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**THE EFFECT OF HRM PRACTICES AND LEADERSHIP ON
JOB SATISFACTION AMONG EMPLOYEES IN MALAYSIAN
ISLAMIC ZAKAT INSTITUTION**



**Thesis Submitted to
College of Business
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**Pusat Pengajian Pengurusan
Perniagaan**

SCHOOL OF BUSINESS MANAGEMENT

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ABSTRACT

The ongoing changes in the global labour market have increased the increased competition between organisations and companies, which has raised the importance of the different dimensions of work. Effective human resource practices are necessary for any organisation to build a satisfied, productive and effective workforce. This study examines the job satisfaction of employees of Zakat institutions in Penang by assessing the impact of training and development as well as compensation and benefits, and leadership. A self-administered questionnaire was distributed to the staff of Zakat institutions and analyzed for further data analysis. A total of 90 staffs participated in the study. The findings of the study found out that there is a significant relationship between the training and development, compensation and benefit on job satisfaction. In this study, leadership becomes a mediating variable to the relationship between HRM practices and job satisfaction. Based on the result, there is no significant relationship between training and development, compensation and benefit and leadership. However, there is no significant relationship between leadership and job satisfaction. The result also shows that there is no significant mediating effect of leadership between training and development, compensation and benefit and job satisfaction.

Keywords: Job Satisfaction, Islamic Zakat Institution, Training and Development, Compensation and Benefits, Leadership



ABSTRAK

Perubahan berterusan dalam pasaran buruh global telah meningkatkan persaingan yang semakin meningkat antara organisasi dan syarikat, yang telah meningkatkan kepentingan dimensi kerja yang berbeza. Dasar dan amalan sumber manusia yang berkesan adalah perlu bagi mana-mana organisasi untuk membina tenaga kerja yang berpuas hati, produktif dan berkesan. Kajian ini mengkaji kesan latihan dan pembangunan pampasan, faedah dan kepimpinan terhadap kepuasan kerja. Satu soal selidik yang ditadbir sendiri telah diedarkan kepada kakitangan institusi Zakat dan dianalisis untuk analisis data selanjutnya. Seramai 90 orang telah menyertai kajian ini. Dapatan kajian mendapati terdapat hubungan yang signifikan antara latihan dan pembangunan, pampasan dan faedah serta kepuasan kerja. Dalam kajian ini, kepimpinan adalah faktor pengantaraan. Oleh itu, adalah perlu untuk mengkaji hubungan antara latihan dan pembangunan, pampasan dan faedah dan kepimpinan. Berdasarkan keputusan kajian, tidak terdapat hubungan yang signifikan antara latihan dan pembangunan, pampasan dan faedah dan kepimpinan. Walau bagaimanapun, tidak terdapat hubungan yang signifikan antara kepimpinan dan kepuasan kerja. Keputusan juga menunjukkan bahawa tidak terdapat kesan pengantaraan yang signifikan dalam kepimpinan antara latihan dan pembangunan, pampasan dan faedah serta kepuasan kerja.

Kata Kunci: Kepuasan Kerja, Institusi Zakat Islam, Latihan dan Pembangunan, Pampasan dan Faedah, Kepimpinan



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LIST OF ABBREVIATION

(ZCC)	Zakat Collection Centre
(ZCC)	Zakat Collection Centre
(HRM)	Human Resource Management
(HR)	Human Resource
(STML)	School of Technology Management and Logistics
(OCB)	Organisational Citizenship Behaviour
(TND)	Training and Development
(HRMP)	Human Resource Management Professional



CHAPTER 1

INTRODUCTION

1.1 Introduction

This introductory chapter addresses the issue on background of the study, the statement of the problem, research objectives, research questions, significance of the research, and hypothesis. This chapter also presents scope of the study and definition of terms that will be used throughout the study.

1.2 Background of the Study

Job satisfaction is an important factor in an organization where it needs to be emphasized to ensure that employees are satisfied with their jobs and give a good commitment to the organization. Job satisfaction is necessary for every employees in the organization to ensure that the company's operation run smoothly and indirectly to achieve good productivity and organization goals.

It is becoming increasingly important for businesses and organisations to compete globally, and this shift has led to a shift from a manufacturing-based economy to a knowledge-based economy. During this shift, human resource management was elevated to the top of every firm. In other words, good and efficient management of an organization's human resources is a prerequisite for its success (Hasan et al., 2019).

Top administrators and managers are focusing an increasing amount of attention on employee work experience, job security, and job happiness because they recognize that

human resources are the most valuable component of an organisation that contributes to its success (Hasan et al., 2019).

An organization's ability, motivation, and capacity to fulfil its goals may be bolstered by the application of HRM (Veth, Emans, Heijden, Korzilius, & Lange, 2015). Organizations must have a plan to maximize efficiency and a strategy and implementation of HRM operations in a fast-moving market. Human Resource practices must be applied in varied degrees to obtain a competitive advantage or a comparative advantage.

Organizational goals necessitate an improvement in productivity, which is achieved through HRM activities (Guest, Conway, & Dewe, 2004). Employee productivity, job happiness, and business performance may all be improved by implementing HR strategies that focus on building and allocating human resources in the most efficient manner feasible in order to meet long-term objectives. Gürbüz (2009) asserts that a business's ability to maintain its competitive edge depends on the effectiveness of its Human Resource Management (HRM) initiatives, which, among other things, lower staff turnover and increase employee loyalty to the organisation (Fesharaki & Sehat, 2018).

Comparing today's human resource practices with those of the past, HRM has changed from simply managing human resources, such as managing vacancies, recruitment, overseeing payroll, promotion and other human resource issues, to a more strategic approach that contributes to the achievement of the company's overall goals. This has led to the increasing popularity of HRM as modern businesses and companies have

realized the great capabilities of HRM for their survival and thriving. It is increasingly recognized that companies need to acquire, create and sustain modern, effective HRM skills and strategies if they are to succeed and thrive in today's talent-driven global and knowledge-based economy (Hasan et al., 2019).

Khan (2010) stated that in a fast-paced market environment, companies need a strategy to optimize efficiency and the design and application of HRM measures. Employees or human capital are the most important factor in a company. This is because the physical assets of a company are only valuable if they are used and managed by the employees. In view of this situation, many executives, business owners, entrepreneurs and also academicians are constantly looking for ways to improve employee efficiency and practices related to their careers, which will lead to higher productivity (Fesharaki & Sehat, 2018).

In addition, the development of innovative HRM must also be mastered by modern knowledge organisations in order to recruit, retain and train employees while enhancing their knowledge and expertise, which in turn brings greater benefits to the entire workforce of the company.

The objective is to understand how HRM activities influence job satisfaction among employees. Job satisfaction has been described as a driver of any positive relationship between HRM activities and organisational success (Guest, 2002). Human resource management is concerned with delivering resources and systems that improve and promote employees' satisfaction and development, as well as allowing employees to get the most out for their careers and commit their all to the organization. As a result,

the performance of the employees, which can be increased by enhanced HRM policies and activities, is the fundamental to maintaining a productive business or a strong economy (Fesharaki & Sehat, 2018).

Effective HRM activities are necessary for any organisation to build a satisfied, productive and effective workforce. Satisfied and productive employees are critical for any business to meet the demands of today's modern challenges. Moreover, their success is critical to the company's growth, progress and expansion. Furthermore, employee satisfaction is also related to their work performance, as there is a positive correlation between employee well-being and their level of productivity (Marks, 2006). This means that higher levels of job satisfaction can lead to higher productivity.

The research focus is on Penang's Malaysian Zakat institutions and their employees. For the collecting and distribution of Zakat, Malaysia has devised a system that is not exclusive to other zakat institutions put up by individuals or organisations (Adhiatma & Fachrunnisa, 2021). Zakat in Malaysia is often regarded as progressive, making it an excellent case study from which to draw inspiration. For the collecting and distribution of Zakat, the Zakat Collection Centre (ZCC) in each Malaysian state follows its state's religious council. In order to help Zakat payers in determining their Zakat in connection to their tax, there are specific guidelines and specialists/consultants available. Paying zakat and tax in Malaysia have an impact on each other, and in some situations can be replaced for each other entirely or in part. However, due to the fact that they are two distinct forms of taxation, two separate sets of rules govern them. In spite of the fact that the government has the power to impose zakat payments, this is not the case.

Because zakat is a religious responsibility, it is only in Malaysia and other Muslim countries that people are motivated to pay zakat (Adhiatma & Fachrunnisa, 2021).

Zakat institutions in Malaysia also take this network of connections into account. An attempt is made in this study to compare the zakat and tax statistics collected up to 2015-2016 in order to depict the increasing pattern of zakat graphically. It is possible to estimate the annual zakat collection using simple mathematical logic. It's estimated that the zakat-ul-Fitr (individual zakat) collected during Ramadan in Malaysia, home to around 31 million Muslims, amounts to about \$1.30 per person, which equates to about \$20.15 million. If you're wealthy, you'll have to pay more in Zakat than this. In 2016, Malaysia collected RM2.5 billion in zakat, or \$598 million in U.S. dollars. 1 As a result of this reasoning. Because not all zakat payments are made at government zakat collection centres, some suggest that Malaysia's overall zakat collection might be greater than the official figure published (ZCCs). Zakat monies are better managed when they are pooled together and managed by specialised entities that are linked to one another. It is possible to eliminate administrative errors, such as overpaying and administrative expenditures, as well as the duplication of payments by multiple organisations (Adhiatma & Fachrunnisa, 2021). The public's trust in zakat is dependent on its openness because it is public money tied to religious belief and must be used in certain ways. The zakat system in Malaysia is described in detail in this document, covering the administration and calculating procedures, the zakat collecting process, and the channels for zakat distribution.

Using yearly reports and interviews with ZCC and religious councils in Malacca and the Federal Territory of Kuala Lumpur, the article aims to present an overall review of

the zakat institution in Malaysia's state of Malacca and Federal Territory. Sections of the paper include an introduction, an examination of how zakat is administered, collecting and distribution of zakat, and an epilogue. Using sustainable spending methods and reducing consumption-based expenditure is the primary goal of the study, which is also one of its most important contributions (Adhiatma & Fachrunnisa, 2021).

1.3 Problem Statement

In a business where employees' output is evaluated in part by how happy they are in their jobs, this is an essential metric. Human resources may learn a lot from workers' levels of job satisfaction about how to enhance the quality of their employment. Job satisfaction may be broken down into three components, as outlined by Luthan (Tella, 2007), Job satisfaction, first and foremost, is an affective reaction to one's working conditions. Therefore, it must be assumed rather than observed. The degree to which actual results meet or surpass expectations is a second major factor in an employee's sense of job satisfaction. For instance, if members of an organisation believe they are putting in more effort than their co-workers but seeing no improvement in their pay or status, they are more likely to have negative views about the company, their superiors, and their peers. Conversely, people will be more likely to have a good outlook on the job if they believe they are being treated properly and are being paid fairly. Finally, job satisfaction is a collective noun for a set of beliefs that centre on the most vital aspects of one's work environment and to which workers give the greatest thought and consideration. In addition, happy workers are less likely to be involved in workplace conflicts, which can be beneficial for both the business and its workers. In a company with a solid culture, employees act in ways that are consistent with established norms and values that benefit both the business and its employees. All hands will be on deck

to complete duties, raise output to satisfactory levels, and boost morale and job satisfaction in such an environment (Tsai, 2011).

Happiness at work is critical for things to run well at Zakat Penang. The current study shows that both voluntary and involuntary employee turnover persists at Zakat Penang. Data from Zakat Penang's Human Resources department suggests that 10 workers would voluntarily leave the organisation between 2019 and 2021. The high rate of resignations is evidence that some workers are still dissatisfied with their employment conditions. As further evidence of employee discontent, Zakat Penang has received 6 complaints from trade unions and 4 complaints from workers to the labour office. That some workers are still dissatisfied in their positions may be seen plainly from the number of complaints received.

To keep workers from being dissatisfied with their jobs, training and development programmes are crucial. If employees are not given the opportunity to reflect on and apply what they have learned during training, they may become dissatisfied with their jobs as a result (Ali, 2021). Dissatisfaction on the job can also be caused by training that is irrelevant to the employee's job function and therefore has no positive impact on the employee's ability to accomplish their job. According to Cole (2002), it is common knowledge that training improves employee performance by raising their level of expertise.

The HR team at Zakat Penang aims to train workers who can contribute effectively thanks to their aptitudes and experience in their respective fields. By combining training and development, it is feasible to place the most qualified individuals in key roles. Zakat

Penang had established an annual training programme for its employees. Every employee is required to adhere to it in order to achieve their KPIs and progress in their careers. In order to receive a positive rating on their annual KPI's, all employees are required to attend training for a minimum of 20 hours. If an employee does not attend the training and without no valid reasons, a show-cause letter will be sent.

Employees' happiness with their pay and benefits is a key element in keeping them from leaving their jobs. When workers' pay isn't proportional to their efforts, they may start to feel unsatisfied. Dissatisfaction on the job can also result from the supply of salary and benefits that are out of line with the employee's field of work. Pay has been shown to have an effect on work satisfaction in previous research (Caligiuri et al, 2010; Cranny et al., 1992; Islam & Ismail, 2004; Steinhaus & Perry, 1996; Weiss, 2002). Salary is a quantifiable indicator of an employee's value to a business, and workers have specific expectations on the amount they may expect to be rewarded monetarily for their efforts. Companies that want to recruit and retain the best and brightest must offer competitive salaries and benefits. Many employees may be motivated by salary at first, but this may not be a sustainable motivation. Strategic compensation planning is essential in today's competitive, economic climate because of the long-established significance that pay plays in luring and keeping employees (Jackson & Schuler, 2006).

Employee benefits packages are a growing percentage of overall remuneration or business costs, especially in the industrialised world. Benefits packages often account about forty percent of employees' annual salaries (DeCenzo & Robbins, 2010). The amount, significance, and range of benefits has increased (Decenzo & Robbins, 2010; Edgar & Geare, 2005; Milkovich & Newman, 2008).

The human resources department of Zakat Penang used its own system to manage the total staff's pay and benefits. It had been done in a number of ways, including by doing job analysis to synchronise the staff's work description with the wage, and by modifying the salary ladder and salary structure every 5 years to remain competitive with the current market demand. Employees' feelings about their pay and perks will have a major impact on how happy they are with their jobs at Zakat Penang if these steps are taken.

Leadership is an important factor in ensuring the smooth running of an organization especially in the company operations. Leaders need to play an important role in ensuring the employees in the organization are not neglected in terms of welfare and also the benefits given to the employees. If the leader does not play a role than it can reduce the employee's trust in the leadership in the organizations. Therefore, leadership can be seen as a factor that support and strengthen job satisfaction.

1.4 Research Questions

From the problem statement, this study leads to three research questions:

- 1. Is there any relationship between Training and Development, and Job Satisfaction among employees in the Malaysian Islamic Zakat Institution?**
- 2. Is there any relationship between Compensation and Benefits, and the Job Satisfaction among employees in the Malaysian Islamic Institution?**
- 3. Does Leadership, mediates the relationship between Training and Development, Compensation and Benefits and Job Satisfaction among employees in the Malaysian Islamic Zakat Institution?**

1.5 Research Objectives

Following is a list of the objectives we want to accomplish with this study:

- 1. To investigate the relationship between Training and Development, and Job Satisfaction among employees in the Malaysian Islamic Zakat Institution.**
- 2. To determine the relationship between Compensation and Benefits, and the Job Satisfaction among employees in the Malaysian Islamic Zakat Institution.**
- 3. To examine the relationship of Leadership as a mediator between Training and Development, Compensation and Benefits and Job Satisfaction among employees in the Malaysian Islamic Zakat Institution.**

1.6 Scope of Research

Many individuals are employed by Zakat Institution firms to keep the business running smoothly. There are so many people working in this industry that a larger sample size can help this study investigate how human resources activities affect job satisfaction among employees in the Zakat Institution in Malaysia. This will allow the researchers to make accurate generalisations about the entire industry as well (Adhiatma & Fachrunnisa, 2021).

The zakat institution in Penang, which is responsible with collecting and distributing zakat monies to the asnaf, would be directly impacted by the management of the zakat monies involving the employees. This is because the zakat institution in Malaysia is responsible with collecting and distributing zakat monies to the asnaf. The institution and management in charge of zakat is likely to experience difficulties in the areas of zakat collection and distribution, and the severity of these difficulties is only expected to increase in the coming years. The decline in zakat revenues would have an impact

on all forms of zakat collection, including income, company, stock, and agricultural zakat, among others (Shaharin et al., 2021). Hence, it is important to study the staffs motivation in providing best service for the Zakat Penang.

The success of the zakat practise in Penang can, at least in part, be attributed to the way in which it is administered by official entities and governed by legislation. This is due to the fact that the state government is in a better position to administer zakat in an orderly fashion, which includes the provision of cash as well as the employment of competent personnel. As a consequence of this, the total amount of zakat that is collected can be used for charitable purposes without having to be used to cover the overhead costs of the institution that administers zakat. It is also one of the factors that contributes to the large amount of faith that the Muslim population of Malaysia has in the zakat system (Wahid et al., 2017).

Privatization is one of the many changes that have been made to the administration of zakat in Malaysia as part of a larger effort to improve the country's overall zakat administration system. According to Esrati (2018), the zakat institutions in Malaysia can be divided into three categories: those that have been completely privatised (in the states of Selangor, Penang, Sabah, and Sarawak); those that have been partially privatised (in the states of the Federal Territory, Negeri Sembilan, Melaka, and Pahang); and those that have not been privatised at all (Kedah, Perlis, Perak, Kelantan, Terengganu, Johor). Companies that are privately owned and operated are the ones to collect and disperse zakat for people who are considered to be part of the category of societies that have been totally privatised. Within the semi-private sector, the corporate zakat office is in charge of the collection process, and the Baitulmal institution is in

charge of the distribution of the funds. In nations where the institutions that handle zakat are not privatised, the responsibility for all aspects of zakat administration, including collection and distribution, falls on Baitulmal (Esrafi, 2018).

There have been many changes made by the Malaysian zakat authorities, and many of these changes have the potential to increase zakat collection. Efforts have been made to broaden the range of things that can be subject to zakat taxation. This includes activities such as increasing the number of assets that are able to meet the requirements for this category (such as income zakat, savings zakat, EPF zakat, takaful zakat, business zakat, investment zakat, gold and silver zakat, and agricultural zakat). Having access to such a diverse range of donors has made it possible for zakat organisations to consistently increase the amount of zakat they collect (Wahid & Ahmad, 2014).

Employees of the Zakat Institution in Malaysia are the primary focus of this research. Employees of Zakat Institutions who collect and disburse zakat are the exclusive focus of this research. The zakat system in Malaysia is unique in that it is social, autonomous, and not governed by the federal government at all, but rather by state governments (Fesharaki & Sehhat, 2018). Each of the 13 states and 3 federal territories in Malaysia has a Sultan and a religious council in charge of collecting and disbursing the alms required by Islam. Illustration of zakat management and role of religious council of state (Figure 1). Furthermore, this figure depicts how the federal administration, the Sultans of the several states, and the state religious councils are all interconnected. It's reasonable to presume that the federal government is at the top of the food chain. Corruption agencies in the national government are responsible for reviewing the financial records and financial accounts of any religious council at any moment since

zakat is public money. The federal government could help with administration, but the state Sultan is the top authority when it comes to the management of the religious council that supervises the activities of zakat institutions (Adhiatma & Fachrunnisa, 2021).

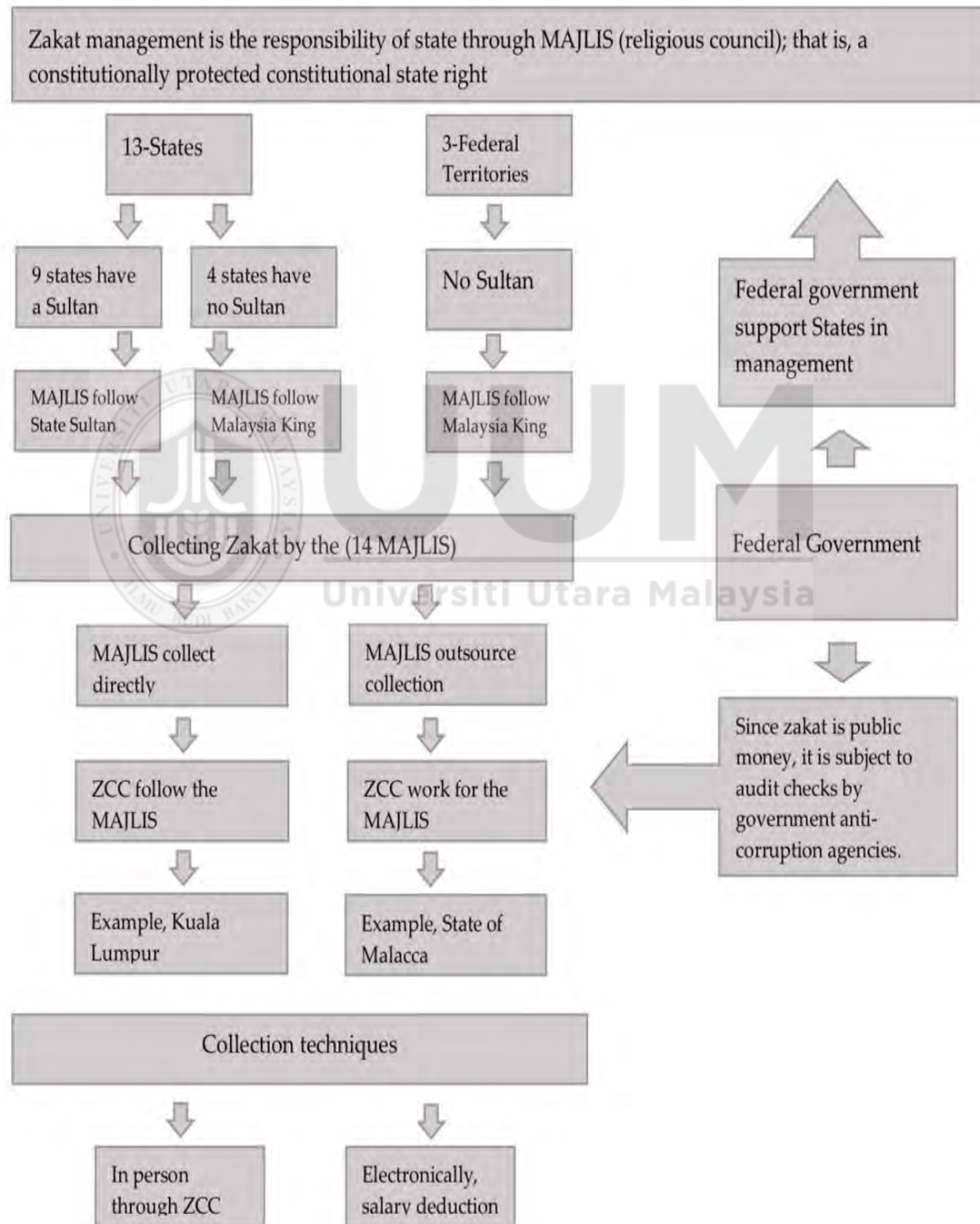


Figure 1.1
Zakat Management and Collection

1.7 Significance of the Study

This research is one of the very few local studies that addresses job satisfaction or specifically the impact of HR management activities on employee satisfaction in the Zakat institution based in Penang.

The findings of this study will be extremely valuable to the Zakat institutions, as they will provide them a better understanding of HR operations and how they contribute to happier workers. Academics interested in HRM and job satisfaction would also find this study valuable.

As a beginning point for future planning and investigations, this study provides a complete overview of the definitions of the study variables and the parameters that may be used to quantify the study variables, which is important for employees and researchers to learn from. Providing an established framework for measuring the impact of HRM activities on employee satisfaction can aid in the pursuit of metrics with high levels of validity and reliability. This is the second goal. To round things off, it serves as a good example of how organisations may include human resource management considerations into their overall strategy. Zakat will also be promoted in Malaysia, which will have a positive impact on the country's social and economic well-being in due time.

1.8 Definition of Key Terms

Human Resource Management, an organisational practice that aims to manage a pool of human capital and ensure that resources are used to achieve organisational goals (Schuler & Jackson, 1987).

1.8.1 Job Satisfaction

The term "job satisfaction" refers to the pleasant emotional state one feels as a result of reflecting on one's work and the experiences they've had while on the job (Locke, 2011).

1.8.2 Training and Development

Training and development are both initiatives that are taken by employers to assist their employees in gaining new skills. The primary focus of development, however, is to get an individual ready for greater future responsibilities than training does (Rodriguez & Walters, 2017).

1.8.3 Compensation and Benefits

A company must have a positive impact on employee performance and have a firm grasp on how the various components of pay serve as drivers of behaviour change in order to effectively oversee compensation. This is necessary in order for the company to achieve its organisational goals (Kadir et al., 2019).

1.8.4 Leadership

According to Yukl (2002), leadership entails assisting others in gaining a clear understanding of what tasks need to be completed and how those tasks can be completed in the most effective manner, as well as coordinating and providing support for the efforts of individuals and groups to accomplish shared objectives.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

It is the purpose of this chapter to describe human resource management in general and to explore the elements outlined in the previous chapter that have an impact on job satisfaction. Also, to discuss the underpinning theory and supporting theory for this study.

2.2 Job Satisfaction

Colquitt et. al. (2015) explained that job satisfaction is a pleasant emotional experience that results from the perception of the workplace or work experience. Employees are satisfied when they perform well and consequently have a high level of job satisfaction. In the workplace, employee satisfaction describes whether employees are happy and whether their needs are being met (Judge et al., 2020). More and more research shows how important it is for employees to be satisfied at work if they want to increase their morale, productivity and job satisfaction. Indicators of employee satisfaction with their job and workplace can be found in employee satisfaction (Locke, 1969).

Job satisfaction is a term used to describe an employee's overall attitude about their work (Robbins & Coulter, Management, 1996). It's safe to assume that when we talk about how people feel about their jobs, we're talking about how happy they are in them. The reason for this is that employee satisfaction may be regarded as a collection of ideas and views regarding the present position (Ali, 2021). How satisfied workers are with their employment and the different aspects of it, as measured by job satisfaction

(Spector, 1997). Workers' attitudes can be influenced by a variety of circumstances, including the nature of the work, co-workers, bosses or subordinates, and remuneration. Optimism about one's employment is mirrored in one's job satisfaction, according to Locke (1969). An employee's attitude toward his or her work has been classified as either good or negative, depending on the person (Loan, 2020). Positivity in the workplace has a good impact on employees' sense of purpose in their job and their personal lives (Yavas, Karatepe, & Babakus, 2013). Their findings show that a company's ability to execute has a direct correlation to the level of satisfaction of its employees. Workplace happiness was shown to be strongly linked to a variety of elements, including workplace commitment, job devotion, work motivation, work engagement and life satisfaction, as well as mental health, work stress and employee disengagement (Judge et al., 2020).

Job satisfaction may be affected by physical, social, and individual aspects, according to Herzberg, Mausner, and Synderman (1959). Workplace conditions and safety are influenced by the physical environment. When talking about the "social component," it can be refer to how employees feel about, identify with, and perceive their firm (Ali, 2021). Mood, significance of job views, and leadership expectations are just a few of the things that affect people on an individual level. Make sure that workers are happy with their positions and the firm they work for if wanting to find good ones (Judge et al., 2020).

Job satisfaction is strongly influenced by the work environment and organisational dynamics, the overall diversity climate and organisational culture (Chan, Wan, & Kuok, 2015). When workers are aware of effective organisational performance, their job

satisfaction increases. When employees are satisfied, they are more likely to stay with an organisation than those who are not. This is because happy employees are more likely to stay with an organisation than unhappy ones (Loan, 2020). Employees are encouraged by their work and receive career fulfilment as they are encouraged to participate in decision-making and become involved in work and engagement (Lee, Kim, & Park, 2017). Job satisfaction leads to engagement, commitment and the desire to continue to stay in the organisation (Deery & Jago, 2015). It can lead to both individual and collective organisational outcomes.

2.3 Compensation and Benefits

Compensation can be defined as the remuneration paid by the employer to employees in return for their time, effort and skills (services). This remuneration is made up of fixed and variable wages that usually depend on their productivity and performance (World at Work, 2015). Compensation can also be referred to as financial and non-financial rewards for employees' time, skills and efforts in getting the job done (Swanepoel, Erasmus, Schenk, & Tshilongamulenzhe, 2014).

Performance-based pay, profit sharing, and employee ownership have been recognised as strategic strategies for encouraging positive employee behaviour, such as job satisfaction, in the workplace. Rewarding employees with a competitive salary increases morale, which in turn promotes increased output and the achievement of key business objectives (Patiar & Wang, 2020). Salary, commissions, and other incentives offered to workers based on their performance comprise the many components of a compensation plan (Chung, Steenburgh, & Sudhir, 2014). Employee productivity and performance also improve as a result of these components.

Employee compensation is one of the most important components of human resource management. When it comes to hiring, retaining and motivating workers, compensation is critical for both managers and workers (Absar, Azim, Balasundaram, & Akhter, 2010). Any HRM practice that aims to create a long-term competitive advantage for an organisation must include this component. Employee compensation is crucial as it is one of the main reasons why an employee works (Morrell & Abston, 2018). Compensation is payments to an individual in cash or kind that can be conveniently and efficiently exchanged for money. Compensation is also described as "the sum of all rewards and benefits provided to workers in exchange for their services" (Ray & Ray, 2011).

Many business executives and scholars agree that a happy and productive staff is essential for any company's long-term success, regardless of its size. There have been several investigations on the issue of how to attain this objective (Morrell & Abston, 2018). Both individual performance reviews and company-wide perks like as profit-related bonuses or stock options can be used to determine how employees are paid for their work (Ogbonnaya, Daniels, & Nielsen, 2017).

The provision of monetary pay is one form of compensation that is made available by employers. Employees may receive monetary pay in addition to a variety of benefits in addition to their employment. Compensation is presented in the form of monetary awards, whereas perks are non-monetary forms of reward (Kadir et al., 2019). The terms "direct compensation" and "indirect compensation" are frequently used interchangeably to refer to these two distinct types of financial remuneration (Nguyen et al., 2020). The term "compensation" refers to any monetary or non-monetary gain

accruing to an employee as a direct result of their employment. Direct compensation can include things like salaries or earnings, while indirect compensation might take the form of something like a welfare assistance facility.

Studies have found a link between pay and employee behaviour, with some suggesting that variable pay systems can increase productivity (Green, 2004). Compensation based on performance and targets can lead to employees trying too hard and working too intensely, leading to workplace stress or poor working conditions. Research on the relationship between compensation and employees' attitudes towards their work, such as job satisfaction, has made little progress in collecting empirical data (Ogbonnaya, Daniels, & Nielsen, 2017).

Payroll comprises both monetary and non-monetary benefits that an employer offers to employees in order to recruit and retain the best talent (Patiar & Wang, 2020). One of the most important variables affecting people's incentive to learn more, be more productive, and improve the company's overall success is compensation (Casio, 2013).

2.4 Training and Development

Even if employees are thoroughly recruited and selected, this is no guarantee that they will contribute in a way that meets the organisation's expectations. The main reason is that despite their potential and values, without proper training and development, they may not be able to perform their duties because they do not understand their tasks and the organisation (Dessler, 2008). Furthermore, he mentioned that managers who avoid implementing this measure disregard the benefits and improvements that the company

could receive, as training and development are of great benefit to the success of many companies (Basharat, 2022).

People are valuable, but they often come at a high price. Consequently, to promote the economic and successful use of this resource, it is essential to maximise their contribution towards the fulfilment of corporate objectives through training and development (Dixit & Sinha, 2020). Employees must get training to guarantee that they are socially and physically capable of doing the jobs and roles they will be assigned (Mullins, 2007). Training is a systematic procedure that aims to improve and enhance the performance and efficiency of personnel (Basharat, 2022).

Training and development, according to DeCenzo and Robbins (2002), is a learning experience that enhances an employee's capacity to do their job. That is to say, training and development should be able to alter or improve these individuals' existing understandings, competencies, talents, and behaviours. He or she has to adjust the way they do their jobs and the way they interact with co-workers and superiors as a result. Improved individuals lead to improved groups, which in turn lead to improved organisations (Basharat, 2022).

According to Heathfield (2012), proper professional training and development at the right time brings great benefits to the organisation in terms of improved efficiency, knowledge, loyalty and participation. Employee training is one of the ways to strengthen the organisation's workforce, both now and in the future. Unlike education, which aims to enhance general knowledge and attitudes, training aims to enhance

specific talents and skills for a particular job. Education, on the other hand, aims to improve general knowledge and attitudes in general (Dixit & Sinha, 2020).

Training and development is a strategy for ensuring that employees are well-versed in the business's mission, vision, values, and goals (Ivancevich, 2010). Workers who get ongoing education and development are better able to deliver the high levels of performance expected of them by their employers. Training and development for new employees often begins with an orientation or induction session (Dixit & Sinha, 2020).

People's work and life experiences and circumstances vary throughout time. As a result, the business must pay close attention to this area if it hopes to maximise the potential of its employees (Dixit & Sinha, 2020). With the proper training at the right time and with the right personnel, corporate leaders and managers should be concerned about their employees' growth (Cole, 2004).

2.5 Leadership

2.5.1 Definition of Leadership

A person's ability to influence others and steer an organisation toward a common goal is a key component of leadership. Similar to Northouse's (2007, p3) definition, leadership is a process by which a person inspires a group of others to attain a shared purpose. Leaders use their leadership expertise and abilities to carry out this process. This is referred to as "Process Management" (Jago, 1982). We do, however, know that our actions are influenced by personality features. Trait Leadership (Jago, 1982) refers to the belief that leaders were born, rather than manufactured, rather than learned. While leadership is learned, the skills and knowledge processed by the leader can be

influenced by his or her attributes or traits; such as beliefs, values, ethics, and character. Knowledge and skills contribute directly to the process of leadership, while the other attributes give the leader certain characteristics that make him or her unique.

Leadership, according to Yiing (2009), is "a causal relationship between leaders and followers whose goals are aligned with those of the followers." As scholars strive to pin down the factors that determine leadership success or failure, they have devised and used many "dimensions" or "facets" of leadership conduct. To name only a few examples, there are authoritarian versus democratic, task versus people-oriented, and contingency plans.

Moorthy (2014) concluded that effective leaders must demonstrate personal accountability and include moral considerations like honesty into their approach to management.

Leadership may be found in a wide variety of settings, from individuals to entire organisations. Leaders have the power to influence others around them. Leadership, according to Bohn and Grafton's definition, is the process through which a group of people work together toward a common goal while simultaneously instilling in their subordinates a sense of competence and pride in their work (Mc.Dermott, 2011).

2.6 Relationship between Compensation and Benefits and Job Satisfaction

Compensation is the ability and responsibility of an organisation to reward its employees for their work and recognise their performance. Every organisation should strive to improve employee satisfaction through a fair and competitive compensation

programme. It is expected that high job satisfaction will lead to employees being more loyal to the organisation, more motivated to work, feel good about their work and ultimately increase productivity. Employee job satisfaction is very powerful.

Companies use compensation management to assist them accomplish their strategic goals and to guarantee that both internal and external equity are maintained in the process (Patnaik & Padhi, 2012). This guarantees that workers are paid a fair wage based on the amount of labour that is similar to their own. With internal equity, remuneration for higher-ranking employees and more highly qualified workers is guaranteed. Nonfinancial compensation, according to Simamora (2016), consists of two types: financial and nonfinancial. Direct compensation, such as a base salary, incentive compensation, performance awards, bonuses, commissions, profit sharing, and share distribution, and miscellaneous compensation, such as savings and share purchase plans, can all be classified as forms of monetary compensation in the United States and Canada. Benefits like as health, life, and disability insurance, as well as payments for time off such as holidays, paternity leave, and parental leave, are all examples of indirect compensation. Other examples include the use of company cars, office space, and parking. Work environments, such as a nice working atmosphere with competent managers, good policies, and a comfortable working environment are examples of non-financial incentives that may be found in the workplace.

Employees show a pleasant, positive attitude when they are satisfied with their work. Job satisfaction therefore increases a company's productivity, which in turn increases the company's overall performance. Compensation plays an important role in determining an employee's level of job satisfaction. Reward practices associated with

job satisfaction have been applied differently by public and private companies. Zakat institutions has a great impact on the development of a country as it not only acts as a transmitter of religion but is also an important sector for the growth and social well-being of the country.

A high degree of employee satisfaction is clearly linked to the success of these institutions. Employee behaviour and productivity can be positively influenced by management's use of compensation and benefits as a management tool. But the ability of an organization's workforce to recruit and retain top talent is directly linked to the level of compensation it offers (Mabaso, 2018).

2.7 Relationship between Training and Development and Job Satisfaction

The HR department's most visible responsibility is training new employees. Employees rate the company's training programme on the basis of their ability to learn new skills. By arranging and conducting "training," it ensures that workers have the foundational knowledge and skills they need to do their jobs well and uphold the company's high standards. Job satisfaction is boosted by the perception of competence that may be gained via participation in training programmes. Training appears to have an impact on workers' overall satisfaction with their manager. To put it simply, training is a substantial determinant of work satisfaction and the most impactful predictor of emotional and continuous commitment (Bashir & Sang, 2015). As a result, employees are more likely to stay with the firm if they receive high-quality training from their employer. In addition, organisations who invest more in training exhibit much greater corporate performance in terms of product quality, new product development, staff retention, and customer happiness.

Okechukwu (2017) investigated the influence of training and development, employee performance and job satisfaction among staff in the School of Technology Management and Logistics (STML). The results show that training and development and employee performance have a positive impact on job satisfaction and that there is a significant relationship between training and development, employee performance and job satisfaction. It was also found that training and development and employee performance is an efficient and supportive strategy for organisational and employee success.

According to Hassan and Baker (2018), the realisation of the relationship between training and development and the job satisfaction demonstrates how significant impact business training may have on the overall level of satisfaction experienced by employees. He also stated that training is the most consistent aspect in determining how satisfied employees are with their jobs. In a similar vein, a research by Hansson (2007) on the effectiveness of training programmes to increase employee retention and job satisfaction with their workplace. According to Karam (2019), one of the most important steps toward achieving peak performance is ramping up the intensity of learning and development programmes. Because of this tool, employees have the ability to keep up with exciting new technological developments and trends in the industry.

A cutting-edge market that lends a hand to the company in its efforts to hold on to its capable workforce (Hansson, 2007). The importance of training and development in reducing employee turnover rates can enhance the job satisfaction (Aburumman et al., 2020). Businesses that make an investment in their employees by way of training and development programmes see two benefits as a result: increased levels of employee

satisfaction and lower rates of employee turnover (Al Karim, 2019). A number of advantageous results for the workforce can be attributed to the employee training and development programme (Jehanzeb & Bashir, 2012). There was a significant correlation found between job satisfaction and key aspects of training, such as the amount of time spent on training, the training approach that was utilised, and the training material that was covered (Schmidt, 2007).

2.8 Leadership as a Mediator

Leadership is a process. In this process, a person influences a group of people and helps them to achieve common goals. Leadership style is the general way a leader behaves towards his or her subordinates in order to achieve his or her goals. In organisations, leaders can apply appropriate leadership styles, which affects job satisfaction, productivity and employee engagement.

Employees' reactions to the manager's actions might have a beneficial or bad effect on them. As part of a supervisor-subordinate relationship, communication behaviours such as eye contact, facial expressions, and body movements are critical (Dilig-Ruiz et al., 2018). Establishing social bonds and increasing job happiness can both be facilitated by the supervisor's nonverbal communication. Employee contentment in their day-to-day jobs. Even more crucial than what is spoken out loud, the supervisor's nonverbal communication with subordinates may make or break the relationship. People who detest and have negative ideas about their boss are less driven to work and are unsatisfied with their work. They are not happy with their supervisor. Positive feedback from subordinates and increased job satisfaction are two benefits of having a supervisor

that is approachable, transparent, and willing to share knowledge. Employees are less likely to be satisfied with their jobs when their boss is unapproachable and antisocial.

Previous studies on emotional labour or emotion management focused on its harmful effects on workers, but the studies on workers in different occupations make it clear that the results of emotion management are not entirely negative (Ekowati, 2017).

Leaders play an important role in promoting organisational success, which is influenced by individual performance in a number of ways. This includes motivating employees to promote Organisational Citizenship Behaviour (OCB) by increasing positive employee attitudes, for example through job satisfaction and organisational commitment (Ekowati, 2017). Employee performance is an important work attitude to study, and organisations often conduct a routine employee performance survey. High employee performance can increase customer loyalty and trust (Dilig-Ruiz et al., 2018).

Leadership factors are those that impact on job satisfaction and employee performance for more than half a century, leadership researchers have been trying to find out which aspects of leadership improve organisational performance, but the answer is still elusive. Leadership is an essential factor in guiding employees. Leadership is important at all levels of the organisation. Effective leadership helps in developing teamwork and integrating individual and group goals. Previous research on the impact of leadership on job satisfaction was conducted by Munir, Rahman, Malik and Ma'amor (2012), who showed that transformational leadership and employee job satisfaction are a positive, linear and robust relationship.

From the previous study have shown that, the extent to which leadership influences workers' perceptions of their own job satisfaction has been researched extensively within the context of corporate culture. The Hawthorne studies of the early 20th century (conducted between 1924 and 1923) found that workers' output is correlated with their outlook, but that motivation is not.

Monetary incentives do not account for all behaviour (Ivancevic & Matterson, 1999). As a result, the human relations movement developed, which demonstrated the importance placed on workers' happiness on the workplace (Judge, Bobo, Thoresen & Patton, 2001). The former study revealed that servant leadership's focus on relational and task-oriented elements was more likely to create a broader understanding of what constitutes successful work performance and, in turn, should raise the measure of job satisfaction throughout the business.

Organizational success has been linked to a management style that encourages employee input and participation, as seen in the prevalence of pleased workers in firms that prioritise open communication and compensation for their employees (Mckinnon et al., 2003). A leader's actions can have a significant impact on the company's culture, as suggested by research by Schein (1992). Organizational culture is the result of a leader's efforts to instil a set of values and norms inside their team. However, a culture is rarely unchanging. It consequently changes the leader's strategy and approach as time goes on. It follows that the leader, and the leadership strategies he or she employs, both undergo change as a result of the culture they help to develop.

Based on his research, Madlock (2008) found a statistically significant correlation between supervisors' capacity for effective communication and employment fulfilment for workers. Not only that, but a significant correlation between employee engagement, supervisors' relational and task-based leadership styles, and the correlation between communication satisfaction and job satisfaction was modest. Leadership styles (task and relationship) of supervisors, as well as employees' responsibilities and satisfaction.

Attributes of "transformational" and "consideration" leaders are valued in the West because they are thought to inspire and motivate their teams to their best work (Walder, 1995). Smith and Peterson (1988) and Iverson and Roy (1994) found that high levels of work satisfaction and dedication were associated with autonomy and a shared goal.

2.9 Summary

The ongoing changes in the global labour market have increased the increased competition between organisations and companies, which has raised the importance of the different dimensions of work. In order to improve human resource management and customer satisfaction, many researchers have turned their interest to the study of work-related phenomena such as organisational culture, leadership and job satisfaction (Dilig-Ruiz et al., 2018). It is widely known among academics and researchers that the overall functioning of an organisation is influenced by numerous factors that make up its internal culture in terms of employees' feelings, perceptions, behaviours and relationships. In particular, organisational culture is a combination of norms, values, assumptions, attitudes and beliefs that are characteristic of a particular group and are reinforced and maintained through socialisation, training, rewards and sanctions. However, the particular culture of an organisation is not a stable and universally

accepted state, as it is influenced by individual characteristics, attitudes and preferences. It is also associated with many dimensions of work, such as leadership and job satisfaction. In general, it can be said that employee job satisfaction (Dilig-Ruiz et al., 2018).

Employees' perceptions of organisational culture and leadership style have a significant impact on their work performance and behaviour, in turn affecting their level of job satisfaction. Finally, additional research is needed to make intriguing findings and contribute to the general functioning and well-being of employees and supervisors (Dilig-Ruiz et al., 2018). To put it another way, employee performance is defined as the outcomes and outputs delivered by employees in their workplace that support organisational strategy by aligning with predetermined outcomes (Anitha, 2014). Employee performance has been studied extensively in affluent nations, but relatively little in underdeveloped countries (Ahmed, Shaheen, Ahmad and Mohd, 2016). Worker performance improves when people are happy in their jobs and devoted to their careers, according to the research on this topic. As a result, the evaluation of the literature has shown a research hole that the current study hopes to fill.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

The purpose of this research is to gain an understanding of the connection that exists between activities pertaining to human resources and levels of job satisfaction held by workers in Islamic Zakat Institutions in Malaysia. This study aims to investigate three factors to determine whether or not those variables have an effect on the level of job satisfaction one derives from their work. Training and Development, Compensation and Benefits and Leadership all play a part in the equation. This study was carried out using quantitative methods, and the data are going to be analysed with the help of a statistical tool.

The research methodology outlines the procedures to be followed in order to collect data and interpret that data using a specific strategy. This chapter will go into further detail and information regarding the research design, its population and sample as well as sampling methods, methods of data collection, the variables and their measurement, and a test of reliability and validity by making use of data analysis tools. Additionally, this chapter will conclude with a summary of the chapter.

3.2 Research Framework

A model has been developed for this investigation by basing it on the literature review that was covered in the chapters that came before it. To begin, the current research takes into account independent variables such as Training and Development, as well as Compensation and Benefits. These are activities that are associated with human

resources. Leadership is the variable that acts as a mediator. While Job Satisfaction serves as the dependent variable in this study. In a nutshell, these research variables come together to form a relationship, which is then transformed into the theoretical framework in the manner described below in order to produce the results that are desired in light of the current research goals. According to Malhotra (2002), the purpose of this conceptual framework is to explain the causal relationship that exists between the independent variables and the dependent variables (Pandey & Pandey, 2021) and the mediation effect namely Leadership.

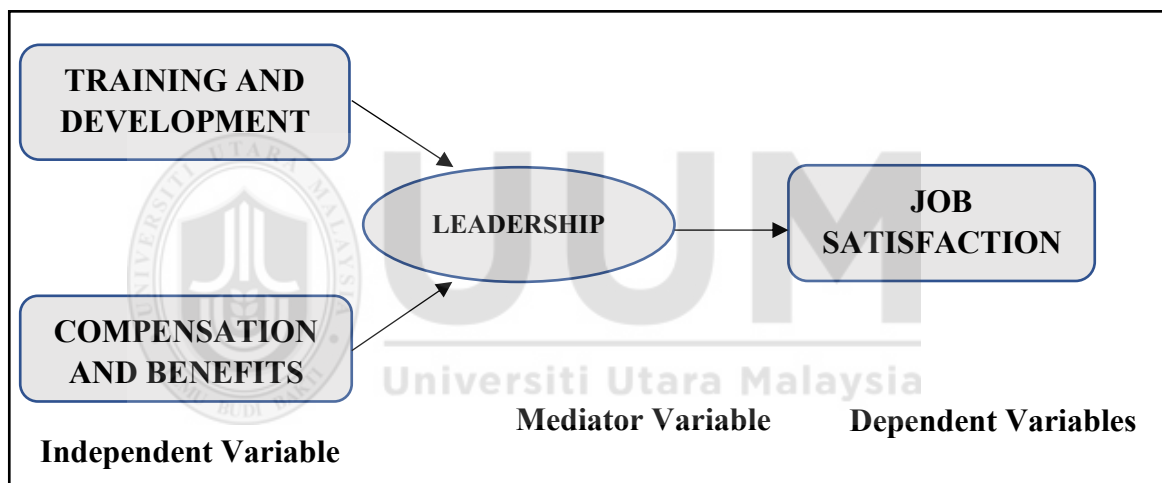


Figure 3.1
Research Framework

3.3 Summary of Research Hypotheses

The quantitative method is derived from positivist approach that aims to explore scientific research on the phenomena and also explain the deductive model which portrays hypothesised relationships (Aaker, Kumar, & Day, 2001). The hypotheses that were formulated for the present study are presented in Table 3.1.

Table 3.1

Hypothesis

Indicators	Statement of Hypothesis
H1	The is a significant relationship between the training and development and job satisfaction
H2	The is a significant relationship between compensation and benefit and job satisfaction
H3	There is a significant relationship between training and development and leadership
H4	There is significant relationship between compensation and benefit and leadership
H5	There is a significant relationship between leadership and job satisfaction
H6	There is a mediation effect of leadership between Training and Development and Job Satisfaction
H7	There is a mediation effect of leadership between Compensation and Benefit and Job Satisfaction

3.4 Research Design

According to Sarantakos (1998), research methodology is best understood as the theory underlying various methods, which serves as the basis for carrying out academic research. Nevertheless, the characteristics of the data make each method distinct in its own right. This research using quantitative methods mostly refer to information that is presented in the form of figures (Cooper, Schindler, & Sun, 2006).

For the purpose of this study, a suitable quantitative method was utilised to evaluate the connection between activities pertaining to human resources and the level of job satisfaction experienced by workers at Malaysian Islamic Institutions. Quantitative methods and techniques are able to collect controlled data from a large number of

samples, and then use that information to make inferences about the population as a whole. This allows the researchers to measure specific aspects of a phenomenon (Davis, 2000). According to Beedles (2002), this method of research can offer a succinct response to the research questions posed in the prior chapter by conducting an analysis of the data that was obtained for the purpose of obtaining information and answers.

In addition, quantitative methods can be used to investigate the potential factors that contribute to and are affected by attitudes and behaviours (Cooper & Schindler, 2006; Gall, Borg, & Gall, 1996). As a consequence of this, it is an appropriate method for determining the cause and effect of particular variables in accordance with the objectives of the research. In the current thesis, both data collection and the interpretation of statistical results are accomplished through the use of questionnaires. In order to accomplish the aims of the study, the questionnaire survey approach has been chosen as the method to be used for the current investigation (Pandey & Pandey, 2021).

3.5 Population and Sampling Technique

Before beginning the procedure for sampling, it is necessary to first define the population that will be included in the sample. According to Sekaran and Bougie (2009), the term "population" refers to the total number of people or organisations that the researcher may find to be of interest. As a consequence of this, the current research is focusing on employees in Zakat Institution in Malaysia as its target demographic (Pandey & Pandey, 2021).

Employees of Zakat Penang are the focus of this study. It includes top management, executive, and non-executive levels. The selection of employee categories in this study is based on their responsibilities in this Zakat institution where they are someone who makes decisions in the administration of Zakat. In addition, they are also involved with the training program and also the benefits provided by the organization. So, the population in this study is 120 (N).

3.6 Sample Size

Because it will have an impact on both the outcome and the level of success, selecting an appropriate sample size is an essential component of any research methodology. In addition, the size of the sample can be established either statistically or according to a predetermined rule (Aaker, Kumar, & Day, 2009). As a result, selecting the appropriate sample is essential, as it is extremely challenging to collect data from any specific segment of the entire population.

This is as a result of the high cost, limited time, and lack of resources that are available to assist with the process of data collection. Cooper et al. (2006) and Zikmund et al. (2010) proposed using a survey method in the data collection process that focuses on the targeted population only rather than the entire research population. This was because of the inevitability of the factors that were mentioned above. Choosing the appropriate representation of the target population from which to draw the sample would, without a doubt, produce more reliable and trustworthy test results (Sekaran, 2003).

In addition, selecting a representative sample from the population that is the focus of the research is essential if one is to make certain that the results of the study are accurate and trustworthy (Sekaran, 2003). In addition, Krejcie and Morgan (1970) stated that if the population is 120, thus the sample size is 92 (s).

In a similar vein, Hair et al. (2011, 2014) recommended that the minimum sample size for the analyse study should be approximately 200 respondents, with no limit number as the larger the number, the better the results. As a consequence of this, the ideal sample size for this investigation would be equal to or greater than 92; this sample size would be the most suitable for additional statistical analysis.

3.7 Unit of Analysis

The unit of analysis for this study is the individual which use the employees in Zakat Penang.

3.8 Sampling Technique

Various kinds of workers are covered in this study. The employees that in either top-management, executives and non-executives are target samples for data collection. Zakat Pulau Pinang has been elected as the main sole company to be used for data collection based on the discussion in previous chapter (Pandey & Pandey, 2021).

This study proposes to use the simple random sampling technique only 120. This means the samples will be taken randomly from employees who are working in Zakat Penang. This technique provides equal chance of selection to all employees in Zakat Penang and high accuracy in data which can represent of the larger population. This study therefore

will randomly select the employees that are working in Zakat Penang for data collection. In Zakat Penang institution, there are 120 employees including top management, executives and non-executives.

3.9 Instrument

3.9.1 Instrument Development

A structured questionnaire is used as the key research instrument in this study. Questionnaires have many benefits over other instruments. For example, it allows the researcher to collect more responses from participants easily as it is also a cost-effective method to collect the data from different locations or region, even, it takes less time to collect data and can be fast and simple for analysis (Wilkinson & Birmingham, 2003). Moreover, standard responses from respondents can be collected easily (Hair J., Money, Samouel, & Page, 2007).

The survey questionnaires consist of two sections, A and B. Gender, marital status, age, educational level, job title, department, and years of experience at the current company were all included in the first section of this study, which included demographic information about the respondents (the employees). The second section consisted of four parts that covered multiple questions focused on the variables concerned, including training and development (an independent variable), compensation and benefits (an independent variable), leadership (mediator variable) and job satisfaction (dependent variable). The questionnaires were adopted from Iqbal (2015), Alshaikhly, (2017), Hardy (2019) and Unzicker (2012).

For the purposes of this study, Likert-type scale items were used for measurement. How strongly do respondents agree or disagree with a given statement as determined by the Likert Scale (Sekaran, 2003). This means that all the items in the questionnaire is measured on 5 Likert-type scale as follows:

Table 3.2
5 Point Likert Scale

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

3.9.2 Measurement of Variables

3.9.2.1 Measurement of Dependent Variable

Table 3.3
Job Satisfaction

No.	Item	Source
1.	Maintaining an active schedule at all times.	Unzicker (2012)
2.	The ability to operate alone while in a job.	
3.	The opportunity to try new things on occasion.	
4.	The opportunity to be recognised as a member of the community.	
5.	The manner in which my supervisor treats his/her subordinates.	
6.	My supervisor's ability to make judgments.	
7.	Making decisions that don't conflict with my values.	
8.	My job's ability to provide a consistent income.	

Table 3.3 (Continued)

No.	Item	Source
9.	Opportunities to help others.	
10.	Possibility to instruct others.	
11.	The opportunity to perform a task that puts my talents to use.	
12.	The implementation of corporate policies.	
13.	How much money I make compared to how much I work.	
14.	The potential for career growth in this position.	
15.	Freedom to choose my own decisions	
16.	Opportunity to use my own approaches in the workplace.	Unzicker (2012)
17.	Working circumstances.	
18.	My co-workers' relationships with one another.	
19.	The compliments I receive for a job well done.	
20.	The sense of satisfaction I get from my work.	

3.9.2.2 Measurement of Independent Variables

Table 3.4
Compensation and Benefits

No.	Item	Source
1.	The firm cares about its workers' well-being.	
2.	Employees get the perks they need from the firm.	
3.	Benefits offered by the firm are competitive with those in the industry.	
4.	Non-cash compensation options are used by the firm.	Alshaikhly (2017)
5.	Performance-based pay plans are in use at the business.	
6.	Fair reward systems are employed by the business.	
7.	The company's pay policy is examined on a regular basis.	
8.	The firm's pay scheme is one of the reasons why I'm staying at the company.	

Table 3.5
Training and Development

No.	Item	Source
1.	Training quality is a concern for the firm.	
2.	An orientation is given to new workers by the firm.	
3.	For better results, the organisation uses on-going training.	
4.	Training programmes are planned in advance by the firm.	
5.	The firm employs cutting-edge training methods.	Alshaikhly (2017)
6.	Corporate training spans divisions and functions	
7.	The company's training programmes make use of cutting-edge techniques.	
8.	A seminar series promoting cooperation among co-workers is offered as an incentive by the business.	

3.9.2.3 Measurement of Mediator Variable

Table 3.6
Leadership

No.	Item	Source
1.	There is no doubt in his/her mind where we are headed.	Hardy (2019)
2.	When he/she leads, he/she doesn't just "tell."	
3.	He/she encourages cross-departmental cooperation.	
4.	There is a clear expectation on his/her part that we will go above and beyond to meet those expectations.	
5.	He/she provides a fascinating image of our company's future.	
6.	He/she provides a good role model.	
7.	"Team players" are encouraged by him or her.	
8.	Only the best work will do for him/her.	
9.	He/she constantly seeks new opportunities for the organization.	
10.	He/she leads by example.	
11.	He/she won't settle for anything less than the absolute finest.	
12.	In order to achieve the same objective, he/she gets the group to work together.	
13.	He/she demonstrates good character.	
14.	He/she leads based on principles.	
15.	He/she puts the good of the organization above his/her own needs.	
16.	He/she demonstrates self-control.	

3.9.3 Response Format

An analysis of the chosen constructs shows that the best measure to use for them is interval. Respondents express their degree of satisfaction or dissatisfaction with the given statements and condition. These scales have been widely used to quantify business concepts such as emotions, beliefs, expectations, values, and views (Hair, Money, Samouel, & Page, 2007).

Since it is an effective interval scale for measuring behavioural variables, multiple-item Likert scales are used to assess test variables in this study. Furthermore, Peter (1979) found that using a multiple-item scale improves the reliability and validity of the scales. Because of these considerations, the researcher decides to use a 5 point Likert scale in this analysis, since this is the most commonly used form of scaling in social science and behavioural sciences studies. The aim of a 5-point Likert scale is to provide a more focused answer and direct interpretation. The Likert scale is easier to use and more reliable than other scales (Dumas, 1999).

Furthermore, the researcher used a five-point Likert scale since there was no clear guideline requiring the use of either a five-point or a seven-point Likert scale. The researcher used a 1-to-5-point Likert-scale for this study, where “(1 = strongly disagree; 2 = Disagree; 3 = neutral; 4 = agree; 5 = strongly agree)”.

3.10 Questionnaire Design

The questionnaire was divided into two sections, A and B. Table 3.7 contains a description of the two sections, and **Appendix A** contains the sample of the questionnaire.

Table 3.7
Sections and Parts in the Questionnaire

Section	Descriptions
A	Demographic information of the respondent about gender, marital status, age, educational level, job title, department, and years of experience at the current company.
B	Divided into 4 parts as follows: Part 1 – Training and Development Part 2 – Compensation and Benefits Part 3 – Leadership Part 4 – Job Satisfaction

3.10.1 Data Collection Procedures

The unit of analysis for this study are individuals (the employees that are working in Malaysian Islamic Zakat Institution). The circulation of the research instrument based on standard procedure (Mishra & Alok, 2022).

The survey method used for this study will be use questionnaire due to its easier implementation and quick response plus can be distribute easily across the institution. The data collection start by getting permission from HR department of the company before the questions is distributed among the employees.

A request permission letter is sent to HR as a courtesy and ethical conduct for this research. The confidentiality of data also will be stated to ensure date confidentiality confidence is guarantee to the prospect respondents. The instruments were distributed by the HR staffs to the respondents after approved and acknowledged by them (Mishra & Alok, 2022).

A total of 92 questionnaires were distributed on 12th July 2022. During the phase, explanations were made to clarify the purpose of this study to General Manager of Human Resource Executive at Zakat Penang. The supervisor was assigned to distribute the questionnaire to their respective employees. The supervisors also are responsible to collect all questionnaire after 4 days from the distributed date. A total of 92 questionnaires were successfully collected. The response rate was 100%.

3.10.2 Statistical Analysis Procedures

The information that was gathered from the participants would be codified, and then it would be added to the Statistical Package for the Social Sciences (SPSS) 28.0. The data will be subjected to preliminary research in order to verify that they accurately depict the circumstance that is being investigated as part of this study.

3.11 Correlation Analysis

Researchers determine the degree of linear relationship that exists between two variables through the use of correlation analysis, which is a form of statistical analysis. Correlation analysis is as a method for determining the degree to which a change in one variable has been caused by a change in another variable. If the correlation is high, then the two variables have a strong link to one another; if it is low, then the connection between them is not very strong.

The purpose of using correlation analysis in a research is to analyse quantitative data obtained through research method such as surveys. This is a common use for correlation analysis. In order to achieve this goal, researcher investigates paired sets of variables or collections of data in search of underlying structures, trends, and relationships.

There is a positive correlation between two variables if there is a prediction that an increase in one will also lead to an increase in the other. A negative correlation, on the other hand, shows that when one variable increases, it is accompanied by a decrease in the other variable, and vice versa.

3.12 Regression Analysis

Mediation analysis examine the influence of one or more independent variables (predictors) on a dependent variable (outcome) by utilising a third variable that is referred to as a mediator or an intervening variable. The relationship between the mediator and independent and dependent can be presented in Figure 4.3.

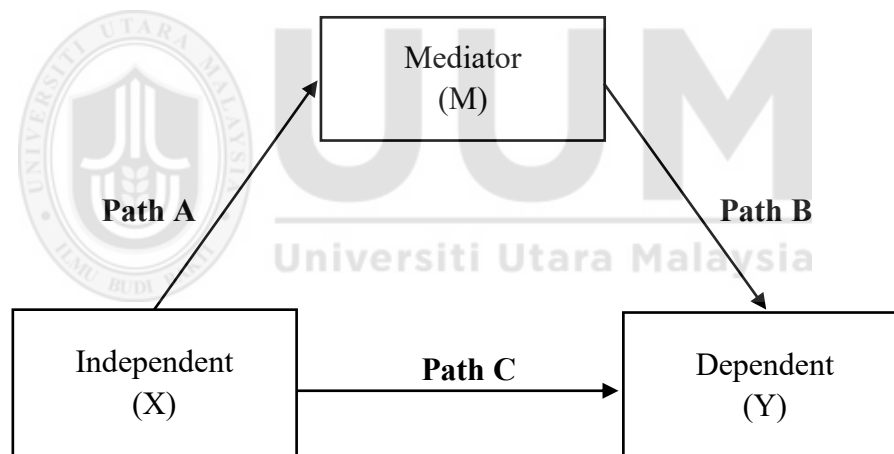


Figure 3.2
Mediation Analysis Diagram

Where:

Path A and B = indirect effect

Path C = direct effect

In this study, there will be two mediation analysis diagrams. The first diagram (Mediation Analysis Diagram (i)) is between Compensation and Benefits and Job

Satisfaction with Leadership as the mediator variable. The second diagram (Mediation Analysis Diagram (ii)) is between Training and Development and Job Satisfaction with Leadership as the mediator variable.

3.12.1 Compensation and Benefits and Job Satisfaction with Leadership as The Mediator Variable

Figure 3.3 presented the mediation analysis diagram between Compensation and Benefits (X) and Job Satisfaction (Y) with Leadership (M) as the mediator variable.

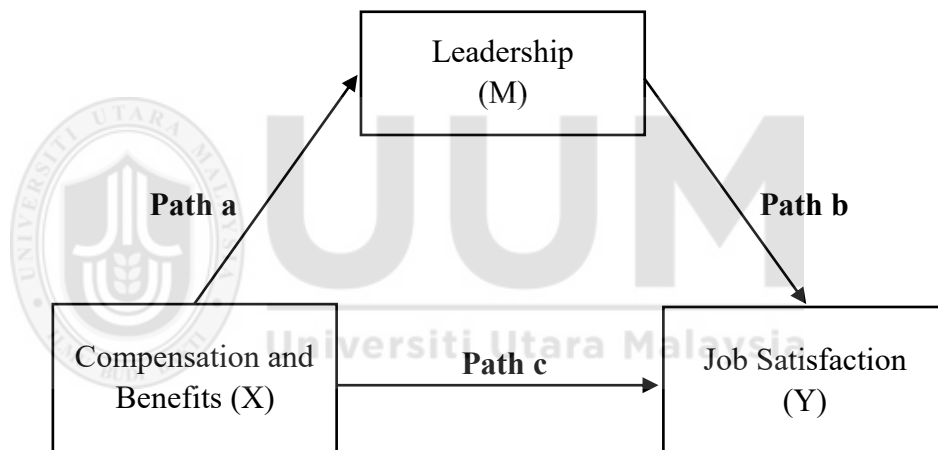


Figure 3.3
Mediation Analysis Diagram (i)

Firstly, the total effect between Compensation and Benefits (X) and Job Satisfaction (Y) will be tested. If there is no statistical significance, there will be no need to perform a mediation analysis. It will be able to validate the total effect of Compensation and Benefits (X) and Job Satisfaction (Y) by employing a simple linear regression in SPSS. Table 4.5 presented the total effect between Compensation and Benefits (X) and Job Satisfaction (Y).

3.13 Summary

In this chapter, the methodology that was used for the analysis was presented. It discusses the processes that were used to conduct the study, beginning with the design of the study, the population and sampling structure, the research framework, the creation of the instrument, and the development of the hypothesis. At the very end of this chapter, the procedures for collecting data and conducting statistical analysis were broken down in greater detail.



CHAPTER 4

RESULTS

4.1 Demographic Analysis

From the data, total of 90 respondents have participated in the study. Table 4.1 presents the demographic distribution of the participants.

Table 4.1
Demographic Distribution

	Frequency (n)	Percentage (%)
Gender		
Female	23	25.6
Male	67	74.4
Marital Status		
Divorced	1	1.1
Married	69	76.7
Single	20	22.2
Age (years)		
21 – 30	30	33.3
31 – 40	36	40.0
41 – 50	16	17.8
51 above	8	8.9

Table 4.1 (Continued)

	Frequency (n)	Percentage (%)
Education level		
SPM	28	31.1
Diploma	39	43.3
Bachelors	20	22.2
Masters	3	3.3
Position		
Non-executive	46	51.1
Executive	25	27.8
Top Management	19	21.1
Department		
Account & Finance	18	20.0
Management Service	14	15.6
Distribution Operation	22	24.4
Collection Operation	36	40.0
Current Experience (years)		
11 – 15	11	12.2
>16	32	35.6
6 – 10	13	14.4
<5	34	37.8

Majority of the participants are Male and remaining 25.6% are female. 76.7% of the respondents are married and 22.2% of the respondents are single. Only 1 out of 90 respondents is divorced. Most of the respondents are aged below 40 years old. Up to

73.3 % of the respondents are aged 21 years old to 40 years old. Only 8 out of 90 participants are above the age of 51 years old. 17.8% are aged between 41 years old to 50 years old. Majority of the participants have education level up to Diploma. Up to 43.3% of the participants are diploma holder and 22.2% of them have completed their bachelors and 3.3% of them have completed their masters. The remaining 31.1% have SPM as their highest education level.

51.1% of the participants are non-executive staffs in the office and 27.8% of the staffs are executive and the remaining 21.1% of the staffs are from mid management team. 40% of the participants are from the collection operation team and 22 out of 90 participants are from the distribution operation team. 20% of the participants are from accounts and finance department. 15.6% of the participants are from management service department. Most of the participants have less than 5 years working experience in the current institute. Up to 37.8% of them have less than 5 years working experience in the current institute. 35.6% of the participants have been working for more than 16 years in the current institute. 12.2% of the participants have been working for 11 to 15 years and the remaining 14.4% have been working for 6 to 10 years in the current Zakat office in Penang.

4.2 Data Screening

For the data screening, researcher will analyse the reliability, normality, and linearity of the data.

4.2.1 Reliability

The level of reliability also rises proportionally with the number of reliability coefficients that are considered. In order to guarantee that the questions being asked are valid, this research makes use of reliability. It is also possible that this will guarantee accurate measurements and, as a consequence of this, reliable results. Hence, in this study, the reliability result for independent variables (i.e., Training and Development, Compensation and Benefits), mediator variable (i.e., Leadership) and the dependent variable (i.e., Job Satisfaction) presented in Table 4.2.

Table 4.2
Reliability Test for All Variables

Variable	No. of Items	Cronbach's Alpha
Independent Variables		
Training and Development	8	0.930
Compensation and Benefits	8	0.918
Mediator Variable		
Leadership	16	0.967
Dependent Variable		
Job Satisfaction	20	0.957

Based on the result in Table 4.2, there are 8 items for variable Training and Development with Cronbach's Alpha of 0.930. It is considered as an excellent reliability. The variable Compensation and Benefits consists of 8 items with Cronbach's Alpha of 0.918 which considered as an excellent reliability. Similar with Leadership with 16 items. The Cronbach's Alpha of 0.967 is considered as an excellent reliability.

There are also 20 items for variable Job Satisfaction with Cronbach's Alpha of 0.957. In conclusion, all of the items in the questionnaire are reliable.

4.2.2 Normality

Normality tests are used in the field of statistics to determine whether or not a particular data set is modelled for normal distribution. A normal distribution, or one that is very close to normal, is required for many different statistical tests. Statistically, skewness is the numerical measures that can be used to test whether or not a distribution is normal from a statistical perspective. Table 4.3 presented the normality result for all variables using skewness.

Table 4.3
Normality Test for All Variables

Variable	Skewness	
	Statistic	Std. Error
Independent Variables		
Training and Development	-.056	.254
Compensation and Benefits	-.215	.254
Mediator Variable		
Leadership	-.246	.254
Dependent Variable		
Job Satisfaction	-.104	.254

According to Table 4.3, all variables are normal. This is because the skewness value of all variables is ± 2 (George & Mallery, 2019). The skewness value of Training and Development is -0.056. The skewness value for the variable Training and Development

is -0.056 suggesting that the shape of the score distribution for the Training and Development is negative but normal. Similar with Compensation and Benefits with skewness value of -0.215. The skewness value for the variable Compensation and Benefits is -0.215 suggesting that the shape of the score distribution for the Compensation and Benefits is negative but normal. For Leadership, the skewness value of -0.246 suggesting that the shape of the score distribution for the Leadership is negative but normal. Lastly, the skewness value of -0.104 suggesting that the shape of the score distribution for the Job Satisfaction is negative but normal.

4.2.3 Linearity

Linearity in regression denotes that the connection between the variables that serve as predictors and the variable that serves as the response is linear. A simple scatterplot can be used to determine the linearity of a relationship. In this study, we will test the linearity between independent variables (i.e., Training and Development, Compensation and Benefits) and the dependent variable (i.e., Job Satisfaction).

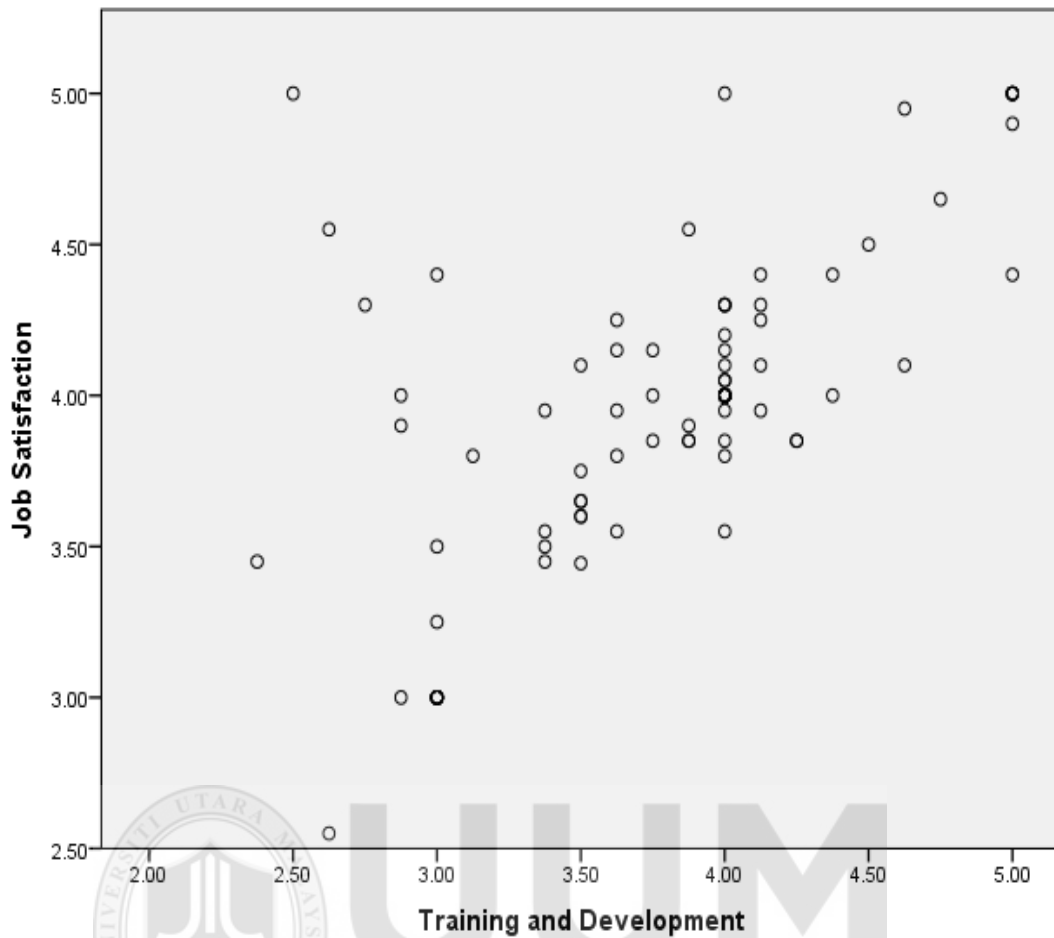


Figure 4.1
Scatter Plot of Training and Development and Job Satisfaction

Figure 4.1 presented the linearity relationship between Training and Development and Job Satisfaction. It shows that there is a linear relationship between both variables. The data shows an uphill pattern as they move from left to right, this indicates a positive relationship between Training and Development and Job Satisfaction. As the Training and Development values increase (move right), the Job Satisfaction values tend to increase (move up).

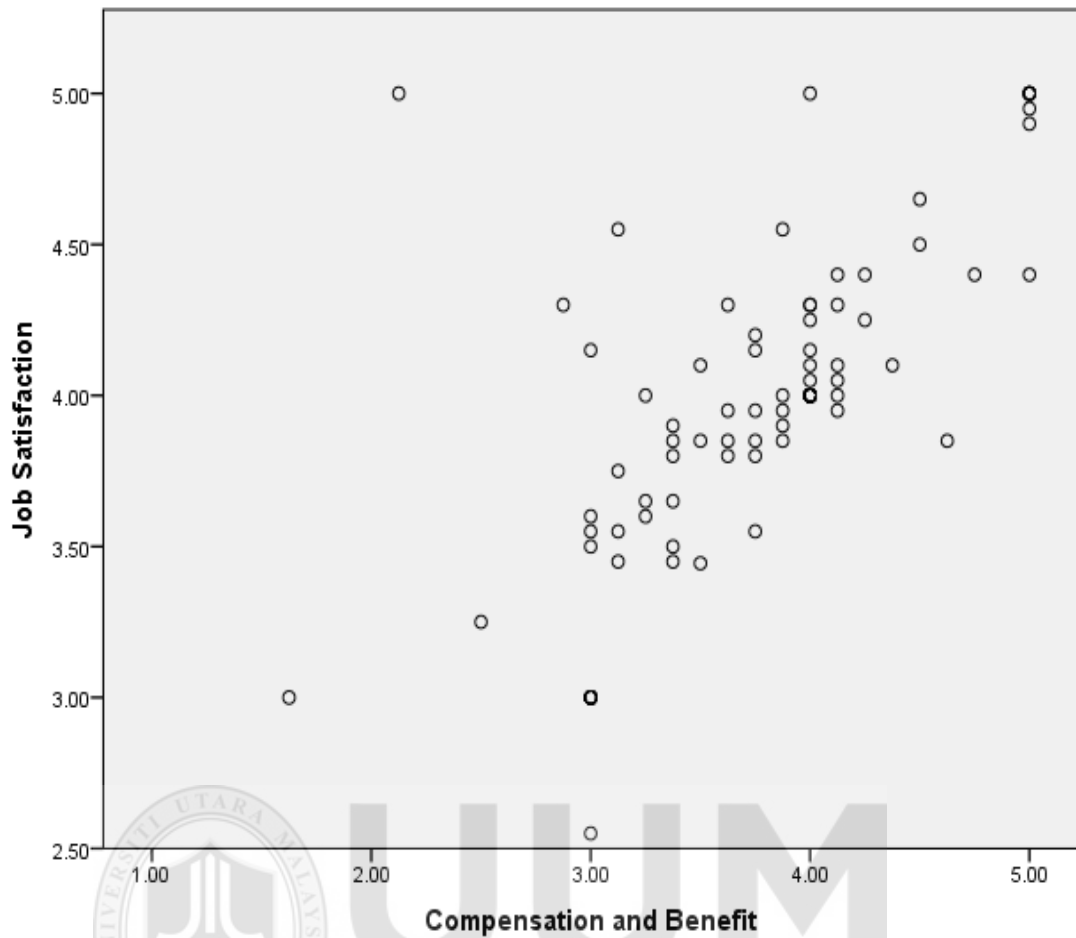


Figure 4.2
Scatter Plot of Compensation and Benefits and Job Satisfaction

Figure 4.2 presented the linearity relationship between Compensation and Benefits and Job Satisfaction. It shows that there is a linear relationship between both variables. The data shows an uphill pattern as they move from left to right, this indicates a positive relationship between Compensation and Benefits and Job Satisfaction. As the Compensation and Benefits values increase (move right), the Job Satisfaction values tend to increase (move up).

4.3 Correlation Analysis

This section analysis presents the correlation analysis. Correlation analysis was conducted to inspect the relationship between independent variables (i.e., Training and Development, Compensation and Benefits) and the dependent variable (i.e., Job Satisfaction). Note that all decision on the statistical significance of the results relies on the alpha level of 0.05. Table 4.4 presents the correlation results of the study.

Table 4.4
Correlations to Measures the Strengths of Association/Relationship between Two Variables

		Job Satisfaction
	Pearson Correlation	.699**
Compensation and Benefits	Sig. (2-tailed)	.000
	N	90
	Pearson Correlation	.657**
Training and Development	Sig. (2-tailed)	.000
	N	90

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

Based on the result in Table 4.4, the Pearson correlation coefficient for Compensation and Benefits and Job Satisfaction is 0.699, and that it is statistically significant ($p = 0.000$). Next, the Pearson correlation coefficient for Training and Development and Job Satisfaction is 0.657, and that it is statistically significant ($p = 0.000$).

4.4 Multiple Regression

4.4.1 Compensation and Benefits on Job Satisfaction with Leadership

Table 4.5

Total Effect Between Compensation and Benefits (X) and Job Satisfaction (Y)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.856	.235		7.895	.000
1 Compensation and Benefits	.564	.062	.699	9.161	.000

a. Dependent Variable: Job Satisfaction

Based on the result in Table 4.5, the p-value is ≤ 0.05 therefore the total effect is significant (0.000).

Next, the direct effect that Compensation and Benefits (X) has on Leadership (M) will be estimated, and then the Beta coefficient and the standard error for path A will be calculated.

Table 4.6

Standardized Coefficients Beta and Std. Error for Compensation and Benefits (X) and Leadership (M)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.947	.212		4.479	.000
1 Compensation and Benefits	.771	.055	.829	13.916	.000

a. Dependent Variable: Leadership

Based on Table 4.6, the effect of Compensation and Benefits (X) has on Leadership (M) is significant ($p = 0.000$). The Standard Coefficient Beta is (0.829) and Std. Error (0.084).

Then, it is important also to estimate the direct effect between Compensation and Benefits (X) and Job Satisfaction (Y), and Leadership (M) and Job Satisfaction (Y) to find the Unstandardized Beta and Standard Error coefficients for paths B and C.

Table 4.7
Direct Effect of Compensation and Benefits (X) and Leadership (M) on Job Satisfaction (Y)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.757	.261		6.737	.000
1 Compensation and Benefits	.484	.110	.599	4.385	.000
Leadership	.104	.119	.120	.879	.382

a. Dependent Variable: Job Satisfaction

Based on the result in Table 4.7, the value of Unstandardized Coefficient Beta (0.104) and Std. Error (0.119) for Path B. The value of Unstandardized Coefficient Beta (0.484) and Std. Error (0.110) for Path C.

Hence, all of the coefficients have been identified to estimate the indirect effect for the mediation analysis. The coefficients are:

$$\text{Path A} = 0.771$$

$$\text{Path B} = 0.104$$

$$\text{Path C} = 0.484$$

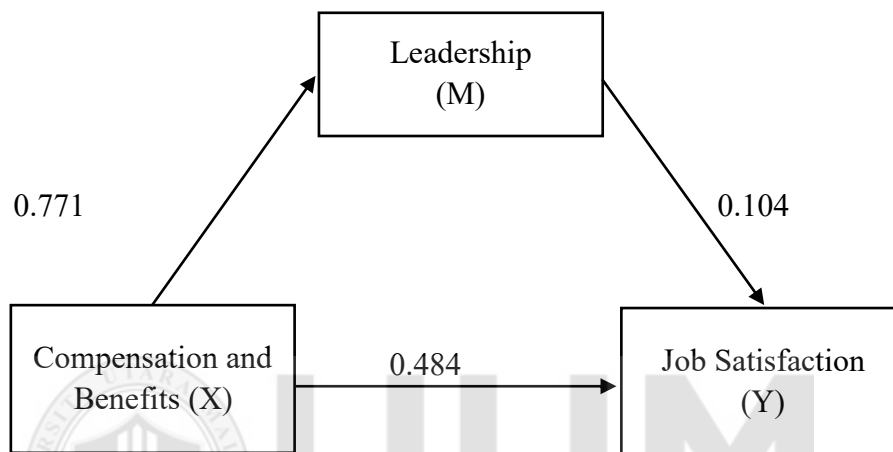


Figure 4.3
Summary of Mediation Analysis Diagram (i)

In order to identify the indirect effect, Sobel test will be used.

Input:		Test statistic:	Std. Error:	p-value:
a	0.771	Sobel test: 0.87001464	0.09216397	0.3842924
b	0.104	Aroian test: 0.86494221	0.09270446	0.38707051
s _a	0.084	Goodman test: 0.87517737	0.09162029	0.3814774
s _b	0.119	Reset all	Calculate	

Figure 4.4
Sobel Test Output

Based on the Sobel test output in Figure 4.4, the p-value of 0.3843 is greater than 0.05. Hence, it can be concluded that the indirect effect between Compensation and Benefits (X) and Job Satisfaction (Y) through the mediator variable Leadership (M) is not

statistically significant. Therefore, Leadership (M) does not have the mediating effect between Compensation and Benefits (X) and Job Satisfaction (Y).

4.4.2 Training and Development and Job Satisfaction with Leadership as The Mediator Variable

Figure 4.5 presented the mediation analysis diagram between Training and Development (X) and Job Satisfaction (Y) with Leadership (M) as the mediator variable.

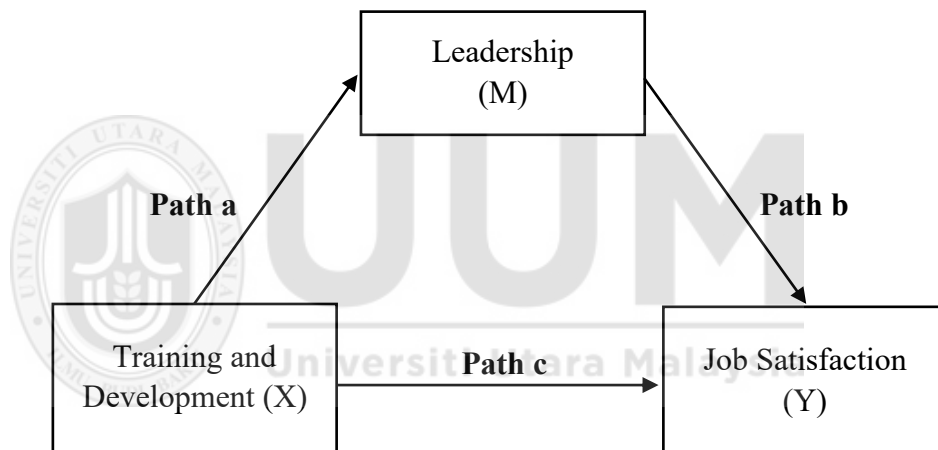


Figure 4.5
Mediation Analysis Diagram (ii)

Firstly, the total effect between Training and Development (X) and Job Satisfaction (Y) are tested. If there is no statistical significance, there will be no need to perform a mediation analysis. We are able to validate the total effect of Training and Development (X) and Job Satisfaction (Y) by employing a simple linear regression in SPSS. Table 4.8 presented the total effect between Training and Development (X) and Job Satisfaction (Y).

Table 4.8

Total Effect Between Training and Development (X) and Job Satisfaction (Y)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.849	.264		7.016	.000
1 Training and Development	.562	.069	.657	8.182	.000

a. Dependent Variable: Job Satisfaction

Based on the result in Table 4.8, the p-value is ≤ 0.05 therefore the total effect is significant (0.000).

Next, the direct effect that Training and Development (X) has on Leadership (M) will be estimated, and then the Beta coefficient and the standard error for path A will be calculated.

Table 4.9

Unstandardized Coefficients Beta and Std. Error for Training and Development (X) and Leadership (M)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.689	.214		3.217	.002
1 Training and Development	.834	.056	.847	14.939	.000

a. Dependent Variable: Leadership

Based on Table 4.9, the effect of Training and Development (X) has on Leadership (M) is significant ($p = 0.000$). The Unstandardized Coefficient Beta weight (0.834) and Std. Error (0.056).

Then, it is important also to estimate the direct effect between Training and Development (X) and Job Satisfaction (Y), and Leadership (M) and Job Satisfaction (Y) to find the Unstandardized Beta and Standard Error coefficients for paths B and C.

Table 4.10
Direct Effect of Training and Development (X) and Leadership (M) on Job Satisfaction (Y)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.722	.277		6.215	.000
1 Training and Development	.408	.128	.477	3.176	.002
Leadership	.185	.130	.213	1.417	.160

a. Dependent Variable: Job Satisfaction

Based on the result in Table 4.10, the value is (0.213) and Std. Error (0.130) for Path B. The value is (0.477) and Std. Error (0.128) for Path C.

Hence, all of the coefficients have been identified to estimate the indirect effect for the mediation analysis. The coefficients are:

$$\text{Path A} = 0.834$$

$$\text{Path B} = 0.185$$

$$\text{Path C} = 0.408$$

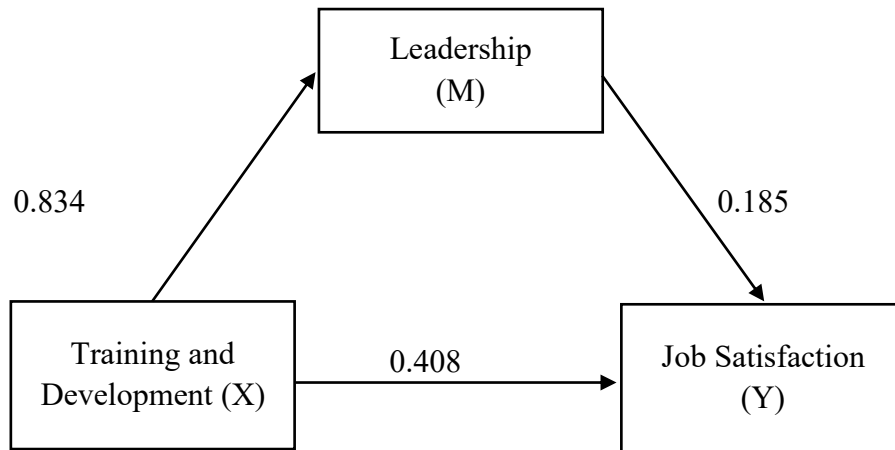


Figure 4.6
Summary of Mediation Analysis Diagram (ii)

In order to identify the indirect effect, Sobel test has been used.

Input:		Test statistic:	Std. Error:	p-value:
a	0.834	Sobel test: 1.41662428	0.10891385	0.15659281
b	0.185	Aroian test: 1.41347023	0.10915688	0.15751751
s _a	0.056	Goodman test: 1.41979954	0.10867027	0.15566605
s _b	0.130	Reset all	Calculate	

Figure 4.7
Sobel Test Output

Based on the Sobel test output in Figure 4.7, the p-value of 0.1566 is greater than 0.05. Hence, it can be concluded that the indirect effect between Training and Development (X) and Job Satisfaction (Y) through the mediator variable Leadership (M) is not statistically significant. Therefore, Leadership (M) does not have the mediating effect between Training and Development (X) and Job Satisfaction (Y).

4.4.3 Hypotheses Tables

Table 4.11 summarized the corresponding results on each of the hypotheses based on the previous statistical analysis results.

Table 4.11
Summary of Hypothesis Testing

Indicators	Statement of Hypothesis	Remarks
H1	There is a significant relationship between the training and development and job satisfaction.	Supported
H2	There is a significant relationship between compensation and benefit and job satisfaction.	Supported
H3	There is a significant relationship between training and development and leadership.	Supported
H4	There is a significant relationship between compensation and benefit and leadership.	Supported
H5	There is a significant relationship between leadership and job satisfaction.	Not Supported
H6	There is a significant mediating effect of leadership between training and development and job satisfaction	Not Supported
H7	There is a significant mediating effect of leadership between compensation and benefit and job satisfaction	Not Supported

CHAPTER FIVE

DISCUSSION AND CONCLUSION

5.1 Introduction

The aim of the chapter is to talk about the findings of the study as well as to give some recommendations for future research. Also, the main objective of the study was to examine the influence of Training and Development, Compensation and Benefits and Leadership (as a mediator) towards Job Satisfaction among Zakat Penang employees. This chapter considers the various results from the hypothesis testing which are also in line with the various research objectives of this study. Analysis such as correlation and regression analyses were conducted using the data generated from the 120 respondents in among Zakat Penang employees. The study goes to examine the study's implications and limitations, as well as to make some crucial recommendations for future research. Finally, the conclusions were highlighted based on the research findings and discussions.

5.2 Summary of Findings

5.2.1 To Investigate the Relationship between Training and Development, and the Job Satisfaction

The relationship between Training and Development towards Job Satisfaction is significantly positive. Zakat Penang provide many training programs to staff such as Excellent Work Culture course, Empowering Self-Motivation and Excellent course, Behaviour and Emotional training, teamwork training, and team building. This training programs will give positive impact to all staff in Zakat Penang. These programs will build staff motivation in workplace. In this situation, it can develop staff co-operation,

commitment and effort in the workplace. This is in line with previous study shows that training program will boost staff motivation and commitment in workplace (Basharat, 2022). Training program is an important tool for the staff in ensuring staff can improvement on their effort in workplace (Mullins, 2007).

The training provided by Zakat Penang help the staff to improve their knowledge, skill and abilities (KSA's). Several training programs arrange by the management of Zakat Penang also focusing on KSA such as effective communication courses, sign language courses, Net programming, zakat knowledge strengthening courses, Paper and Report writing courses, Microsoft Excel courses and Operating Microtic equipment courses. These training programs will give positive impact to all staff in Zakat Penang. These programs will build and expand staff knowledge, skills and abilities (KSA) so they will become more competence and efficient in the workplace. This is in line with the previous study shows that training program will boost staff knowledge, skills and abilities in the workplace (DeCenzo and Robbins ,2002). Training program is important to the staff so they can improve their KSA in the workplace (Heathfield, 2012).

Training is also important to staff in Zakat Penang because this training program can ensure that staff improve their discipline and attitude. The training program such as Domestic Inquiry course, Internal Investigation course, Interpersonal Communication Skills course, Social Etiquette and Appearance Course and Protocol and Policy course will give positive impact to all staff in Zakat Penang. These programs will give and expand staff exposure and give in depth understanding about the company's policies and current rules and regulation that the staff have to follow and obey in the workplace. This is in line with the previous study shows that these training program will improve

the quality of work ethics and discipline of each organization's workforce is very important so that they will be more able to carry out each task and responsibility entrusted to them effectively, productively and brilliantly (Ivancevich, 2010).

Zakat Penang Institution also emphasizes about the staff career development. The training programs such as Excellent and Visionary Leadership course, Excellent work culture course, Cross-department Assignment training, Succession Planning and Talent Management programs will give positive impact to all staff in Zakat Penang. These programs will give benefits to the staffs such as it will increase the staff knowledge making them more professional and matured in their work. It will also improve low-functioning work processes or relationships. This objective area may make the daily job experience more enjoyable and fulfilling. It will also give new experience to the staff. Staff that attend and participate in this programme will receive fresh experiences that will pique their interest in their career. It will also give benefit to the staff in attaining a leadership role. Many people believe that the ultimate purpose of their job or organisation is to lead. Establishing the procedures to obtaining a leadership position makes it achievable. This is in line with the previous study shows that these training program will help in leveraging staff career development and advancement (Cole, 2004).

5.2.2 To Determine the Relationship between Compensation and Benefits, and the Job Satisfaction

The relationship between Compensation and Benefits towards Job Satisfaction is significantly positive. Zakat Penang Institutions very emphasizing about salary payment. The Zakat Management will ensure that all of their staff will get good and

fair salary treatment. The salary given by Zakat Penang follow standard policy such as Malaysia Zakat Salary Benchmarking. These practices will give positive impact such as staff will be loyal to the company and also reducing staff turnover. It is because the staff are satisfied with the salary payment given to them. This situation is in line with the previous study shows that good and fair salary payment will give some of staff loyalty to the company (Patiar & Wang, 2020).

Zakat Penang Institution also provide good healthcare benefits to the staff including their family thru medical benefit allocated to them. The medical expenses of Zakat Penang staff are borne by the company according to the staff's position, rank and length of service. This healthcare benefit given by Zakat Penang follow Standard company policy and it is revised and updated every year. These practices will give positive impact to the employer and the employee because staff will feel that their healthcare are well taken care by the company and their welfare and wellbeing are guaranteed by the employer. These practices will give positive impact such as staff will be more confident and secured with the company. This situation is in line with the previous study shows that good healthcare benefits will give impact to staff and the company (Patiar & Wang, 2020).

Education benefit is important in Zakat Penang Institution. This is because Zakat Penang always encourage its staff to further their education for a better future. Zakat Penang offer "*Higher Education Incentive Scheme*" for its staff and their children. Children of staff are eligible consolation for admission to higher education centers in the country and abroad. Zakat Penang will provide education claim by paying for the education fees of its staff when the staff further their study. This practice gives positive

impact to staff such as staffs have opportunity to upgrade knowledge, skill, and abilities (KSA's). At the same time, staff can also be promoted and upgrade from their current position at the workplace when they completed their study. This situation is in line with the previous study shows that education support and ensuring staff growth after completing their study gives a big impact to the employee (Casio, 2013).

5.2.3 To Examine the Relationship of Leadership as a Mediator to Training and Development and Compensation and Benefits Towards Job Satisfaction among Employees in Malaysian Zakat Institution

5.2.3.1 Leadership as Mediator between Training and Development and Job Satisfaction

There was no evidence of a significant association between leadership and either training and development or job satisfaction in this study's sample. Training and development and job satisfaction are not mediated by leadership in any way. This is because Zakat Penang has solid firm policies in place regarding employee training and development. What is expected of workers is spelled out in the company's rules. Strong reliance on corporate culture, regulatory environment, and industry all need these company policies.

Training and development policies unique to Zakat Penang have been developed and implemented. Zakat Penang uses these rules as a framework for conducting business and providing direction to its employees. In order to foster the development of both people and teams, as well as the success of the business as a whole, the firm may provide the following training and development opportunities, as outlined in this policy. The training and development guidelines outlined in this document have been finalised

after careful consideration of Zakat Penang's demands and are thus ready for use. Staff training and development policy in Zakat Penang may alternatively be referred to as Employee Training and Development Policy or Employee Development Policy.

The four main tenets of Zakat Penang's training and development policy are 1) the organization's core beliefs about the importance of investing in its employees' professional growth, 2) its framework for delivering training and development, 3) its commitment to lifelong learning, and 4) its set of mandatory skills and attitudes in the workplace.

With the help of this Employee Training and Development Policy, Zakat Penang employees may expand their horizons and prepare themselves for the challenges of the modern workplace. It should also train employees to improve their existing positions and prepare them for promotions and other career opportunities. At Zakat Penang, this means that employees are required to seek a new position every three years. Staff members will gain knowledge, experience, and maturity through this approach. The policy outlined everyone's roles in fostering an environment where employees are encouraged to grow professionally and personally.

5.2.3.2 Leadership as Mediator between Compensation and Benefits and Job Satisfaction

Findings indicate that Leadership plays no mediating role between Compensation and Benefits and Job Satisfaction. Leadership is not a moderating factor between compensation and benefits and contentment on the job. The reason for this is that Zakat Penang has created and implemented salary and benefit plans that are both competitive

and fair. What an employee may count on in terms of pay and perks is laid forth in the company's rules. Strong reliance on corporate culture, regulatory environment, and industry all need these company policies. Iatridis (2018) argues that pay is a key determinant in how satisfied a person is with their employment. Therefore, it is reasonable to infer that there is a connection between financial reward and contentment in one's work.

In terms of compensation and benefits, Zakat Penang has grown and developed its own rules. Zakat Penang uses these guidelines to pay its employees a wage that keeps them competitive with the market and provide them with a benefits package that is both fair and generous. According to Ackert et al. (2019), a company's employees are its primary source of capital. Employees are a form of capital, and as such, they must be managed in order to keep them in a productive state. Employees are a diverse bunch with a wide range of perspectives, emotions, social standings, and wants/needs, making management a challenging task. Therefore, Zakat Penang needs to be able to incentivize people to continue being productive in executing their various professions, and one way to achieve this is by giving sufficient remuneration.

Zakat Penang takes many steps to ensure its employees are compensated fairly and in line with the market, including conducting job analysis and job evaluation, using a pay structure, surveying its employees for feedback, researching the legal framework, communicating its compensation and benefits policies and market research to its employees, providing health insurance, granting flexible work schedules, increasing vacation time, sponsoring education for its staff, sponsoring umrah travel for its staff members, providing cellular line allowances and car parking allowances, and more.

This fair compensation and benefits plan helps Zakat Penang in many ways, including lowering employee turnover, increasing the organization's appeal as an employer, boosting morale and productivity, and facilitating a healthy work-life balance for employees.

Zakat Penang's well-thought-out and -executed Compensation and Benefits policy has proven to be one of its most valuable resources in driving profitable growth. Why? Staff who are happy with their pay and benefits are more likely to remain with the firm, where they may rise through the ranks and earn even more money and perks.

5.3 Limitation of Study

Firstly, the study focuses on only one government agency. Access to these organisations was through the personal networks of the researcher and therefore the findings of the study may have some limitations. The study used a self-administered questionnaire, which has inherent subjectivity and bias that affect the generalisability of the study's findings. Second, neither the list of independent variables is exhaustive nor is the mediation conclusive due to research field constraint, current study is only limited to Zakat Penang organization. Other organization may find this research totally different from their work experience around the organization and work field. The output may be varied in each organization depending how their work is done, or how the management control and organize all their work throughout the organization. Thirdly, factors such as the exclusive inclusion of staffs of the organization, the size and representativeness of the sample and the like should be considered as limitations. Since the research only been done within Zakat Penang, the questionnaire and research boundary are limited to only Zakat Penang's staff. The data collected from this research only related to Zakat

Penang's staffs experience, hence the output data and conclusion can only be suggested to Zakat Penang organization. Fourth and finally, this is a perception-based study with the limitations inherent in human perception. Emotion is considered in this research because satisfaction related with the topic. Emotion on individual is hard to determine because it is intangible, this matter also need to put in an account when doing this research. In conclusion, other organization may find their problems and solutions may not match with this study since every organization has their own problem, and how they can handle the staff's satisfaction.

5.4 Recommendations and Suggestions

The purpose of the study was to investigate the connection between effective management of human resources practices and high levels of job satisfaction among workers. It is recommended that future researchers conduct additional studies on the drivers and determinants of human resource management practises in companies both within and outside of the industry. This will allow for a clearer understanding of the connection between human resource management practises and employee job satisfaction. In addition, a study on the factors that contribute to employee job satisfaction should be conducted in the region in order to obtain results that are generalizable and that could serve as a basis for policy recommendations in the area of human resource management and its impact on the enterprise. This research should be carried out with the goal of obtaining generalizable results. The management of human resources and the impact that it has on the performance of an organisation are becoming increasingly important.

Job satisfaction was investigated as a potential moderator of organisational performance in this research of the Zakat Penang personnel. A key goal of this research is to establish whether or not Leadership mediates the relationship between the study's dependent and independent variables. This research found that both the training and development policy and the compensation and benefits policy positively impacted the job satisfaction of Zakat Penang employees. The study's findings provide actionable insights for Zakat Penang's management to update and enhance its policies in favour of its workers in the areas of training and development as well as compensation and benefits.

Therefore, it is recommended that management (in particular) adequately provide staffs with better training and development and compensation and benefits strategies and policies so as to maintain good relationship with all the staffs so they can create good communication and interaction to have a good working environment and have enough motivation that will lead to the staffs' job satisfaction. Employees at Zakat Penang are encouraged to work well with upper management so that they may take advantage of all the career-enhancing opportunities available to them.

These findings also indicate that Leadership had no mediating role between Training and Development and Compensation and Benefits at the Zakat Penang organisation. In light of this, it will be necessary for future studies to identify a third variable to serve as a mediator between investment in training and development and financial rewards and benefits.

5.5 Conclusion

Understanding how human resource management affects workers' happiness on the workplace is facilitated by the research presented in this chapter. In Penang, zakat workers' levels of job satisfaction were shown to be significantly correlated with the effectiveness of the organization's human resource policies and practises. Confidence in one's own abilities and a desire to improve one's work performance are both boosted by opportunities for professional growth and development. Staff in Zakat's Penang office are incentivized to do their best work through competitive pay and generous benefits. As the Islamic principles guiding the rule of power inside an organisation encourage a course of behaviour distinct from what common workers would consider as significant, good connections between management and employees function as a factor in job satisfaction. This research shows that managers have strong opinions on what makes a good leader. This is crucial, because it will determine how the powers-that-be meet the requirements of workers. This data shows that when HR policies and procedures are well-executed, they are seen as such by staff members. Finally, the survey found that contentment at work among Penang's Zakat office staff was highest when leadership was viewed as beneficial yet unnecessary. The study's findings will help Zakat institutions improve their human resources practises and the satisfaction of their staff, which is of great value. Professionals in the field of human resource management and workplace happiness will also benefit from reading this research. This study is useful for senior managers and researchers since it gives a thorough review of the definitions of the study variables and the parameters that may be used to quantify the study variables. The pursuit of metrics with high levels of validity and reliability can be aided by providing a set framework for monitoring the impact of HRM operations on employee satisfaction. Overall, it's a model for incorporating HRM into

business planning. Also, zakat will be actively pushed in Malaysia, which will have long-term beneficial effects on Malaysia's economy and society.



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APPENDICES

Questionnaire



THESIS QUESTIONNAIRE

Greetings,

I would like to request your time to answer the attached questionnaire, which will be used for thesis entitled:

“THE EFFECT OF HRM ACTIVITIES AND LEADERSHIP ON JOB SATISFACTION AMONG EMPLOYEES IN ISLAMIC ZAKAT INSTITUTION”

The study aims to investigate the impact of human resource management practices that compromise of training and development, leadership and compensation and benefits on job satisfaction of employees in the Malaysian Islamic Institution.

This questionnaire is divided into 2 Sections, A (Demographic) and B (4 Parts: Human Resource and Job Satisfaction). Independent and Dependent Variables, and may take only 15 minutes from you to answer. The questionnaire is completely anonymous, and your response will only be used for the academic research purpose only. If you have any enquiries or concerns about the questionnaire or about partaking in this study, you may get in touch with me at my mobile number at 013-4801001 or at my personal email at rozaimiharley@gmail.com If you wish to request for the research findings, you can contact me through same email address.

Thank you for your attention and cooperation.

Sincerely,

Prepared by:
Mohamad Rozaimi Bin Mohamad Rasli
Master of Human Resource Management
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Supervised by:
Dr Saiful Azizi Bin Ismail
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Human Resource Management
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Universiti Utara Malaysia

SECTION A: DEMOGRAPHIC

The following information is strictly confidential and will only be used for research purpose. I will be grateful if you could kindly fill the required information.

Please read the following statements and **TICK (/)** in the appropriate box.

1. Gender

Male	<input type="checkbox"/>	Female	<input type="checkbox"/>
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2. Marital Status

Single	<input type="checkbox"/>	Married	<input type="checkbox"/>
Divorced	<input type="checkbox"/>		

3. Age

Less than 20 Years	<input type="checkbox"/>	20 – Less than 30 Years	<input type="checkbox"/>
30 – Less than 40 Years	<input type="checkbox"/>	40 – Less than 50 Years	<input type="checkbox"/>
50 Years and above	<input type="checkbox"/>		

4. Educational Level

SPM	<input type="checkbox"/>	Diploma	<input type="checkbox"/>
Degree	<input type="checkbox"/>	Master	<input type="checkbox"/>
PhD	<input type="checkbox"/>		

5. Job title

Middle Management	<input type="checkbox"/>	Executive	<input type="checkbox"/>
Non-Executive	<input type="checkbox"/>		

6. Department

Administrative	<input type="checkbox"/>	Operation	<input type="checkbox"/>
Technical	<input type="checkbox"/>	Distribution	<input type="checkbox"/>

7. Years of Experience at the Current Company

Less than 5 Years	<input type="checkbox"/>	5 – Less than 10 Years	<input type="checkbox"/>
10 – Less than 15 Years	<input type="checkbox"/>	15 Less and above	<input type="checkbox"/>

SECTION B: JOB SATISFACTION

Please answer each question by inserting **TICK (/)** based on your perception about the implementation of each on at your company, where 1 indicates strongly disagree and 5 strongly agree.

No.	Item	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
		5	4	3	2	1
1.	Maintaining an active work schedule at all times.					
2.	The ability to operate alone while in a job.					
3.	The opportunity to try new things on occasion.					
4.	The opportunity to be recognised as a member of the community.					
5.	The manner in which my supervisor treats his/her subordinates.					
6.	My supervisor's ability to make judgments.					
7.	Making decisions that don't conflict with my values.					
8.	My job's ability to provide a consistent income.					
9.	Opportunities to help others.					

10.	Possibility to instruct others.					
11.	The opportunity to perform a task that puts my talents to use.					
12.	The implementation of corporate policies.					
13.	How much money I make compared to how much I work.					
14.	The potential for career growth in this position.					
15.	Freedom to choose my own decisions					
16.	Opportunity to use my own approaches in the workplace.					
17.	Working circumstances.					
18.	My co-workers' relationships with one another.					
19.	The compliments I receive for a job well done.					
20.	The sense of satisfaction I get from my work.					

PART B: Compensation and Benefits

Please answer each question by inserting **TICK (/)** based on your perception about the implementation of each on at your company, where 1 indicates strongly disagree and 5 strongly agree.

No.	Item	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
		5	4	3	2	1
21.	The firm cares about its workers' well-being.					
22.	Employees get the perks they need from the firm.					
23.	Benefits offered by the firm are competitive with those in the industry.					
24.	Non-cash compensation options are used by the firm.					
25.	Performance-based pay plans are in use at the business.					
26.	Fair reward systems are employed by the business.					
27.	The company's pay policy is examined on a regular basis.					
28.	The firm's pay scheme is one of the reasons why I'm staying at the company.					

PART C: Training and Development

Please answer each question by inserting **TICK (/)** based on your perception about the implementation of each on at your company, where 1 indicates strongly disagree and 5 strongly agree.

No.	Item	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
		5	4	3	2	1
29.	Training quality is a concern for the firm.					
30.	An orientation is given to new workers by the firm.					
31.	For better results, the organisation uses on-going training.					
32.	Training programmes are planned in advance by the firm.					
33.	The firm employs cutting-edge training methods.					
34.	Corporate training spans divisions and functions.					
35.	The company's training programmes make use of cutting-edge techniques.					
36.	A seminar series promoting cooperation among co-workers is offered as an incentive by the business.					

PART D: Leadership

Please answer each question by inserting **TICK (/)** based on your perception about the implementation of each on at your company, where 1 indicates strongly disagree and 5 strongly agree.

No.	Item	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
		5	4	3	2	1
37.	There is no doubt in his/her mind where we are headed.					
38.	When he/she leads, he/she doesn't just "tell."					
39.	He/she encourages cross-departmental cooperation.					
40.	There is a clear expectation on his/her part that we will go above and beyond to meet those expectations.					
41.	He/she provides a fascinating image of our company's future.					
42.	He/she provides a good role model.					
43.	"Team players" are encouraged by him or her.					
44.	Only the best work will do for him/her.					

45.	He/she constantly seeks new opportunities for the organization.					
46.	He/she leads by example.					
47.	He/she won't settle for anything less than the absolute finest.					
48.	In order to achieve the same objective, he/she gets the group to work together.					
49.	He/she demonstrates good character.					
50.	He/she leads based on principles.					
51.	He/she puts the good of the organization above his/her own needs.					
52.	He/she demonstrates self-control.					