted.

Based on the above coefficient value showed, Non-monetary reward highly influence on employee performances.

4.7 Chapter Summary

Based on the eleven (11) hypotheses tested, all of the hypotheses accepted. The result indicated that monetary and non-monetary have a positively relationship toward the independent variable and dependent variable which is employee performances. In summary below is the summarized result of all hypotheses:

Table 14.0: Summary of Hypothesis Testing

	Hypothesis	Result
H1	Salary has a positive relationship with employee performances.	Accepted
H2	Merit paid has a positive relationship with employee performances.	Accepted
H3	Bonus has a positive relationship with employee performances.	Accepted
H4	Recognition has a positive relationship with employee performances.	Accepted
H5	Learning opportunity has a positive relationship with employee performances.	Accepted
H6	Challenging work has a positive relationship with employee performances.	Accepted
H7	Career advancement has a positive relationship with employee performances.	Accepted
H8	Work autonomy/independence has a positive relationship with employee performances.	Accepted
H9	Monetary rewards have a positive relationship with employee performances.	Accepted
H10	Non-monetary rewards have a positive relationship with employee performances.	Accepted
H11	Rewards (monetary and non-monetary) have a positive relationship with employee performances.	Accepted

Based on above table 14.0 concluded the all of the hypotheses accepted and have a positively relationship toward the independent variable and dependent variable.

CHAPTER 5

CONCLUSION AND RECOMMENDATION

5.1 Introduction

This section will briefly explain the overall results of the research specifically on whether the paper could fulfil the objective of the research that mentioned in previous chapter. It will also present the assumption of the paper in order to find out whether the proposed hypothesis, research questions, as well as research objectives is encountered. This discussion is based on the study objectives that stated in Chapter 1. The first objective is to examine relationship between monetary reward and employee performance and second objective is to examine relationship between non-monetary reward and employee performance. Apart from that, the research helps to identify which of the reward (monetary or non-monetary) that is most significant towards employee's performances. Besides that, this chapter will also explain several components such as recommendation, limitation of the study and the conclusion.

5.2 Monetary Rewards and Employees Performance

This study examined and determined the relationship between monetary reward and employees performances. Based on results from Pearson Correlation Analysis, it showed that there was a positive significant in the relationship between monetary reward (salary, merit paid and bonus) and employee's performance. In this, it is showed that the highest significant variable was salary followed by merit paid and bonus. Overall was positive relationship between monetary rewards with employee's performances.

Based in this study, it is showed that salary had the strongest relationship on employee performances among other monetary variables. According Tella, Ayeni, & Popoola (2007) noted that in order to effectively use salary as a motivation to a worker. Furthermore, Beard (2001), the basic salary was paid based on the employee performance, capability and knowledge. Payment of salary will increase job satisfaction and performance of the employee. Insufficient payment in financial reward will affect the employee satisfaction and performances such as delay of work reduce productivity, dissatisfaction and it will impact to the organisation (Omolayo, 2007; Owalabi, 2007).

Based on result of the study, it also showed the employee in banking staff who involve in e-banking environments have more preferred and focus in receiving salary rather that other types of monetary reward. Salary/benefit is one of the important monetary rewards to banking staff who specifically involve in e-banking environments.

Merit paid is comes as the second highest after performance bonus and followed by bonus based on the analysis of findings. Based on study by Lowery, Beadles, Petty M. Amstler and Thompson (2002), merit is paid to the employee based on their performance and achievement.

The result of this study reflects to the finding by Islam and Ismail (2008) which found that monetary rewards plays a major role in motivating Malaysian employees. Thus, it can be assumed that, with high working motivation may resulted to a higher job commitment, subsequently to more positive outcome on the individual employee performances.

5.3 Non-Monetary Rewards and Employees Performance

This study also examined and determined the relationship between non-reward and employee performances. Based on a result from Pearson Correlation Analysis, it showed that there was a positive significant in the relationship between non-monetary (recognition, learning opportunity, challenging work, career advancement and work autonomy) to employee performances.

The analysis result on the chapter 4 showed that, recognition proves to have the strongest relationship to employee performances as compared to other non-monetary variables. Based on Deepröse (1994) explained that recognising of employee improves employee performances and it should be recognised in appropriate method to improve their performances. Furthermore Danish and Usman (2010) supported

recognition in an effective manner will build up better working condition and motivate to improve worker productivity.

As indicated in the analysis result, it show that employee in banking staff who involve in e-banking environments are more preferred in receiving recognition rather than other types of no-monetary reward. The above result is consistent to Islam and Ismail (2008) finding. They found that US employees are motivated to non-monetary reward particularly the appreciation and recognition by employer. The motivation can be moderating factor to a better job performances by the employees.

5.4 Rewards (Monetary and Non-Monetary) and Employees Performance

This study also examined and determined the relationship between rewards and employee performances and to identify which of the reward (monetary or non-monetary) that is most significant towards employee's performances. Based on a result from Regression Analysis, it showed that there was a positive significant in the relationship between rewards (monetary and non-monetary) to employee performances.

Based on the results, it showed that non-monetary rewards had the strongest relationship to employee performances as compared to monetary rewards. This finding is consistent with Kube et al. (2008) founded non-financial rewards provide better results compared to financial rewards. Non-financial reward provides better

improvement for the long term period to improve employee performance.

In different study Kube et al. (2006) also explain financial reward impact for the temporary period and not effect for the long term period.

Based on the analysis result, it showed that employee in banking staff are more preferred in non-monetary rewards rather than monetary reward.

5.5 Limitation of study

In the process of gathering information from respondents as well as acquiring information from banking staff involve in e-banking environments, there are limitations that beyond control of this study. The first limitation use of limited number of reward systems dimension. There are other factors that might influence the performances of employees. Besides that, different demographic factors such as education level, age and experience may contribute to a different perceptions and interpretations on the statement in the questionnaires.

Other than, area of Kuala Lumpur was chosen to conduct this research. We might not know how well the research work for the whole population of Malaysia. If the research is being conduct to whole population of Malaysia, it might be result in term of time consuming and higher cost.

5.6 Recommendations

Monetary reward and non-monetary give a significant effect to the employee's performances in banking industry among local bank in Kuala Lumpur. In this study, only eight variables were used to examine the relationship between rewards system (monetary or non-monetary) and employee's performances. There are other variables that are not included in this study but this other variables may be being able to give a better to the employee performances. It recommended for future research to include more variables especially for the variables that are not included in this study.

In this study, researcher only focuses on the employee performances. Therefore, other effects and relationship should be explored such as turnover, motivation, employee satisfaction and others. This factor might also influence employee's behaviour in banking industry.

Moreover, future studies could explore several areas or dimension of research that can make more valuable contribution of reward system to employee performance in different sectors and industries.

5.7 Conclusion

The purpose of this study to determine the relationship between rewards (monetary and non-monetary) to employee performances among local banking staff specifically involves e-banking environments in Kuala Lumpur. The first objective is to examine relationship between monetary reward and employee performance and second objective is to examine relationship between non-monetary reward and employee performance. Apart from that, the research helps to identify which of the reward (monetary or non-monetary) that is most significant towards employee's performances among local banking staff specifically involves e-banking environments in Kuala Lumpur.

The Pearson correlation results in this study show that both monetary and non-monetary rewards have significant effect on the employee performances. Furthermore, based on the regression analysis, showed that employee in banking staff are more preferred in non-monetary rewards rather than monetary reward.

Additionally, the factor under rewards should be considered in order to increase the employee performances rate to improve productivity of the organization. As a summary, the present study is successful in testing the proposed hypothesis. Besides that, the research question is answered as well as achieving the objective of this paper. The finding of this study could be useful for banking industry to improve employee performance and productivity rate especially involve in e-banking environment.

Moreover, the components like monetary and non-monetary rewards should focus by management as variables significantly contribute towards employees performances. The management of the bank should focus reward system .The rewards system should be revised every year based on employee performance, so every employee will be satisfied with the benefit receive and it also encourage the employee to be perform better and will increase the productivity level in future.



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QUESTIONNAIRE

Dear Valued Respondents,

I am Sivakumar Perumal, Master in Science (Banking) final student in University Utara Malaysia, Kuala Lumpur undertaking research in the area of the influence of rewards on employee's performance in the e-banking environments among local banks in Kuala Lumpur.

This survey will take about 15 minutes to complete. These questionnaires have been divided into 4 sections, Section A (Demographic profile), Section B (Monetary rewards), Section C (Non-monetary rewards), Section D (Employee's Performance).

Your answers to this questionnaire will therefore be in valuable, as it will allow me to ensure the data collection is served to my research requirement for PROJECT PAPER (BPMZ 69912), UNIVERSITY UTARA MALAYSIA. All the information provided will be used purely for academic purposes only and will be treated with utmost confidentiality.

Subjects are required to read all directions on each side before starting to answer. Please answer all of the questions and make sure every question has answered.

Kindly contact me in case of any queries or clarification on any of the questions. It is highly appreciated for your contribution to spend some time and participate in this survey

Thank you for your support

Yours sincerely,

Sivakumar Perumal

Master in Science (Banking)

School of Economics, Finance and Banking

University Utara Malaysia (UUM), Kuala Lumpur

E-mail: perumalsivakumar@yahoo.com

H/P Number: +6014-9523732

APPENDIX A

THE RELATIONSHIP OF REWARDS TO EMPLOYEE'S PERFORMANCE IN THE E-BANKING ENVIRONMENTS AMONG LOCAL BANK IN KUALA LUMPUR

SECTION A: DEMOGRAPHIC PROFILE

This Section of the questionnaire contains 9 statements of the respondent profile relating to the employee and employer profile. The respondents are required to answer this question by placing a mark in the relevant box below:

1. Gender

Male

☐

Female

☐

2. Age (Years)

20 – Below

☐

41 – 50

☐

21 – 30

☐

50 – Above

☐

31 – 40

☐

3. Respondent income level (RM)

2000 – Below

☐

4001 – 6000

☐

2001 – 4000

☐

6001 – Above

☐

4. Education level

Master/ PhD.

☐

Skill Certificate

☐

Degree

☐

SPM

☐

Diploma/STPM

☐

5. Marital status

Single

☐

Married

☐

Divorce / Widow

☐

6. Working Experience

☐

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Less than 2 Years		5-10 Years	<input type="text"/>
2 – 5 Years	<input type="text"/>	More than 10 Years	<input type="text"/>

7. Employment Status

Permenent	<input type="text"/>	Contract	<input type="text"/>
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8. Position Level

Executive	<input type="text"/>	Senior Executive	<input type="text"/>
Manager	<input type="text"/>	Senior Manager	<input type="text"/>
Non- Executive	<input type="text"/>		

9. Department

Human Resources Department	<input type="text"/>
Operation Department	<input type="text"/>
Accounts & Finance Department	<input type="text"/>
Sales and Marketing Department	<input type="text"/>
Facilities Department	<input type="text"/>
Administration Department	<input type="text"/>
Others: (Please specify)	

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SECTION B: MONETARY REWARDS

Please answer each of the following questions according to the scale provided. Give your own honest opinions.

No	Question	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
1	I receive a worth basic salary.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
2	I feel my current salary is equivalent to my job.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
3	My current salary reflects the market trend.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
4	My take home pay is reasonable.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
5	My performances bonus reflects my productivity in organization.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
6	My performances bonus reflects my job quality in organization.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
7	I receive a fair salary given from organization	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
8	I receive merit/ increment reflect my productivity in organization	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
9	I receive a fair increment from my organization.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
10	There are many type of performances bonuses offered by my organization that motivate my productivity.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
11	The benefits are provided according to my entitlement.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
12	I really enjoy with benefits received.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅

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SECTION C: NON- MONETARY REWARDS

Please answer each of the following questions according to the scale provided. Give your own honest opinions.

No	Question	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
1	I get the recognition I deserve when I do a great job.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
2	I received recognition for my job accomplishment.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
3	I feel that I have chances of getting ahead on this job.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
4	Promotion and transfer are made fairly.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
5	Good exposure of the challenging of the job.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
6	Good potential career advancement in my organization.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
7	Possibility of grow in my organization.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
8	Opportunity to grow through learning new things and skills.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
9	Good learning opportunities.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
10	Opportunity for advancement to higher level jobs.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
11	Challenging task given by organization can improve my job quality.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
12	Recognition improves my productivity.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
13	I enjoys doing my current job.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
14	I have a job on which there is a great deal of day-today learning.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
15	I received reasonable freedom with minimal supervision in the work place.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
16	I enjoy with flexible time work.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
17	I feel that I have work autonomy to make own suggestion/decision and influences department & organization.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅

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SECTION D: EMPLOYEE PERFORMANCE'S

Please answer each of the following questions according to the scale provided. Give your own honest opinions.

No	Question	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
1	My accomplishments and good work are recognized by the organization.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
2	I believe that there is a constant striving for greater accomplishment to organization.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
3	Rewards that I receive less than my job accomplishment.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
4	Rewards that I receive reflect my job quality.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
5	Rewards that I receive are equal with my job quality.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
6	My organization rewards inspired me to improved my job quality.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
7	I believe that better reward will give a better productivity.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
8	My productivity influences my growth in the organization.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
9	Rewards help a lot in improving my productivity.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅

END OF QUESTION

APPENDIX B

Respondents' Profile & Descriptive Analysis

Statistics

	Gender	Age	Income Level	Education Level	Marital Status	Working Experience	Employment Status	Position Level	Department
N Valid	150	150	150	150	150	150	150	150	150
Missing	0	0	0	0	0	0	0	0	0
Mean	1.57	2.50	2.57	2.52	1.70	2.33	1.13	2.63	3.60
Median	2.00	2.00	2.50	2.00	2.00	2.00	1.00	2.50	4.00
Mode	2	2	2	2	2	2	1	1	4
Sum	235	375	385	378	255	350	170	395	540

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid male	65	43.3	43.3	43.3
female	85	56.7	56.7	100.0
Total	150	100.0	100.0	

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 20-Below	25	16.7	16.7	16.7
21-30	60	40.0	40.0	56.7
31-40	40	26.7	26.7	83.3
41-50	15	10.0	10.0	93.3
50-above	10	6.7	6.7	100.0
Total	150	100.0	100.0	

Income Level

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 2000-below	15	10.0	10.0	10.0
2001-4000	60	40.0	40.0	50.0
4001-6000	50	33.3	33.3	83.3
6001-Above	25	16.7	16.7	100.0
Total	150	100.0	100.0	

Education Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Master/PhD	20	13.3	13.3	13.3
	Degree	71	47.3	47.3	60.7
	Diploma/STPM	39	26.0	26.0	86.7
	Skill Certificate	1	.7	.7	87.3
	SPM	19	12.7	12.7	100.0
	Total	150	100.0	100.0	

Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	single	55	36.7	36.7	36.7
	Married	85	56.7	56.7	93.3
	Divorce/Widow	10	6.7	6.7	100.0
	Total	150	100.0	100.0	

Working Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 2 years	30	20.0	20.0	20.0
	2-5 years	65	43.3	43.3	63.3
	5-10 years	30	20.0	20.0	83.3
	more than 10 years	25	16.7	16.7	100.0
	Total	150	100.0	100.0	

Employment Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Permanent	130	86.7	86.7	86.7
	Contract	20	13.3	13.3	100.0
	Total	150	100.0	100.0	

Position Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Executive	45	30.0	30.0	30.0
	Senior Executive	30	20.0	20.0	50.0
	Manager	30	20.0	20.0	70.0
	Senior Manager	25	16.7	16.7	86.7
	Non-Executive	20	13.3	13.3	100.0
	Total	150	100.0	100.0	

Department

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Human Resources Department	15	10.0	10.0	10.0
	Operation Department	29	19.3	19.3	29.3
	Accounts & Finance Department	20	13.3	13.3	42.7
	Sales and Marketing Department	50	33.3	33.3	76.0
	Facilities Department	10	6.7	6.7	82.7
	Administration Department	25	16.7	16.7	99.3
	Others	1	.7	.7	100.0
Total		150	100.0	100.0	



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APPENDIX C

Reliability Test by Grouping

Monetary Rewards

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.979	.980	12

Non-Monetary Rewards

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.973	.974	17

Employee Performances

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.926	.934	9

Reliability Test by Items

Monetary Rewards

Salary

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.961	.964	6

Merit Paid

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.911	.911	3

Bonus

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.959	.961	3

Non- Monetary Rewards

Recognition/praise

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.915	.915	5

Learning opportunity

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.917	.920	4

Challenging Work

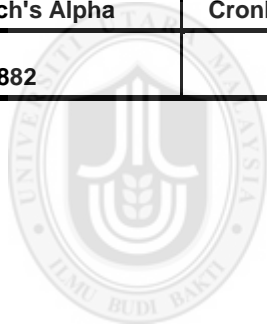
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.797	.802	2

Career Advancement

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.940	.945	3

Work Autonomy

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.882	.883	3



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APPENDIX D

Pearson Correlation

		Salary	Employee Performances
Salary	Pearson Correlation	1	.908**
	Sig. (2-tailed)		.000
	N	150	150
Employee Performances	Pearson Correlation	.908**	1
	Sig. (2-tailed)	.000	
	N	150	150

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

		Employee Performances	Bonus
Employee Performances	Pearson Correlation	1	.791**
	Sig. (2-tailed)		.000
	N	150	150
Bonus	Pearson Correlation	.791**	1
	Sig. (2-tailed)	.000	
	N	150	150

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

		Employee Performances	Merit Paid
Employee Performances	Pearson Correlation	1	.849**
	Sig. (2-tailed)		.000
	N	150	150
Merit Paid	Pearson Correlation	.849**	1
	Sig. (2-tailed)	.000	
	N	150	150

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

		Employee Performances	Recognition
Employee Performances	Pearson Correlation	1	.900**
	Sig. (2-tailed)		.000
	N	150	150
Recognition	Pearson Correlation	.900**	1
	Sig. (2-tailed)	.000	
	N	150	150

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

		Employee Performances	Learning Opportunity
Employee Performances	Pearson Correlation	1	.812**
	Sig. (2-tailed)		.000
	N	150	150
Learning Opportunity	Pearson Correlation	.812**	1
	Sig. (2-tailed)	.000	
	N	150	150

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

		Employee Performances	Challenging Work
Employee Performances	Pearson Correlation	1	.790**
	Sig. (2-tailed)		.000
	N	150	150
Challenging Work	Pearson Correlation	.790**	1
	Sig. (2-tailed)	.000	
	N	150	150

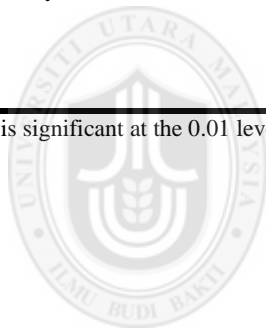
** . Correlation is significant at the 0.01 level (2-tailed).

		Employee Performances	Career Advancement
Employee Performances	Pearson Correlation	1	.886**
	Sig. (2-tailed)		.000
	N	150	150
Career Advancement	Pearson Correlation	.886**	1
	Sig. (2-tailed)	.000	
	N	150	150

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

		Employee Performances	Work Autonomy
Employee Performances	Pearson Correlation	1	.837**
	Sig. (2-tailed)		.000
	N	150	150
Work Autonomy	Pearson Correlation	.837**	1
	Sig. (2-tailed)	.000	
	N	150	150

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



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APPENDIX E

Regression Analysis

Monetary rewards to Employee Performances

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.891 ^a	.793	.792	.23481

a. Predictors: (Constant), Monetary

b. Dependent Variable: Employee Performances

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	31.310	1	31.310	567.869	.000 ^a
	Residual	8.160	148	.055		
	Total	39.470	149			

a. Predictors: (Constant), Monetary

b. Dependent Variable: Employee Performances

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.598	.097		16.395	.000
	Monetary	.621	.026	.891	23.830	.000

a. Dependent Variable: Employee Performances

Non-Monetary rewards to Employee Performances

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.915 ^a	.837	.836	.20851

a. Predictors: (Constant), Non-Monetary

b. Dependent Variable: Employee Performances

ANOVA^b

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	33.036	1	33.036	759.867	.000 ^a
Residual	6.434	148	.043		
Total	39.470	149			

a. Predictors: (Constant), Non-Monetary

b. Dependent Variable: Employee Performances

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.785	.113		6.925	.000
Non-Monetary	.811	.029	.915	27.566	.000

a. Dependent Variable: Employee Performances

Rewards to Employee Performances

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.914 ^a	.835	.834	.20979

a. Predictors: (Constant), Rewards (Monetary & Non-Monetary)

b. Dependent Variable: Employee Performances

ANOVA^b

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	32.956	1	32.956	748.791	.000 ^a
Residual	6.514	148	.044		
Total	39.470	149			

a. Predictors: (Constant), Rewards (Monetary & Non-Monetary)

b. Dependent Variable: Employee Performances

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.113	.102		10.863	.000
	rewardmean2	.737	.027	.914	27.364	.000

a. Dependent Variable: Employee Performances