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**WORK ENVIRONMENT, REWARD AND EMPLOYEE PERFORMANCE IN
BANKING SECTOR: THE MEDIATING ROLE OF JOB SATISFACTION**

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827218



**Thesis Submitted to
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the Master of Human Resource Management**



**Pusat Pengajian Pengurusan
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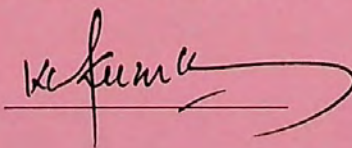
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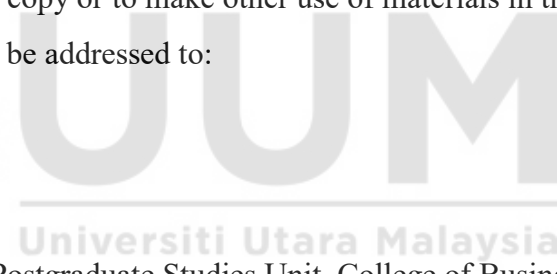
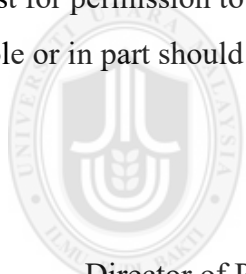
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ABSTRACT

This study focuses on the effects of work environment and reward on employee's performance in the banking sector in Penang. The research framework consists of employee performance as the dependent variable and two factors were examined as the independent variables namely, work environment and reward. In addition, job satisfaction is included as the mediator. A total of 300 questionnaires were distributed to the banks and only 280 were responded. Data collected were analysed by using Statistical Package for Social Sciences (SPSS) version 26. Statistical techniques such as regression analysis, correlation analysis, descriptive analysis and reliability analysis were used. The findings revealed that work environment, reward and job satisfaction were positively correlated to employee performance. Moreover, job satisfaction also mediates the relationship between work environment, reward and employee performance. Further, few implications and recommendations are suggested in this study.

Keywords: employee performance, work environment, reward and job satisfaction

ABSTRAK

Kajian ini memberi tumpuan kepada kesan persekitaran kerja dan ganjaran terhadap prestasi pekerja dalam sektor perbankan di Pulau Pinang. Rangka kerja kajian terdiri daripada prestasi pekerja sebagai pembolehubah bersandar dan dua faktor telah diteliti sebagai pembolehubah tidak bersandar iaitu persekitaran kerja dan ganjaran. Selain itu, kepuasan kerja dimasukkan sebagai pengantara. Sebanyak 300 soal selidik telah diedarkan kepada bank dan hanya 280 telah dijawab. Data yang dikumpul dianalisis menggunakan perisian Statistical Package for Social Sciences (SPSS) versi 26. Teknik statistik seperti analisis regresi, analisis korelasi, analisis deskriptif dan analisis kebolehpercayaan digunakan. Dapatan kajian menunjukkan bahawa persekitaran kerja, ganjaran dan kepuasan kerja berkorelasi positif dengan prestasi pekerja. Selain itu, kepuasan kerja juga menjadi pengantara hubungan antara persekitaran kerja, ganjaran dan prestasi pekerja. Selanjutnya, beberapa implikasi dan cadangan dicadangkan dalam kajian ini.

Kata kunci: prestasi pekerja, persekitaran kerja, ganjaran dan kepuasan kerja

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LIST OF ABBREVIATIONS

CBDC	Central Bank Digital Currency
SBM	School of Business Manegment
HR	Human Resources
UUM	Universiti Utara Malaysia



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CHAPTER ONE

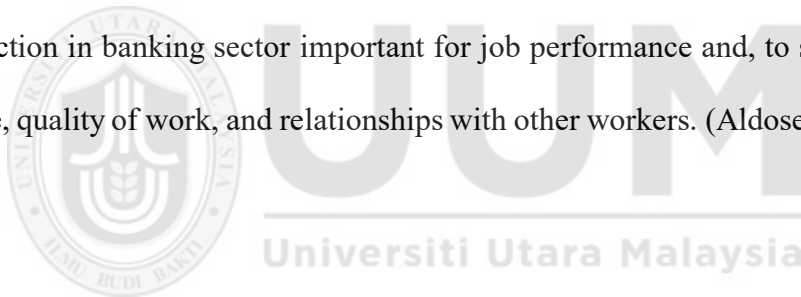
INTRODUCTION

1.1 Background of the Study

The success of the company as a whole depends on how well the employees do on their jobs. Business leaders must understand the basic benefits of employee performance in order to set up fair, consistent ways to evaluate people. This helps to identify strengths, weaknesses and potential managerial shortages in company (Leonard, 2019). Performance does everything an employee does, from how quickly employees finish the tasks to how well the employees also work with others (Emerald & Genoveva, 2014). Other than that, a person's success could be affected by things inside and outside of themselves. Some of the internal traits are intelligence, work ethic, job satisfaction, and motivation at work. The management style, work environment, salary, and leadership style of the company are some of the outside factors (Emerald & Genoveva, 2014). Performance is a specific result of management, economics, and marketing. Performance also show how competitive, efficient, and effective an organization is, as well as how its procedures, structures work and competitiveness that can be compared (Verboncu & Zalman, 2005). Another explanation for performance definition is fulfilling the objectives that has been set in accordance with the company's policies. It's not only about finding a product but it's about reaching an objective and comparison outcome (Didier Noyer, 2002).

The Fourth Industrial Revolution (IR 4.0) has given a huge impact towards the economic activities in all over the country. To keep up with changes in technology, banks must change the way banks sector conduct their business and how they do

business. For the most important part of the customer experience, banks should focus on improving and offering services from the customer's point of view (Lauren, 2020). Banking is both a business and a part of the economy. Its purpose is to hold financial assets for other people and invest them in a way that uses leverage to make more money. (Somer, 2021). Apart from that, the government also regulates banking, insurance, mortgages, investment services, and credit cards as part of this industry. A bank holds its customers' assets, which are deposits, with the promise that money can be retrieved if person or business needs it back. (Somer, 2021). According to Aldoseri and Almaamari (2020) efficiency is consequently influenced by the work environment. Work environment nature in employee's work has the most impact on their morale, the results, and how well they work with the organisation. Other than that, job satisfaction in banking sector is important for job performance and, to some extent, for morale, quality of work, and relationships with other workers. (Aldoseri & Almaamari 2020).



According to Elena, Stijin, Antonio and Xavier (2020) the most significant challenge that banks are facing is digitalization. The disruption caused by the application of digital technology to financial intermediation is significant and affects many lines of business. Payments are likely to be among the most affected, and the introduction of central bank digital currency (CBDC) may pose a significant challenge to the old banking model, depending on how it is implemented. Other than that, Elena, Stijin, Antonio and Xavier (2020, p.52) state that a challenge for banks is that banks have always played an essential role in the economy as intermediaries between borrowers and lenders, making them critical to resource allocation efficiency. Moreover, in previous research Mahmood, Iqbal and Sahuu, (2014) has better understanding of HR practices and employee

performance. For example, this will help Pakistani banks better manage their human resources and understand how good HR practices affect employee performance and the performance of the organization as a whole.

Apart from that, environment in which employees perform their jobs might range from entirely satisfied to difficult and risky for their health and safety. The working environment has significant impact on organization. The majority of issues that employees encounter is related to working environment. The quality of productivity can be enhanced by creating a positive work environment with company. Main purpose of this study is to evaluate how the working environment affects employees' productivity (Awan & Tahir, 2015). In order to compete in today's business environment, the majority of firms have begun focusing on improving employee satisfaction. Thus, employee behavior in the workplace has always increased organizational productivity (Junejo, Asyraf, Shaikh, & Junejo, 2020).

Malaysia's financial landscape has changed dramatically since the country's independence in 1957. The increasing deregulation of the financial industry was the first step in the revolutionary process. The pandemic was also a test of the bank's organizational resilience. Because of the crisis's novelty, scope, and speed, the bank used a "whole-of-bank" approach to immediately draw on its reservoir of knowledge and expertise from across the organization (Bank Negara Malaysia, 2020, p.3). To immediately comprehend how public health considerations impact the economy and financial system, the Bank also had to rapidly build new knowledge and abilities in areas outside of our core sectors of expertise. As the pandemic's management enters a new phase, the recent year experience provides excellent lessons for further

strengthening banking sector agility in responding to fast-moving developments, both during crises and in normal times. Banking sector ability to evaluate and handle difficult challenges through numerous lenses and viewpoints, as well as to cooperate fluidly across divisions to execute on our mandates, has been a fundamental reflection of this period (Bank Negara Malaysia, 2020, p.5).

1.2 Problem Statement

In this day and age, the world is practicing with the speedy changes of 'Fourth Industrial Revolution' (IR4.0). Thus, the employee performance in banking sector are determine by critical factors such as job satisfaction, work environment and reward. According to Arokiasamy and Penglok (2015), there is a need not only to comprehend human aspects, but also to be able to manage and lead change effectively and efficiently in order to preserve or even improve their own performance. Employees must have solid communication skills when interacting with or speaking with clients, as well as their specific expertise to compete with other employees. As a result, it is critical for an individual to have a diverse set of skills in order to acquire a position in the banking industry. Organizational management has always had a tough challenge with employee performance, and main goal of every business is find effective ways to encourage employees to do a better job and increase organizational competitiveness (Wu & Lee, 2011).

Prior researches in employee performance in bank sector are mostly done in India, Pakistan and Bangladesh context. However, there only some of researches done for employee performance in work environment and reward in Malaysia context and this research want to improve with new variable for testing Thus, the present study

contributes to find out effectiveness of work environment and reward through the employee performance in the Malaysian context. Job satisfaction, work environment and reward will use in measure the employee performance in bank sector. Moreover, bank industry in Malaysia, especially those in the financial services industry, regard their employees as their most valuable assets because they understand that the organization's success is heavily reliant on its employees' skills, talents, and expertise, which can be assessed by their performance (Sija, 2021). Employee performance is used to determine whether an employee should be complied to, terminated, promoted, or transferred to another department or branch. It critical for bank's employer to identify and assess its employees' performance; if deterioration in job performance is discovered, it may affect the bank's productivity as well as the productivity of other employees. Other than that, Ahmad, Danish, Ali, Ali and Humayon (2019) has stated the relates of morality and performance of employees with the overall performance of an enterprise, characterized by rapid development and transformation, in today's rising economy.

According to Kathirivan (2019), reward system is one of the important components that motivate representatives to put forth employee the better effort to provide innovative ideas that lead to improved company usefulness, employee performance and further increase organization performance, both financially and non-financially. Additionally, Kathirivan (2019) there are other ways to remunerate representatives that do not solely focus on material pay among of these are the lauded that workers can obtain from their supervisor. The odds of encountering a critical effort or errand and occasion initiative consideration. Most organizations are not able to have human resource management units that work good enough to provide employees with good

working conditions, tools to do their jobs, good management of the relationship between employer and employee, and so on. This has led to a lot of employees leaving or switching jobs. Job satisfaction is most important things in any workplace. (Khera, 2010).

In conclusions, there many factors that affect performance of employees. Thus, this research is investigating the work environment and reward on employee performance through job satisfaction as mediator. The focus for this study is to identify the better understanding about the factors that affecting the performance of employees in the banking sector of Malaysia. It will highlight how these variables affect the performance either positive or negative outcome.

1.3 Research Objective

Based on the problem statement, below are research objectives of study;

- i. To investigate the relationship between work environment and employee performance of bank employees.
- ii. To examine the relationship between reward and employee performance of bank employees.
- iii. To examine the relationship between job satisfaction and employee performance of bank employees.
- iv. To determine the mediating effect of job satisfaction on the relationship between work environment, reward and employee performance of bank employees.

1.4 Research Question

The following research questions outline the issues emphasized in this study:

- i. Is there any significant relationship between work environment and employee performance of bank employees?
- ii. Is there any significant relationship between reward and employee performance of bank employees?
- iii. Is there any significant relationship between job satisfaction and employee performance of bank employees?
- iv. Does job satisfaction mediate the relationship between work environment, reward and employee performance of bank employees?

1.5 Scope of Research

Main focus of study is to investigate employee performance in banking sector. Specifically, two independent variables have been tested in this study namely work environment and reward. In addition, the study has been tested job satisfaction as mediator. The study which is cross-sectional study involves a survey among bank employee that focusing at northern region of Malaysia which is Penang. The focus bank for this research are Maybank, Bank Islam, Bank Simpanan Nasional (BSN), CIMB Bank and Public Bank. Data collection method for this study is use the questionnaire survey. The position staff included are branch manager, operations manager, departmental supervisor, teller, sales representative and executive.

1.6 Significance of Research

A research has a significant contribution to body of knowledge. Past studies have been conducted among the workers in organizations and there is a limited study done in the effect of work environment and reward on employee's performance. This findings

and outcomes of this study will provide new findings in existing literature on employee performance. In addition, research is focused to determine factors of work environment and reward which might influence employee performance in banking sector.

Other than that, this research will improve understanding of employee performance based on employee outcomes in Malaysia's banking sector. The purpose of this research is to assist bank organizations Malaysia in evaluating their existing employee performance systems, which are based on work environment, rewards, and job satisfaction, as chosen variable by identifying employees' current performance practice process. Last but not least, the findings of study delivered additional insights into existing literature and explore the new approach to create new potential of variables.

1.7 Definition of Key Terms

Employee Performance: Persons should have certain physical traits in order to reach their goals. These criteria will then be used to carry out responsibilities. Employee performance can also be tracked in different ways and with different tools. (Kahtani, 2013)

Work Environment: The technical, human, and organizational environments are all parts of the work environment. The work environment is sum of relationships between employees, employers and the environment in which employees work. (Briner, 2000)

Job Satisfaction: Refers to the attitudes and sentiments individuals have regarding their employment. Positivity and favorability towards one's employment demonstrates job satisfaction. Negative and unfavorable views regarding one's employment are indicative of work dissatisfaction. (Armstrong, 2006).

Reward: "Reward" refers to all cash bonuses, tangible services, and benefits that an employee gets as part of his or her job with the company. (Bratton & Gold 1994).

1.8 Organization of Study

A study consists of five chapters. Chapter one introduces the background of research. Following is second chapter that reviews the relevant literature on work environment, reward, job satisfaction and employee performance. The third chapter describes the methodology. Chapter four discusses the results obtained and finally discussions and conclusion of study outlines in chapter five.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The second chapter describe the literature review. It is involving an examination of past research conducted by various authors. This chapter will analyses employee performance in the banking sector based on work environment and reward. This research focuses on variables associated to employee performance in banking sector. Employee performance is dependent variable, and the independent variable are work environment and the reward. For mediating variable is job satisfaction.

2.2 Variables of the Study

2.2.1 Employee Performance

Every employee makes a difference regarding the way how business does. The goal, of course, is to keep improving the quality and effectiveness of their staff. But it will be hard to keep being successful if staff do not fully understand what makes employees work well. Performance at work is measured by how well an employee does his or her job duties and tasks (Lia, 2019). It means how good, effective, and efficient their work is. How valuable an employee is to the company is also affected by how well they do their job. Because each employee is important for investment in company, the return on investment must be valuable (Lia, 2019). According to Shaikh, Tunio & Shah (2017), employee performance in bank sector ability performs a minor part in explaining employee performance, however motivation heavily influences employee performance in Islamic banks. As result from level of motivation, motivated young employees outperform their senior counterparts, indicating that the younger generation

is more entrepreneurial. When compared to their senior counterparts, youngsters tend to perform better and put forth more effort. Another than that, Dahkuol (2018) state that, employee performance is the sum of all talents, efforts, and skills of all employees that helped the organization be more productive and reach its goals. Better organizational performance means that efforts are being made to reach goals, but better employee performance means that more work needs to be done.

Furthermore, Kahtani (2013) describe that employee performance is a characteristic appearance that humans should have in order to attain their goals. These criteria will then be used to carry out responsibilities. Employee performance can also be monitored in a variety of ways and features. Although there are various thoughts regarding employee performance measurement, the aim of researchers' measurement is same, which is to carry out the responsibility successfully and to learn more about overall performance and always keep on. Another explanation from other study Mukhtar, Nikensari & Herlita (2018), performance is a multidimensional way to measure how the person really act at work. Some performance indicators are the quality of work, the amount of work done, the amount of time spent working, and how well people work together. It can be summarized that performance is the amount and quality of work accomplished by a person in carrying out tasks in accordance with the obligations assigned to employee and how much they can contribute to the company. Performance is how well a person does the tasks that have been given to him or her based on his or her skills, experience, sincerity, and time. According to Shahzadi, Javed, Pirzada, Nasreen & Khanam (2014), Employee motivation is a force that pushes employees towards achieving the unique goals and objectives of organisation. Recently, it is hot topic in organizations because everyone wants to get

the most out of their money and people. Additionally, an employee does their job is based on what employee do and does not do. Employee performance includes quality and quantity of work, showing up to work, being friendly and helpful, and getting work done on time.

Moreover, Arifin, Niwanto & Manan (2019), the research acknowledged that employee performance represent the employees' actions or behaviors at work, and their study discovered that job satisfaction and employee engagement have a major effect on employee performance. As a result of research, the conclusion is that employee behavior while on the job influences employee performance. According to Pradhan & Jena (2017), The subcategories of the employee performance model are task performance, adaptive performance, and contextual performance. These dimensions and the statements corresponding with subject matter experts and HR practitioners who know how to measure and manage performance. Besides that, Sulabh & Aakash, (2021) Employee performance management is dynamic and strategic way to keep a high-performance culture going in an organization. Its goal is to bring out the best in each person and align them with the long-term goals and vision of the organization. It's important to highlight that there are no set criteria for judging performance. They can be different depending on how the company is set up and what its culture is like. Every business has the same traits, and they all stick to them.

2.2.2 Work Environment

The work environment as defined by Aguinis (2016, p.96) is the employer is concerned with how work is completed and with contributing to a positive work environment that

allows for higher effectiveness. This is evident in the aspects that examine how people form relationships with others and act with integrity in their day-to-day operations. For example, the factors that compose the setting in which employees operate and have an impact on workers are referred to as work environment. A good work environment makes people happy to go to work every day and keeps them going all day so they can do their best work. Motivating employees to act in the right way is a great way to make sure the workplace is a good place to be (Glassdoor Team, 2021). Other than that, comfortable work environment, both physically and non-physically, such as strong relationships with coworkers, encourages people to perform better. It is possible to conclude that offering a workload successfully stimulates employees to work more and that providing a comfortable work environment increases employees' performance (Tjahjaningsih, Hayuningtias, Santoso & Syadly, 2018). In previous literature, Kithuka (2015) has mention that a good working environment is one of the most important things people need to be able to do their jobs well under given conditions. The quality of an employee's work environment has the biggest effect on how motivated they are and how well they do their job. A good work environment makes employees become positive and improves their performance.

Other than that, Chieze, Kabouh, Adeoye, & Egwuonwu, (2017) bank workers moving from one bank to another may relate to poor working environment leading to dissatisfaction, posing a severe problem to bank management because it is easier to maintain existing employees than to hire new ones. The purpose of this finding is to look into the impact of the working environment on employee job satisfaction as assessed by career progression in ten Nigerian banks. In recommendation, improve the working environment to boost job satisfaction and career progress, which will

invariably contribute to job retention, increased productivity, and economic development. For job satisfaction, employee need a workplace that is positive and helpful. There are many things in the workplace that could affect both physical and mental health. A good place to work is important if employees are to stay focused on their many tasks and work well. A good place of work has competitive pay, a trusting relationship between employees and management, equity and fairness for everyone, and a reasonable amount of work with hard but realistic goals (Agbozo, Owusu, Hoedoafia & Atakorah, 2017).

2.2.3 Reward

One of the ways that human resource management works is through reward systems. The goal is to find talented people, support them, and keep the ones who work best for the company. Reward systems have direct effect on the expense side of an organization's financial statements. In most cases, this effect is the most important one. According to Santos and Mejia (2015) reward systems have an important part in determining employer and employee interactions. The reward system clearly sets out what employer is willing to give, which directly affects what the employees are willing to give in return. Organizations can offer a broader view of benefits to create a long-term, challenging job relationship. In the research area of Pakistan bank sector, Khan, Shahid, Nawab and Wali, (2013) shown reward given by top management in Pakistan's banking sector must effectively promote employee success through the use of awards. In particular, hygiene factors like the amount of supervision and the current work environment must be acceptable to the employees or be changed to make them so. If a manager always praises his employees' work but doesn't do anything about the working conditions, his praise will be seen as fake and will be seen as was

not honest. By using a unique set of reward components in banking sector, the study adds to the body of knowledge.

Furthermore, reward system can be ensuring the job satisfaction, Bustamam, Teng and Abdullah, (2014) based on survey data collected on the frontline employee there has some positive relation on job satisfaction and it significant either it in form financial or non-financial reward. Frontline staff, on the other hand, believed that non-monetary rewards, such as recognition, were vital in achieving job satisfaction. Employees may anticipate more than just monetary benefits. This is due to the fact that once they are content with their compensation and will move on to the next level of needs. According to Ali & Ahmad (2009) There is a good link between recognition, rewards, and performance. They said that if employees are rewarded and thanked for a job well done, their performance goes up a lot. The study was done to find out if there was a link between rewards and how well employees did their jobs in Pakistani schools. They use things like employee performance, job description, extrinsic reward, intrinsic reward, gender discrimination, and environment, as well as reconditioning techniques and performance bonuses. Moreover, Jeni, Mutsuddi, Das & Momotaj (2020) found there has positive impact of reward toward on employee performance on commercial banks that can increase the satisfaction towards the organization. Motivation is often linked to how well people do their jobs, and motivation might have something to do with rewards. Employee motivation is becoming an increasingly important component of a company's performance and capacity to attract and retain top workers in an increasingly competitive environment.

Other than that, San & Theen, (2012) findings indicate that the use of financial and objective indicators is the primary focus in creating the organization's reward systems. However, corporations are gradually incorporating non-financial measures in their incentive systems. Other surprising discoveries include identical incentives being linked to various working natures that are shown to vary from usual norms. The clear perception of employees' demands plays a role in incentive strategy and reward system for maximum return. The needs are all about the areas outlined in the total reward framework, and their organization's reward system still has space for development. For reward in previous literature, the reward can significant employee motivation to maintain their performance and ensuring job satisfaction.

2.2.4 Job Satisfaction

Job satisfaction is the degree to which an employee feels self-motivated, happy, and satisfied with his or her job. Employees are happy with their jobs when they believe they have job security, opportunities for professional growth, and a good balance between work and personal life. This means that the worker is happy with his or her job because it meets the person's needs (MBA Skool Team, 2021). The phrase job satisfaction has been defined in a variety of ways, according to Sowya & Patchanatham, (2011) job satisfaction is about how an individual feel about everything about his or her job. Organizational behavior research has assumed that employees who show high job satisfaction are more likely to be productive, more involved, and less likely to quit than those who show low job satisfaction. Individual's attitudes toward their jobs are referred to as job satisfaction. These are the results of how they see their work, which is affected by things like the way they are supervised, the policies

and procedures they have to follow, the working conditions they have, and any extra benefits they get (Ginson & Donnely, 2006).

According to Hossain (2014), employee Bangladesh bank is evaluated on their job satisfaction. It focuses on the relative relevance of job satisfaction factors and their effects on overall employee job satisfaction. The primary focus of this study was to determine the impact of the chosen variables, which were work conditions, salary, fairness, and promotion, as well as relationships, based on employee job satisfaction. Furthermore, other previous study Elangovan (2001) describe various research looked at job satisfaction as predictor of key behavioral outcomes like intent to leave, turnover, and absenteeism. According to Kaliski (2007), job satisfaction is when an employee considers like he or she has done a good job and has succeeded at it. Many people think it has a direct link to both productivity and personal happiness. Job satisfaction comes from doing a job you're passionate about, doing it well, and getting paid for your work. Job satisfaction also means being enthusiastic and fulfilled about what you do. Job satisfaction is the key to getting noticed, getting a raise, getting a promotion, and doing other things that make you feel like you've accomplished something. According to Mullin, (2005), satisfaction at work is a complicated and multifaceted idea that means different things to different people. Job satisfaction and motivation are often linked, but no one knows how these two things are related. Not being happy is not the same as being motivated. Job satisfaction is more about how you perceive and feel about job. It could be linked to a personal sense of accomplishment, whether it's based on numbers or other things.

Moreover, Crossman & Zaki, (2003) also, the research shows that there are differences in how well men and women do their jobs and how satisfied they are with their jobs. This shows that job satisfaction isn't the same for every part of the job, and that being happy with one part of the job can make you happy with another. Except for one thing, it was found that female employees were less happy. Male employees, on the other hand, are much more delighted with supervision than their female counterparts, probably because they value possibilities for self-expression and influence over crucial decisions more. According to Ali & Ahmed (2009), Organizations like the banking sector have found a balance between how well employees do their jobs and how much they care about the work. This has led to job satisfaction. Reward and motivation are two of the most important things that affect how happy and motivated an employee is at work. In statistics, there is a strong link between motivation, job satisfaction, and reward and recognition. Other than that, Ali & Ahmed (2009) also describe how it loses meaning to give financial benefits to employees who do not have any special skills. Rewards have a direct link to how motivated and happy an employee is at work. Changes in rewards and recognition can make a difference in how motivated and happy an employee is at work.

2.3 Hypothesis Development

2.3.1 Relationship between Work Environment and Employee Performance

According to Rorong (2016), A physical work environment is one of the most important things that people need to be able to do their jobs well under certain conditions. The quality of an employee's workplace has the most impact on how motivated they are and how well they do their job. Based on 29 respondents on employee Bank of Indonesia finding data, that physical work environment has a

substantial impact on employee performance in order for ensure employee productivity. According to Tjahjaningsih, Hayuningtias, Santoso, and Syadly, (2018) in their finding, work environment has a significant and positive impact on employee performance. It means that the more comfortable the workplace, the higher the employees' performance. The work environment has a significant impact on how people carry out their responsibilities. A nice physical work environment that provides all necessary amenities will assist employees in achieving their goals.

Other than that, Maduraiveeran and Lasi (2020) found relationship between the work environment and performance employees do their jobs in Malaysia's public sector to improve service quality. The section on work environment has five dependent variables: how to motivate employees to deal with stress, rewards and incentives, training and development, salary and promotion. The dependent variable is employee performance. Based on the 209 respondents in all public sector employee of Klang valley, the result shown all five hypothesis are significant towards the employee performance. The respondent data used to collect information that will be analysed. The outcome will be beneficial in terms of improving employee organization relationships as well as providing quality services to the public. This data will also help employees and organisations improve their weaknesses (Maduraiveeran & Lasi, 2020). Therefore, there is a positive significant relationship between work environment and employee performance among employees in banking sector.

2.3.2 Relationship between Reward and Employee Performance

According to Rahim, Sopian, Annuar, & Ismail (2015) mention that employee motivation in job performance is developed through the use of rewards. Firms should develop their plans with incentive as a motivator to increase employee work effort. A good compensation system is critical for attracting and retaining skilled and experienced staff. Importantly, Administrators and top managers who are fair and have an open mind should be part of the process for deciding on incentives. The reward system needs to be open, have good communication at all levels of the company, and be fair. Other previous study San and Theen (2012) found the reward strategy and performance measurement it has been discovered that the applied reward strategy and reward system have a beneficial impact on organizational performance. In terms of the company's finances, it boosts sales and makes the company more money. In ways that don't involve money, it helps the organization reach its strategic goals, especially when it comes to hiring people and growing as an organization. Nonetheless, there is still need for more thorough incentive planning in order to attain entire reward management

According to Jeni, Mutsuddi and Das (2020) found reward systems are an important part of every firm. It can get employees more involved in an organization and give the organization's sense of community and mission a boost. A well-run reward system can give people an incentive to do good work and do their jobs well. Reward systems are implemented to enable employees to work toward accomplishing strategic goals in firms by increasing their productivity and performance levels. According to Met, Ali and Ali (2018) in relationship between reward and employee performance in Malaysia scenario, findings support the hypothesis that reward has major direct effect on how well employees do their jobs at Malaysian oil and gas offshore production facilities.

The probable reason employees motivated by the monetary reward are the reward may have met or exceeded their expectation money has positively influenced their motivation to improve job performance and belief that money can be used to buy and sell other goods and services. Therefore, there is positive significant relationship between reward and employee performance among employees in banking sector.

2.3.3 Relationship between Job Satisfaction and Employee Performance

Based on case study Janata Bank Limited, Karim, Islam and Mahmud (2014), has stated job satisfaction among bank workers are good, which is positive sign. In this case, job satisfaction among bank officers becomes important issue that needs to fix for the banking industry to reach its goals. Every organization's success and development are dependent on its workforce. In reality, if workers or employees operate appropriately, the firm will be able to easily meet the aim. To get the most out of workers at work, sufficient attention must be paid to increasing their level of job satisfaction. According to Sowya and Patchanatham (2011) the factors that affect job satisfaction of banking sector employees in India were looked into, and it was found that people who are satisfied with their jobs and more motivated are more productive and care more about how their organization does. It noted that such employees have a very low turnover rate.

Other than that, Vallejo, Vallejo and Parra (2001) found job satisfaction is the consequence of an interchange between an organization's demands and expectations, as well as workers' expectations and personal goals. Workers and organizations have mutual connections. The company gives the means for the employee to meet a variety of demands and accomplish their personal goals. According to Jaafar, Ramayah, and

Zainal (2006) in previous study in relationship between job satisfaction and employee performance of construction project managers in Malaysia. The findings show it has high correlation between job satisfaction and job performance. The construction project managers shown the positive impact towards responsibility and work status. More importantly, project managers can be considered as key success in company contribution. Therefore, there is a positive significant relationship between reward and employee performance among employees in banking sector.

2.3.4 Job Satisfaction as a Mediator

Study depend on Baron and Kenny (1986), to test mediating variable. Additionally, to test the mediation effect, the mediator had to be regressed with the independent variable, while the dependent variable had to be regressed with the independent variable and the mediator.

According to Idris, Adi, Soetjipto, and Supriyanto (2020), job satisfaction as mediator variable has been shown to be a positive and significant in the workplace and employee performance. This shows that the work environment has the potential to improve employee performance in both direct and indirect ways. To make employees satisfied with the job they're doing, the work environment has been shown to help them feel good about what they're doing. This makes them work more effectively and efficiently, which helps the organisation reach its goals. Other than that, work environment also has influence on job satisfaction, according to Agbozo, Owusu, Hoedoafia, and Atakorah (2017) has mention work environment of merchant bank in Ghana wanted to find out where physical and mental environments affected employee performance, how satisfied bank employees were overall, and if physical, social, and

psychological work environments affected job satisfaction. It found that most of the bank's employees were satisfied with how things were going at the bank. Most of the participants in the survey said they were pretty satisfied with their employment, and it was known that the bank's overall level of job satisfaction was pretty good. (Agbozo et al, 2017). For Malaysia findings in role of job satisfaction, Hong, Norhan and Salleh (2013) has stated factory in Seremban, Malaysia, there was a relation between the work environment and satisfaction of employees with their jobs. The result shows that there is direct relationship between the work environment and how satisfied workers are with their jobs. Employees who work in a good environment are more likely to be satisfied with their work. This was important for a company to do if it wanted to improve employee motivation and performance.

Furthermore, Martono, Khoiruddin, and Wulansari (2018) this study investigates the impact of reward systems on employee performance using motivation and job satisfaction as the mediating variable and its finding it implies that job satisfaction has been demonstrated to be mediating component in relationship between reward system and performance. It means that employees' job satisfaction will improve as a result of their reward system. Furthermore, this employee's job satisfaction will boost their performance in all of their tasks. This research is consistent in suggesting that job satisfaction may perform as mediator in the relationship between financial pay and performance. Other than that, Met, Ali and Ali (2018) discuss about job satisfaction has a mediating effect on money motivate affects the employee do their jobs at oil and gas offshore production facilities in Malaysia. Finding that monetary motivation had a strong direct effect on how well employees did their jobs, and that job satisfaction partially mediated the link between monetary motivation and the

way employees did their jobs. The results of this study could help employers and people in charge of human resources set up and use pay policies and strategies. Therefore, job satisfaction significantly mediates the relationship between work environment, reward and employee performance.

2.4 Research Framework and Research Hypotheses

This study explores the work environment and reward of bank sector in Malaysia through the employee performance. This study also explores relationship between work environment, reward, job satisfaction, and employee performance of bank sector in Malaysia. Based on the previous literature review, this section illustrates the research framework as shown in Figure 2.1. The research framework has four variables: work environment, reward, job satisfaction, and employee performance. work environment and reward are independent variables. Job satisfaction serves as mediating variable while employee performance serves as the dependent variable of this study.

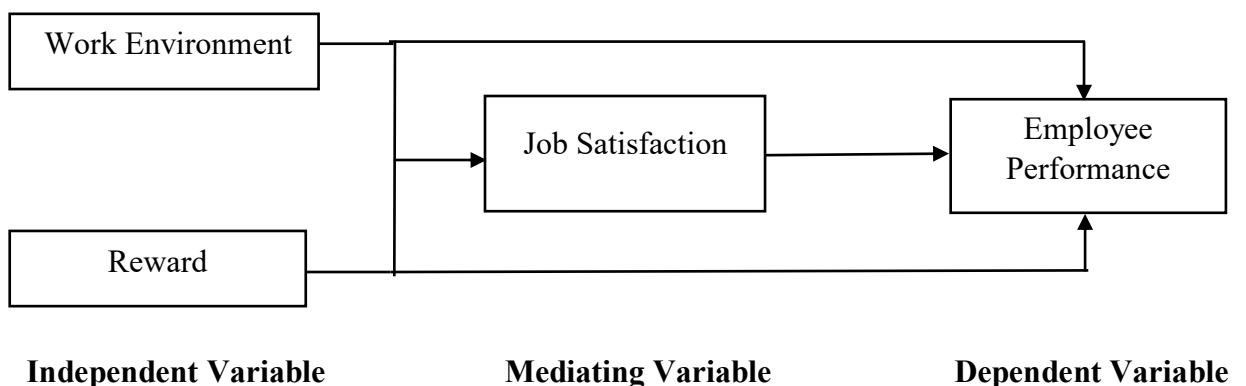


Figure 2.1 Research Framework

Table 2.1 shows the summary of hypotheses were formulated for present study as below:

Table 2.1
Research Hypothesis

Main Hypothesis	Sub-main/Hypothesis
Research Objective 1: To investigate the relationship between work environment and employee performance of bank employees.	Hypothesis 1: There is a positive significant relationship between work environment and employee performance among employees in banking sector.
Research Objective 2: To examine the relationship between reward and employee performance of bank employees.	Hypothesis 2: There is a positive significant relationship between reward and employee performance among employees in banking sector.
Research Objective 3: To examine the relationship between job satisfaction and employee performance of bank employees.	Hypothesis 3: There is a positive significant relationship between job satisfaction and employee performance among employees in banking sector.
Research Objective 4: To determine the mediating effect of job satisfaction on the relationship between work environment, reward and employee performance of bank employees.	Hypothesis 4a: Job satisfaction significantly mediates relationship between work environment and employee performance. Hypothesis 4b: Job satisfaction significantly mediates relationship between reward and employee performance.

2.5 Chapter Summary

This chapter discuss literature review, conceptual framework and hypotheses development. Furthermore, literature review of independent variables and dependent variable for this study is being done to get more information and sources to support this assertion.



CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter outlines the study's methodology. This methodology chapter serves as a foundation for answering the study's research questions. The following section addresses the researcher's selected research design, followed by a discussion of the population and sample. The next section demonstrates the instruments used in this study.

3.2 Research Design

The research design is the draft plan for how to put all the parts of study together in a way that makes sense and helps solve the research problem. It also serves as a guide for collecting, measuring, and analyzing data (De Vaus, 2001). The purpose of a research design is to make sure that the evidence gathered lets the answer the research question as clearly and logically as possible. Finding information that is relevant to the research problem usually means figuring out what kind of evidence is needed to test a theory, evaluate a program, or describe and evaluate the meaning of something that can be seen. It is also a research study that tests hypotheses. The variables and scale measurement will be used to test the hypothesis. A hypothesis is an assumption or an idea that is put forward for discussion and tested to see if it is true.

The purpose of this study is to determine the factors contributing employee performance of bank sector. This is a correlation study as it involves relationship between independent variables and dependent variable. This research uses

hypothesis testing in order to explain the relationship between employee performance, job satisfaction as mediating variable and work environment also reward as independent factors of bank sector. This study uses a quantitative design, which is useful tool for figuring out how work environment, reward, and employee performance are linked. According to Sekaran (2003), quantitative is useful for gathering empirical evidence in the social sciences and business, and it is often used for this. Depending on the goals of the study, there is a right way to look into the cause and effect of specific variables.

This study uses descriptive research since it's frequently said to be a method for looking at, define, or connect things about people, events, and situations (Sekaran & Bougie, 2013). In this study, a cross-sectional method is use to get information so that there aren't as many delays. The information is gathered through an online survey. The study's unit of analysis is an individual. This means that each participant's data is looked at separately, and each student's answer is treated as a separate source of data.

3.3 Population, Sample and Sampling Technique

A population is the total set of individuals, occasions, and objects that a researcher wants to learn more about or investigate (Sekaran, 2003). According to Sekaran (2003, p.266), suggested to use convenience sampling in choosing five banks in Penang namely Maybank, Bank Islam, Bank Simpanan Nasional (BSN), CIMB Bank and Public Bank. By referring to Krejcie and Morgan (1970), overall population for employee in banking sector of Penang which is 668, and sample size is 280 respondents. Choosing the right sample size is an important part of any research method because it can affect the results and success. Statistical methods can also be

used to figure out the size of the sample (Sekaran, 2003, p.266). Therefore, choosing correct sample is critical meanwhile it's very difficult to bring together data from every area of entire population. This is due to the fact that the process of collecting data is excessively expensive, time-consuming, and in need of more assistance from other party.

3.4 Questionnaire Design

The questionnaire comprised of five section question and contained the items. Additionally, description of five parts is presented in Table 3.1

Table 3.1

The Questionnaire Design

Questionnaire Part	Descriptions
PART A	Demographic profile of respondent regarding job positions, gender, age, bank, length of services, current salary and highest education level.
PART B	Consists of questions measuring independent variable of work environment
PART C	Consists of questions measuring independent variable of reward
PART D	Consists of questions measuring mediating variable of job satisfaction
PART E	Consists of questions measuring dependent variable of employee performance

3.5 Operational Definition and Research Measurement

To confirm the concept and theory associated with study can be formed, a few terms in study need to highlighted and defined. Following are definitions and explanations of operational definitions and measurement used to measure each of variables.

3.5.1 Dependent Variable: Employee Performance

The questionnaire for the performance was adopted from (Ramos et al.,2019). The employee performance questionnaire consists of 18-items and use five-point Likert Scale to measure the 18-items ranging from 1=Strongly Disagree) to (5=Strongly Agree)

Operational Definition

Employee performance is the dependent variable of this study and it is the final part of the questionnaire. The question was adopted from the previous article to measure the employee bank. The employee performance will determine the performance in banking sector based on purpose variable which are work environment, reward and job satisfaction. Table 3.2 shows original measurements for employee performance.

Table 3.2

Original Measurements and Adapted Measurements for Employee Performance

Variable	Original Measurements	Adopted Measurement
	EP1: I managed to plan my work so that I finished it on time	EP1: I managed to plan my work so that I finished it on time



Employee
Performance

EP2: I kept in mind the work result I needed to achieve

EP2: I kept in mind the work result I needed to achieve

EP3: I was able to set priorities

EP3: I was able to set priorities

EP4: I was able to carry out my work efficiently

EP4: I was able to carry out my work efficiently

EP5: I managed my time well

EP5: I managed my time well

EP6: On my own initiative, I started new task when my old tasks were completed

EP6: On my own initiative, I started new task when my old tasks were completed

EP7: I took on challenging tasks when they were available

EP7: I took on challenging tasks when they were available

EP8: I worked on keeping my job-related knowledge up-to-date

EP8: I worked on keeping my job-related knowledge up-to-date

EP9: I worked on keeping my work skills up-to-date

EP9: I worked on keeping my work skills up-to-date

EP10: I came up with creative solutions for new problems

EP10: I came up with creative solutions for new problems

EP11: I took on extra responsibilities

EP11: I took on extra responsibilities

EP12: I continually sought new challenges in my work

EP12: I continually sought new challenges in my work

EP13: I actively participated in meetings and/or consultations

EP13: I actively participated in meetings and/or consultations

EP14: I complained about minor work-related issues at work	EP14: I complained about minor work-related issues at work
EP15: I made problems at work bigger than they were	EP15: I made problems at work bigger than they were
EP16: I focused on the negative aspects of situation at work instead of the positive aspects	EP16: I focused on the negative aspects of situation at work instead of the positive aspects
EP17: I talked to colleagues about the negative aspects of my work	EP17: I talked to colleagues about the negative aspects of my work
EP18: I talked to people outside the organization about the negative aspects of my work	EP18: I talked to people outside the organization about the negative aspects of my work

Source: Adopted from Ramos et al., (2019)

3.5.2 Independent Variable: Work Environment

This questionnaire was adopted from (Bibi, Ahmad, & Majid, 2018) and questionnaire contains of four (4) items. This questionnaire has used five-point Likert Scale to measure the four (4) items ranging from (1=Strongly Disagree) to (5=Strongly Agree)

Operational Definition

Work environment is the independent variable of this study and this variable measures efficiency work environment that relate employee performance in banking sector. Work environment in this study is referring to sum of relationships between employees, employers and the environment in which employees work. Additionally, the better work environment or workplace, the better performance for employee in

banking sector. Table 3.3 shows original measurements and adapted measurements for work environment.

Table 3.3

Original Measurements and Adapted Measurements for Work Environment

Variable	Original Measurements	Adapted measurement
Work Environment	WE1: The work environment at my institution is good.	WE1: The work environment at bank branch is good.
	WE2: My health has not suffered as a result of working for this institution.	WE2: My health has not suffered as a result of working for this bank branch.
	WE3: I always feel safe working here in this environment.	WE: I always feel safe working here in this environment.
	WE4: This institution does everything to ensure the well-being of its academic staff	WE4: This organization does everything to ensure the well-being of its bank staff

Source: Bibi, Ahmad & Majid (2018)

3.5.3 Independent Variable: Reward

Reward consists of four (4) items and this questionnaire was adopted from (Hussain et al., 2013). Five-point Likert Scale (1=Strongly Disagree) to (5=Strongly Agree) given to respondent as a measure of level for agreement.

Operational Definition

Reward is the independent variable of this study. and this variable measures the reward that relate employee performance in banking sector. Reward in this study is referring to all cash bonuses, tangible services, and benefits that an employee gets as part of his or her job with the company. Moreover, the better reward, the better performance for employee in banking sector. Table 3.4 shows original measurements and adopted measurements for reward.

Table 3.4
Original Measurements and Adapted Measurements for Reward

Variable	Original Measurements	Adopted measurement
 Reward	RW1: I am satisfied with the incentives provided by the organization to the employees	RW1: I am satisfied with the incentives provided by the organization to the employees
	RW2: The reward management system will influence employees performance	RW2: The reward management system will influence employees performance
	RW3: Financial incentives motivates me more than non-financial incentives	RW3: Financial incentives motivates me more than non-financial incentives
	RW4: The salary increments given to employees who do their jobs very well motivates them	RW4: The salary increments given to employees who do their jobs very well motivates them

Source: Hussain et al.,(2013)

3.5.4 Mediating Variable: Job satisfaction

Job satisfaction consists of four (4) items and this questionnaire was adopted from (Mak & Sockel, 2001). Five-point Likert Scale (1=Strongly Disagree) to (5=Strongly Agree) given to respondent as a measure of level for agreement.

Operational Definition

Job satisfaction is mediating variable of this study. and this variable measures the employee performance as dependent and work environment, reward as independent variable in banking sector. Job satisfaction in this study is referring to the attitudes and sentiments individuals have regarding their employment. Apart from that, positivity and favourability towards one's employment demonstrates job satisfaction. Overall, the good job satisfaction can affect to the better performance for employee in banking sector. Table 3.5 shows original measurements and adopted measurements for job satisfaction.

Table 3.5

Original Measurements and Adapted Measurements for Job Satisfaction

Variable	Original Measurements	Adopted measurement
Job Satisfaction	JS1: All in all, I am satisfied with my job	JS1: All in all, I am satisfied with my job
	JS2: In general, I like working here	JS2: In general, I like working here
	JS3: I will probably not be looking for a job outside of banking scope	JS3: I will probably not be looking for a job outside of banking scope.
	JS4: I seldom think about quitting	JS4: I seldom think about quitting

Source: Mak & Sockel (2001)

3.6 The Instrumentation

As for this study, the questionnaire is serve as the primary data collection tool. According to Sekaran (2003), a set of questionnaires is a group of questions that have been made to get answers from respondents. The measurements that were used in this study based on the following sources. This study's questionnaire starts with questions about the background of each respondent, which they need to answer, which were job position, gender, age, bank, length of services, current salary and highest education level for the personal information of employee. All of the respondents were asked to pick the right answer from the list of answers that fit each piece of information. This section discusses about the tools that were used in this study to measure the research variables. Following that, the aspects of this study's questionnaires have been underlined and explained in this part. Table 3.6 below summarizes the explanation of the research instruments:

Table 3.6
Sources of Variable's Instruments

Variables	No of item	Coding	Scales	Sources
Part A Demographic Factor	7	A1-A5		Author
Part B Work Environment	4	WE1-WE4	5-point Likert scale	Adapted Bibi, Ahmad & Majid, (2018)
Part C Reward	4	RW1-RW4	5-point Likert scale	Adopted from Rizwan et al., (2013)
Part D Job Satisfaction	4	JS1-JS4	5-point Likert scale	Adopted from Mak & Sockel, (2001)

Part E				Adopted from
Employee	18	EP1-EP18	5-point Likert	Ramos et al.,
Performance			scale	(2019)
Total items	37			

3.7 Data Collection Procedures

The data for this study was collected from the population given. The target respondents for this research were employee of banking sector, at Pulau Pinang as the target area. The questionnaire was the instrument used to get the information needed for this study. Researchers have asked respondents to fill out an online survey to get the data. Researcher has used the online survey to collect data from employee bank from Maybank, Bank Islam, Bank Simpanan Nasional (BSN), CIMB Bank and Public Bank to test the proposed model. Researcher has subscribed to Google Form free online survey service to create the online survey. After constructing the questionnaire, the online survey generates a URL address.

Following that, an e-mail with an introduction note and an invitation to participate in the survey, as well as the URL link, was sent. To answer the questionnaire, respondents simply need to connect on the "URL link," which will bring them to the online questionnaire. Finally, after finishing the survey, participants selected the "Finish" button, and the researcher received the results in the survey database. Because the questionnaire was self-explanatory, people who filled it out were informed to follow the instructions on the form and that their answers would be kept private. The process took 3 months for complete and all the 280 completed questionnaires were returned by the target respondents.

3.8 Pilot Test

According to Arain, Campbell, Cooper, and Lancaster (2010), pilot test is a small feasibility study that is used to test different parts of the procedures that will be used in a larger, more rigorous, or confirmatory investigation. According to Polit and Beck (2017), the main goal of a pilot study is not to answer specific research questions, but to make sure that researchers don't start a large-scale study without knowing enough about the proposed methods. In essence, a pilot study is done to make sure that a study doesn't have a fatal flaw, which is expensive in terms of time and money. This research also included pilot study and an invitation through email was sent to the Bank Islam as pre-test. Researcher attached the questions of the study which contains of Personal Information, Work Environment, Job Satisfaction, Reward and Employee Performance in questionnaires form test and inviting them to take a web based survey for the purpose of this study.

The majority of these questionnaires were adapted from previous research. An introductory letter was also included in the email, as well as a direct link to the survey's website. The introductory message provided complete information, the purpose of the study and survey instructions, contact information for the researcher and the researcher's dissertation mentor, and finally stated that all information gathered would be used for research purposes and would be kept confidential. Participants in the pilot study responded to the questionnaire by completing a web-based survey. After concluding the pilot study, the researchers discovered that just 30 people out of the total targeted potential population completed the survey.

3.9 Data Analysis

Along with establishing the relationship between the relevant variables, a variety of data analysis approaches were used to arrive at the result. Additionally, Statistical Package for Social Sciences (SPSS) version 26 were also used for statistical analysis for project. Analysis methods as follows.

3.9.1 Reliability and Validity of Survey Instrument

Reliability analysis is the study of the qualities of measuring scales and the parts that make up the scales. According to (Sekaran, 2003, p.203) The dependability of a measure shows how well it is free of bias (error) and, as a result, how well it gives consistent measurements over time and across all the parts of the instrument. In other words, a measure's dependability is a sign of how stable and consistent the instrument is in judging the idea, and it helps to figure out how good measure is. If a measure stays the same over time, even if the testing conditions or the status of the respondents change, that means it is stable and not easily affected by changes in the situation. Other than that, validity is how well an evaluation measures what it is meant to measure. This is not the same as dependability, which is how well a measurement gives the same results every time. In order for a measurement to be valid, it doesn't always have to be the same as when it comes to reliability (Sekaran, 2003, p.206).

According to (Sekaran, 2003, p.206), consider face validity to be a fundamental and plain measure of content validity. Face validity suggests that the items intended to test a concept appear to measure the idea on the surface. Some researchers believe that treating face validity as a valid component of content validity is inappropriate. To

measuring data stability and consistency through application of reliability are to ensure data are good and reliable for study. In addition, Cronbach's Alpha was used to measure how consistent the data were. The closer Cronbach's Alpha is to 1, the more reliable and consistent the data are (Sekaran, 2003, p.311). Additionally, values between 0.70 and 0.80 were assumed to be good or acceptable. Values between 0.6 and 0.7 were assumed to be fair, and values less than 0.6 showed poor reliability and consistency. Table 3.7 shown the coefficient alpha scales.

Table 3.7

Coefficient Alpha Scales

Range in Scales	Consistency/Reliability
0.80 – 0.99	Very Good
0.70 – 0.80	Good
0.60 – 0.70	Fair
0.60 and below	Poor

Source: Sekaran (2003)

Table 3.8 shows the reliability coefficients result of the pilot study. The pilot study has conducted for all the questions of work environment, reward, job satisfaction and employee performance. The reliability coefficients of all the variables measured through Cronbach Alpha. The Cronbach Alpha value of employee performance is 0.920 and it is categorized as very good. Thus, the researcher concludes that 18 items in the questionnaire can be combined to measure the employee performance of banking sector in Malaysia. Next, The Alpha value of job satisfaction is 0.876 and it is categorized as very good. Thus, the researcher concludes that 4 items in the questionnaire can be combined to measure the job satisfaction of banking sector in Malaysia.

The Alpha value of reward is 0.835 and it can be categorized as very good. Thus, the researcher concludes that 4 items in the questionnaire can be combined to measure the reward in banking sector for the employee. Following that, the Alpha value of work environment is 0.890 and it can be categorized as very good. Thus, the researcher concludes that 4 items in the questionnaire can be combined to measure the work environment of employee performance in banking sector. Table 3.2 shows the summary of reliability coefficients for each variable measured using Cronbach Alpha for dimensions of the Work Environment, Reward, Job Satisfaction and Employee Performance.

Table 3.8

The Summary of Reliability Coefficients (Cronbach Alpha) of the scales for the pilot study

Variable	No. of Items	Cronbach's Alpha N=30
Independent Variable		
Work Environment	4	0.890
Reward	4	0.835
Mediating Variable		
Job Satisfaction	4	0.876
Dependent Variable		
Employee Performance	18	0.920

The data from each survey questionnaire obtained by the researcher has been entered into a computer for analysis. The data was analyzed using the Statistical Package for Social Science (SPSS) 26.0 application by the researcher. SPSS is the most readily available and commonly used complete statistical computer tool for academic scholars. To achieve the five study objectives and answer the five research questions, the obtained data were entered into SPSS and summarized, analyzed, and interpreted.

Following the collection of data via surveys, there are a few procedures involved in data analysis. Every survey questionnaire received from respondents was verified to see if participants answered all of the questions or left them blank.

After the data entered into SPSS, researcher conducted the data analysis. The first test is to determine the proficiency which the questions are made. The values of the reliability coefficients were found by using Cronbach's Alpha. Cronbach's Alpha is a reliability coefficient that shows how well the things in a set are related to each other. Next, the main purpose of this study is to test the hypotheses. In this study, inferential statistics were used to test hypotheses. According to (Sekaran, 2003, p.312), This data method called "descriptive." The goal of descriptive analysis is to use frequency and descriptive variables to figure out and understand data. The goal of descriptive analysis is focus at demographic variables, variables that are independent, variables that are dependent, and variables that are in between. The mean and standard deviation focusing at the continuous variables, while frequencies and percentages focusing at the categorical variables.

Following that, purpose of this study is put the hypotheses to test. In this study, inferential statistics utilized to evaluate proposed hypotheses. To examine hypothesis, the researcher utilized two different forms of analysis. To begin, Pearson Correlation used to investigate link between the variables work environment, reward, job satisfaction, and employee performance. Following that, a Multiple Regression analysis carry out to investigate relationship between the work environment, reward, job satisfaction, and employee performance. Finally, Multiple Regression analysis carry out in accordance with Baron and Kenny's (1986) technique to test mediation

method. Three stages were taken to determine function of job satisfaction in mediating the relationship between work environment, reward, and employee performance.

3.9.2 Correlation and Regression of Instrument

Correlation methods enable researchers see the importance, consistency, and direction of the relationships between independent variables. (reward, work environment) and the dependent variable (employee performance). Before any analysis was done, three assumptions were made: the scale, the normality, and the linearity. In essence, the variables must have linear relationship, and the data must be in interval or ratio form. A correlation coefficient can be between -1.00 and 1.00, and a correlation value of 0 means that there is no relationship between the variables. Other than that, relationship with a correlation value of 1.0 was the best example of a positive correlation, while a relationship with a correlation value of -1.0 was the best example of a negative correlation. Besides that, very low correlations are between -0.01 and -0.09, low correlations are between -0.10 and -0.29, moderate correlations are between -0.30 and -0.49, strong correlations are between -0.50 and -0.69, and very high correlations are between -0.70 and -1.00.

Table 3.9
Interpretation of Strength of Correlation

Correlation value, r	Strength of Relationship
± 0.70 or higher	Very High
± 0.50 to ± 0.69	High
± 0.30 to ± 0.49	Moderate
± 0.10 to ± 0.29	Low
± 0.01 to ± 0.09	Very Low
0.00	No Relationship

Source: Pallant (2013)

When a study had more than one independent variable, this method was used for the regression instrument. Multiple regression analysis helped find out which of the independent variables was the most important and why. It also helped explain why the dependent variable changed in different ways. According to Sekaran (2003), the main objectives of this research are to calculate R-Squared and figure out how much each variable contributes. R-Squared shows the direction and relationship between the independent variables (reward and work environment) and the dependent variable. It also shows how independent variables are related or affect the dependent variable (employee performance).

3.10 Conclusion

This chapter covers how the researcher carries out the study. The research framework shows the relationship between the independent, mediating, and dependent variables. Additionally, this chapter discusses about the research design and how the data was collected, including the respondents and the measurements or questionnaires used, as well as the pilot test, reliability and validity, the Cronbach Alpha value of the questionnaires, and the process for analyzing the data. In the next chapter, the discussion is about the results of the analysis.

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter discusses the findings of the study. The discussion is divided into five sections. The first section uses frequency to characterize the demographics of the respondents to this survey. The next section discusses descriptive statistics for the variables in this study. This chapter also discusses reliability analysis with Cronbach Alpha. Following that, this chapter covers the inferential analysis, which includes Pearson correlation and multiple regression to assess the study's main hypothesis. The chapter's conclusion is discussed in the concluding part.

4.2 Profile of the Respondents

This following section describes the background of the respondents of this study. The background of the respondents consists job position, gender, age, bank, working experience, current salary, highest education level of employee banking sector in Malaysia.

As shown in Table 4.1 and from the analysis using SPSS, results show that the highest job position group was sales representative, representing 60 respondents of the sample which is 21.3%. Following that, frequency results shows that the job position group is executive that has 54 respondents which reports 19.3% of the sample. Next, departmental supervisor respondents consists of 40 respondents which represent 14.3% meanwhile branch manager and operation manager group have same respondents which are 39 represent 13.9% respondents. The following group was teller

consisting of 45 respondents which is 16.1% and other group of job position consists 3 respondents or 1.2% from the sample. The gender employee resulting female represents 136 respondents or 48.6% and male represents 144 respondents or 51.4%. Other profile shown is the highest age group was between 26 to 30 years, representing 115 respondents of the sample which is 41.1%. Following by frequency results shows that the age group between 31 to 35 years has 78 respondents which reports 27.9% of the sample. Next, 36 years and over age of respondents consists of 65 respondents or 23.2% and 20 to 25 years consists of 22 respondents or 7.9%.

The highest sampling bank is from Bank Islam represents 71 respondents or 25.4% and following by Bank Simpanan Nasional represents 62 respondents or 22.1%. Meanwhile, Maybank group has 51 respondents or 18.2% and Public bank group has 51 respondents or 18.6 %. Other than that, CIMB Bank group of bank represents 44 respondents or 15.7% and there is no respondent in “other” section bank group in this distribution of data. Every respondent has a different length of services in bank sector. As shown in Table 4.1, majority respondents have length of services between 3 to 5 years’ group accounted for 41.4% or 116 respondents of the sample. The second largest respondents in length of services is 6 to 8 years consisting of 77 respondents or 27.5% from the sample. This is followed by the category who more than 9 years and above in length of services are 21.1% or 59 respondents of the sample and less than two years accounted for 10% or 28 respondents.

The majority category which accounts for 164 or 58.6% of the respondents of the sample current salary between RM 2001 to RM 5000. The second largest category current salary between RM 5001 to RM 10000 consisting of 29.3% or 82 respondents

of the sample. Following that, RM 10001 and above current salary is 25 or 8.9% respondents and lastly current salary less than RM 2000 category who accounted for 3.2% or 9 respondents of the sample. The majority of the respondents of this study have highest education level which is from bachelor category consists of 195 or 69.6% respondents and master category that consists 46 or 16.4% respondents. Lastly, for the diploma category consists of 39 or 13.9% respondents meanwhile there no respondent in distribution of data for the PHD category.

Table 4.1

Distribution of Respondents by Job Position, Your Gender, Age, Bank, Length of Services, Current Salary, Highest Education Level of employee banking sector in Malaysia (N=280)

Variable	Frequency	Percentage (%)
Job Position		
Branch Manager	39	13.9
Operation Manager	39	13.9
Departmental Supervisor	40	14.3
Teller	45	16.1
Sales Representative	60	21.4
Executive	54	19.3
Other	3	1.1
Total	280	100.0
Your Gender		
Male	144	51.4
Female	136	48.6
Total	280	100.0
Age		
20-25 years	22	7.9
26-30 years	115	41.1
31-35 years	78	27.9
36 years and over	65	23.2
Total	280	100.0
Bank		
Maybank	51	18.2
Bank Islam	71	25.4

Bank Simpanan Nasional	62	22.1
CIMB Bank	44	15.7
Public Bank	52	18.6
Total	280	100.0
Length of Services		
Less than 2 years	28	10.0
3-5 years	116	41.4
6-8 years	77	27.5
9 years and above	59	21.1
Total	280	100.0
Current Salary		
Less than RM 2000	9	3.2
RM 2001-RM 5000	164	58.6
RM 5001-RM 10000	82	29.3
RM 10001 and above	25	8.9
Total	280	100.0
Highest Education Level		
Diploma	39	13.9
Bachelor	195	69.6
Master	46	16.4
Total	280	100.0

4.3 Descriptive Statistics of Variables of Study

This section discusses the descriptive statistics of the variables of study. There are four main variables in this study which includes work environment, reward, job satisfaction, and employee performance.

Table 4.2 below shows the descriptive statistics analysis of work environment, reward, job satisfaction, and employee performance. Using the five-point Likert scale, the lowest rating for the work environment was 1.50, and the highest rating was 5. The mean value of work environment was 4.5143, and the standard deviation

was.60447. The average score of 4.5143 shows that work environment is good. Next, Using the five-point Likert scale, the lowest rating for reward was 1.50 and the highest was 5. The standard deviation was.65376 and the mean value was 4.5036. The reward level is high because the mean value is 4.5036.

Following that, on the five-point Likert scale that was used, the lowest rating was 1.25 and the highest was 5.00. The mean value was 4.1759, and the standard deviation value showed. 77373. The mean score of 4.1759 means that the level of job satisfaction is good. Lastly, the lowest employee performance score was 2.28, and the highest was 5. The average score was 3.7109, and the standard deviation was .36437. The average score of 3.7109 means that employee performance is about average. Table 4.2 below shows the summary of descriptive statistics analysis.

Table 4.2

Descriptive Statistics of Work Environment, Reward, Job Satisfaction, and Employee Performance (N=280)

Variable	Minimum	Maximum	Mean	Std. Deviation
Work Environment	1.50	5.00	4.5143	0.60447
Reward	1.50	5.00	4.5036	0.65376
Job Satisfaction	1.25	5.00	4.1759	0.77373
Employee Performance	2.28	5.00	3.7109	0.36437

4.4 Reliability Analysis

For this study, a reliability analysis has been conducted to make sure that the questionnaire used in this study is reliable, consistent, and stable. Cronbach Alpha is used to measure the reliability coefficients for all questions about the work environment, reward, job satisfaction, and employee performance. The

questionnaires' reliability coefficients are above 0.6. The Cronbach Alpha of work environment showed 0.882, reward was 0.878, job satisfaction was 0.734, and employee performance was 0.705. Table 4.3 shows the results of the reliability coefficients for each variable measured using Cronbach Alpha.

Table 4.3

Reliability Coefficients (Cronbach Alpha) of the scales

Variable	No. of Items	Alpha N= 280
Work Environment	4	0.882
Reward	4	0.878
Job Satisfaction	4	0.734
Employee Performance	18	0.705

4.5 Inferential Statistics

The results of the inferential statistics this study are discussed in this section. According to Sekaran, 2003, inferential statistics describe how to figure out the relationship is between two variables, what the difference is between different subgroups of a variable, and how a few independent variables can explain the variation in a dependent variable. This section has two subsections. The first one (4.5.1) shows the results of the Pearson correlation between the main variables of this study. The second part (4.5.2) talks about the results of the multiple regressions, which are used to test the study's hypothesis.

4.5.1 Pearson Correlation

The Pearson coefficient is a correlation coefficient that shows how two variables with the same interval or ratio scale are related. The Pearson coefficient shows how strongly two continuous variables are linked to each other. The Pearson correlation coefficient is used to look the variables (independent, mediating, and

dependent) of the study are related to each other. Pearson correlation coefficient is used to find out how the study's variables are linked (independent, mediating and dependent variables). As illustrated in Table 4.4 below, the relationship between job satisfaction and work environment is strong ($r = .539$, $p < 0.01$). Second, the work environment has a positive effect on employee performance ($r = .500$, $p < 0.01$). Next, the results show that the relationship between reward and job satisfaction is strong and positive ($r = .649$, $p < 0.01$). The reward has a positive effect on employee performance ($r = .562$, $p < 0.01$). Lastly, the results show that employee performance is significantly linked to job satisfaction ($r = .449$, $p < 0.01$). Table 4.4 summarizes the results of correlations coefficient of the variables of this study

Table 4.4
Correlations among Work Environment, Reward, Job satisfaction and Employee Performance (N=280)

Variable	1(WE)	2(RW)	3(JS)	4(EP)
1. Work Environment	1			
2. Reward	.746**	1		
3. Job Satisfaction	.539**	.649**	1	
4. Employee Performance	.500**	.562**	.449**	1

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

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

4.5.2 Multiple Regressions

This part shows the study's tests of the hypotheses has been found. Multiple regressions analysis was used to test five hypotheses. There are two parts to this section. The first part looks at how independent variables and dependent variables relate to each other, and the second part looks at how mediator variable affects the relationship between independent variables and dependent variables.

4.5.2.1 Relationship between Work Environment, Reward and Employee Performance

There were two hypotheses proposed to test the relationship between IVs (work environment and reward) and DVs (employee performance).

H1: There is a positive significant relationship between work environment and employee performance in banking sector.

H2: There is a positive significant relationship between reward and employee performance in banking sector.

Table 4.5 shows the results of the regression analysis for these hypotheses. Multiple regressions analysis was used to figure out how the work environment and reward affected the dependent variable (employee performance). As depicted in Table 4.5, the regression results revealed that the R square value of .331. This indicates that 33.1% of variance that explained the DV (employee performance) was accounted for by the IVs (work environment and reward) where the F value = 68.427 at $p < 0.05$. Other than that, the IVs which is work environment ($\beta = .181$, $p < 0.05$), was significant predictors of employee performance meanwhile reward ($\beta = .428$, $p < 0.05$) was significant predictors to employee performance. Thus, the above findings support the hypothesis H1 and hypothesis H2.

Table 4.5
Results of the Multiple Regression Analysis with Work Environment, and Reward as Predictors of Employee Performance (N=280)

Variable	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	β	t	Sig.
Work Environment	.109	.044	.181	2.448	.015
Reward	.238	.041	.428	5.794	.000
$R^2 = .331$, Adjusted $R^2 = .326$, $F = 68.427$, $p < 0.05$					

4.5.2.2 Relationship between Job Satisfaction and Employee Performance

One hypotheses were proposed to test the relationship between job satisfaction and employee performance.

H3: There is a positive significant relationship between job satisfaction and employee performance among employees in banking sector.

The results of the regressions analysis for these hypotheses are shown in Table 4.6 below. Multiple regressions analysis was used to evaluate the effects of mediating variable (job satisfaction) on dependent variables (employee performance). As depicted in Table 4.6, the regression results revealed that the R square value of .201 (employee performance). This indicates that 20.1% of variance that explained the DV (employee performance) was accounted for by the MV (job satisfaction) where the employee performance (F value = 70.148 at $p < 0.05$). Furthermore, the MV (job satisfaction) which is ($\beta = .449$, $p < 0.05$) was significant predictors of employee performance. Thus, the above findings support the hypotheses H3

Table 4.6

Results of the Multiple Regression Analysis with Job Satisfaction as Predictors of Employee Performance (N=280)

Variable	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	β	t	Sig.
Job Satisfaction	.211	.025	.449	8.375	.000
$R^2 = .201$, Adjusted $R^2 = .199$, $F = 70.148$, $p < 0.05$					

4.5.2.3 Mediation Analysis

According to Baron and Kenny (1986), the mediator is a third variable that shows how the independent variable of interest can have an effect on the dependent variable of interest. In Figure 4.1, a model that shows how the process of mediation works. It discusses about the independent variable (X), the dependent variable (Y), and the mediator variable (M).

Based on Baron and Kenny (1986), the explanation about the four steps to setting up mediation. There is a series of steps to analyse mediator variable using regression. In Step 1, the initial variable has to be linked to the outcome. In a regression equation, Y should be the dependent variable and X should be the independent variable (estimate and test path c). Step 2 asserts that the initial variable should be linked to the mediator, that M should be used as the criterion variable in regression equation, and that X is the predictor (estimate and test path a). At this stage, the mediator is basically looked at as an outcome variable. Step 3 then explains how the mediator affects the outcome variable and how to use Y as the criterion variable in a regression equation and X and M as predictors (estimate and test path b). It is not enough to just link the mediator to the outcome. Both the mediator and the outcome may be linked, since they are both caused by the initial variable X. So, the initial variable must be controlled to find out how the mediator affects the end result. Lastly, step 4 shows that the effect of X on Y controlling for M (path c') must be zero in order to show that M completely mediates the link between X and Y. The same equation is used to estimate the effects in both phase 3 and phase 4. Each equation's coefficients should be estimated and tested separately.

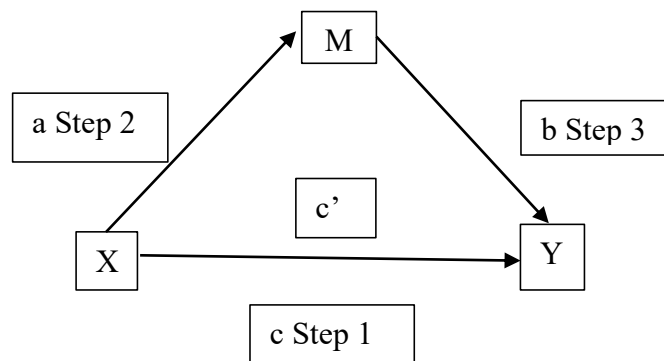


Figure 4.1 Steps Involved in the Process of Mediation

4.5.2.4 Mediating Effect of Job Satisfaction on the Relationship between Work Environment, Reward and Employee Performance.

There were two hypotheses proposed to test the relationship between IVs (work environment and reward) and MVs (job satisfaction).

H4a: Job satisfaction significantly mediates relationship between work environment and employee performance.

H4b: Job satisfaction significantly mediates relationship between reward and employee performance.

Researcher has followed the procedures as recommended by Baron and Kenny (1986) to find the effects of mediator variable (job satisfaction) on the relationship between work environment, reward and employee performance. Table 4.9 below illustrate the analyses to examine the mediation hypothesis. The first step necessitates the independent variables (work environment and reward) to be significantly associated to dependent variable (employee performance). Table 4.9 below illustrate the analyses to examine the mediation hypothesis. The first step necessitates the independent variables (work environment and reward) to be significantly associated to dependent variable (employee performance). The results from the first step reveals that work environment ($\beta = 0.181, p < 0.05$), has a significant relationship on the employee performance

meanwhile reward ($\beta = 0.428, p < 0.05$) also has a significantly related to employee performance. Therefore, step 1 was fulfilled

Next, step 2 needs the independent variables (work environment and reward) to be related to the mediator variable (job satisfaction). The results from step 2 shows reveals that work environment ($\beta = 0.123, p > 0.05$), has significant relationship on the job satisfaction meanwhile reward ($\beta = 0.557, p < 0.05$) has significantly related to job satisfaction. Therefore, the step 2 was fulfilled

The third step requires the effect of the independent variables (work environment and reward) must be controlled; as such the work environment and reward (independent variables) and job satisfaction (mediator variable) are regressed together against the dependent variable (employee performance). The results from step 3 reveal that the effect of job satisfaction on employee performance is significant and there is a relationship between job satisfaction and employee performance ($\beta = 0.130, p < 0.05$). Therefore, the requisite for mediation step 3 was fulfilled.

Following that, as recommended by Baron and Kenny (1986), step 4 is to ascertain whether full mediation has occurred or partial mediation has occurred. Step 4 necessitates the beta value of independent variables (work environment and reward) in step 3 to be significantly lesser in size comparatively to beta value of independent variables (work environment and reward) in step 1. As depicted in Table 4.9, the beta value of work environment ($\beta = 0.165, p < 0.05$) and reward ($\beta = 0.355, p < 0.05$) in step 3 is smaller than the beta value of work environment ($\beta = 0.181, p < 0.05$) and reward ($\beta = 0.428, p < 0.05$) in step 1. Hence, the beta value has decreased and it was still

significant for work environment and reward as such the conclusion that can draw is that a partial mediation has taken place for work environment and reward variable.

As a result, the relationship between work environment, reward and employee performance was partially mediated by job satisfaction. Thus, it can be concluded that independent variables (work environment and reward) predicts mediator variable (job satisfaction), while job satisfaction also can predict dependent variable (employee performance) among employee in banking sector. Hence, hypothesis H4a and H4b support the proposed framework.

Table 4.7

Results of Mediation Effects of Job Satisfaction on the Relationship between Work Environment, Reward and Employee Performance (N=280)

Variable	B	SE _B	β	t	p
Step 1					
Outcome: Employee Performance					
Predictor: Work Environment	.109	.044	.181	2.448	.015
Predictor: Reward	.238	.041	.428	5.794	.000
R Square:	.331				
Adj R Square:	.326				
F	68.427	p=.000			
Step 2					
Outcome: Job Satisfaction					
Predictor: Work Environment	.158	.087	.123	1.808	.072
Predictor: Reward	.659	.081	.557	8.161	.000
R Square:	.428				
Adj R Square:	.424				
F	103.545	p=.000			
Step 3					
Outcome: Employee Performance					
Predictor: Work Environment	.099	.045	.165	2.230	.027
Predictor: Reward	.198	.046	.355	4.348	.000

Mediator: Job Satisfaction	.061	.030	.130	2.004	.046
R Square	.340				
Adj R Square:	.333				
<i>F</i>	47.454, p=.000				

4.6 Overall Hypotheses Results

The results of the hypothesis testing are summarized in Table 4.8 below as follows:

Table 4.8

Overall Hypotheses Results Table

Hypothesis	Decision
Hypothesis 1: There is a positive significant relationship between work environment and employee performance among employees in banking sector.	Accepted
Hypothesis 2: There is a positive significant relationship between reward and employee performance among employees in banking sector.	Accepted
Hypothesis 3: There is a positive significant relationship between job satisfaction and employee performance among employees in banking sector.	Accepted
Hypothesis 4a: Job satisfaction significantly mediates relationship between work environment and employee performance.	Accepted
Hypothesis 4b: Job satisfaction significantly mediates relationship between reward and employee performance.	Accepted

4.7 Conclusion

The results of the study reveal that work environment has positively significantly associated to effectiveness of employee performance. It shows that a good work environment has affected in performance in employee bank sector. Reward in this study was found to be positively related to employee performance and the greater level of reward will give good impact on job performance. Following that, job satisfaction has also a significant relationship to the effectiveness of employee performance among bank sector. Greater supports from job satisfaction will lead to the greater level of employee performance of bank sector. The results of the research show that there has a significant on mediation effect of job satisfaction in relationship between work environment and employee performance of banking sector. Other than that, the study also reveals that there has a significant mediation effect of job satisfaction in relationship between reward and employee performance of banking sector. It explains that work environment and reward are given positive impact toward employee performance as mediator of the research framework.

CHAPTER FIVE

DISCUSSIONS AND CONCLUSION

5.1 Introduction

This final chapter summarizes the findings and brings the investigation to a conclusion. This chapter is divided into four sections. The first section discusses the outcomes, while the second portion summarizes the study's findings in relation to the research purpose. The third section addresses the essential contributions to the body of knowledge. The following part highlighted the study's limitations, followed by recommendations for future research. Finally, section 5.5 summarizes the chapter's conclusion.

5.1.1 Work Environment and Employee Performance

The first objective of the study is to investigate the relationship between work environment and employee performance of bank sector in Malaysia. The result shows after regressed independent variable (work environment) with dependent variables (employee performance) and the result reveals that work environment was significantly positively related to employee performance of employee in bank sector. This result support from previous research, according to Chieze, Kabouh, Adeoye, and Egwuonwu (2017) bank workers moving from one bank to another may be linked to a poor working environment leading to dissatisfaction, posing a severe problem to bank management because it is easier to maintain existing employees than to hire new ones.

The purpose of this finding is to look into the impact of the working environment on employee job satisfaction as assessed by career progression in ten Nigerian banks. Other than that, the research finding support the hypothesis. According to Tjahjaningsih et al., (2018), Ollukkaran and Gunaseeelan (2012) in their finding describe that work environment has a significant and positive impact on employee performance. It means that the more comfortable the workplace, the higher the employees' performance. The work environment has a significant impact on how people carry out their responsibilities. The present study reveals work environment has significant positively relationship on employee performance in banking sector. Thus, the first research objective is met.

5.1.2 Reward and Employee Performance

The second objective of the study is to investigate the relationship between reward and employee performance of bank sector in Malaysia. The result shows after regressed independent variable (reward) with dependent variables (employee performance) and the result reveals that work environment was positive significantly related to employee performance of employee in bank sector. According to Rahim, Sopian, Annuar, and Ismail (2015), San and Theen, (2012) mention that employee motivation in job performance is developed through the use of rewards. Firms should develop their plans with incentive as a motivator to increase employee work effort. A good compensation system is critical for attracting and retaining skilled and experienced staff. Importantly, administrators and top managers who are open-minded and fair should be included in the decision-making process for incentives. Moreover, rewards and measure performance has been found that the reward strategy and reward system used improve the performance of the employee. In terms of the

company's finances, it boosts sales and makes the company more financial sense. So, the second goal has been accomplished.

5.1.3 Job Satisfaction and Employee Performance

The third objective of the study is to investigate the relationship between job satisfaction and employee performance of bank sector in Malaysia. The result shows after regressed independent variable (job satisfaction) with dependent variables (employee performance) and the result reveals that work environment was positive significantly related to employee performance of employee in bank sector. According to Karim, Islam and Mahmud (2014), describe there is a positive sign in terms of overall job satisfaction among bank personnel in such a case, job satisfaction of bank officers becomes a significant issue that must be addressed in order to fixed for banking industry to reach its goals.

Other than that, this finding on positive significant towards job satisfaction Sowya and Patchanatham (2011), Vallejo, Vallejo and Parra (2001), discovered that that individual who are satisfied with their jobs and are more motivated are more productive and show more interest in how the organization is doing. Also job satisfaction is the consequence of an interchange between an organization's demands and expectations, as well as workers' expectations and personal goals. Therefore, the third objective has achieved.

5.1.4 Mediating Effects of Job Satisfaction

The fourth and fifth objective of this research is to determine the mediating effect of job satisfaction on the relationship between work environment, reward and employee performance of banking sector in Malaysia. The findings of present study revealed that job satisfaction has partially mediated the relationship between work environment, reward and employee performance in banking sector. The finding for this research on job satisfaction variable as mediation effect is give the impact on the based previous literature that explained there is positive significant towards job satisfaction as mediation element. According to Martono, Khoiruddin, and Wulansari (2018)., investigates the impact of reward systems on employee performance using motivation and job satisfaction as the mediating variable and its finding it implies that job satisfaction has been demonstrated to be a mediating component in the relationship between reward system and performance. It means that employees' job satisfaction will improve as a result of their reward system. Other than that, Idris, Adi, Soetjipto, and Supriyanto (2020), job satisfaction as mediator variable has been shown to be a positive and significant in the workplace and employee performance. This shows that the work environment has the potential to improve employee performance in both direct and indirect ways. To make employees satisfied with the job they're doing, the work environment has been shown to help them feel decent, which helps them do their jobs better. Therefore, fourth and fifth objective of this research is achieved.

5.2 Implication of the Study

The findings of the study have contribution towards theoretical and practical. This study has contribution to the body of knowledge. The theoretical contribution of this

study is gives an understanding of the effectiveness of employee performance based on work environment and reward. This study revealed that work environment, reward and job satisfaction has significant predictors of employee performance. For the contribution on practical also it has contribution on some group of people. The management or employee bank sector can benefit from this study.

From practical perspective, the results of the study can assist the banking sector to look for suitable and qualified candidates for their tasks. Furthermore, the study's findings will aid the banking industry in developing good solutions that may be implemented in advance to reduce staff problems. The bank's management must have their own strategy to boost efficiency in the workplace in order to assist these employees in their level of effectiveness in their tasks. A favourable work environment and workplace factors will raise their drive to improve employee performance. Furthermore, this study benefits employees in the banking sector by providing candidates with a better understanding of the work environment and the rewards that may be obtained from the firm.

5.3 Limitations of the Study

There are a few restrictions that must be considered when doing the study. The first restriction of the study is the low level of input from respondents. The low response rate from respondents makes it difficult to summarize the study's findings. Aside from that, the sample size of this study is limited. Respondents for this study are concentrated in Pulau Pinang and respondents (bank employees) are adjusting to a particular sampling, despite the fact that respondents can obtain additional information

from various banks. Therefore, due to the time constraint in this research, the result of this study is not be generalized and compared to other bank that may influence the result of the study. At the same time, the limitation of this study is the selection of bank located in northern region of Malaysia. Because the data was collected at a single point in time, this study is also a cross sectional design. The term "cross sectional design" refers to a study in which data is collected only once, sometimes over a period of days, weeks, or months, in order to answer a research topic. For example, after a particular amount of time, the level of employee performance may vary or increase.

5.4 Recommendation for Future Research

Based on the study's limitations, this study makes a few recommendations for future research. It was advised that researchers should guarantee that their sample of respondents receives a sufficient number of responses. To conduct this study, the researcher should obtain a large number of responses. As a result, the researcher must constantly follow up on the comments from respondents. More time and efforts should be done to reach the respondents, such as visiting specific banks and handing out questionnaires. This will allow the researcher to receive feedback as soon as possible.

In the future, the study should be conducted on a broader population so that researchers may collect data from all of Malaysia's major banks. As a result, the survey will reach a larger number of respondents, and the results will be more reliable in summarizing the effectiveness of staff performance in Malaysia's banking sector. Furthermore, the researcher should broaden the study to include bank employees throughout the country and adopt a longitudinal design to collect data at a minimum of two times.

5.5 Conclusion

For the overall in chapter 5, this study has discussed about the relationship between work environment, reward, job satisfaction and employee performance in banking sector. It explains that work environment and reward have positive significant contributing factors for employee performance. Following that, there is significant mediation effect of job satisfaction between work environment, reward and employee performance for the bank sector. It is important to know the determinants of employee performance could help the organization for the bank in adjust well for work environment and reward factor.



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APPENDICES

Appendix 1: Set of Questionnaire



QUESTIONNAIRE

Dear Respondents,

I am a Master of Human Resource Management (MHRM) student of Universiti Utara Malaysia and conducting a survey which entitled “Work Environment, Reward and Employee Performance in Banking Sector: The Mediating Role of Job Satisfaction”.

I understand that your time is valuable and many demands are made upon it by your heavy workload. However, your participation in this survey, which will require only about 10-15 minutes of your time, is vital to the success of this study. All information provided in this questionnaire will be confidential for the present study purposes. No information pertaining to individuals will be divulged to any third person or organization. In sum, the information obtained in this study will be used purely for academic purposes only.

Should you have any queries regarding this research please do not hesitate to contact me at asyrafbestani@gmail.com. Thank you very much for your cooperation in responding to the questionnaire. Your participation in this study is greatly appreciated.

Yours sincerely,

Muhammad Asyraf Bin Bestani (827218)

Master of Human Resource Management (MHRM)

Universiti Utara Malaysia Kedah Malaysia

Email: asyrafbestani@gmail.com

Instruction: The following item are related to personal information. Please **TICK (/)** or **WRITE** your response. Please answer the following items. Your personal information will be kept confidential.

SECTION A: PERSONAL INFORMATION

1. Job Position:

Branch manager	
Operations manager	
Departmental Supervisor	
Teller	
Sales representative	
Executive	
Other:	

2. Gender:

Male	
Female	

3. Age:

20-25 years	
26-30 years	
31-35 years	
36 years and over	

4. Bank:

Maybank	
Bank Islam	
Bank Simpanan Nasional (BSN)	
CIMB Bank	
Public Bank	

Other:

5. Length of services:

Less than 2 years	
3-5 years	
6-8 years	
9 years and above	

6. Current salary:

Less than RM 2000	
RM 2001 – RM 5000	
RM 5001 – RM 10000	
RM 10001 and above	

7. Highest Educational level:

Diploma	
Bachelor	
Master	
PhD	

SECTION B: WORK ENVIRONMENT

Instruction: The following statement is your opinion regarding work environment.

Please TICK (/) to indicate to what degree you agree or disagree for each statement.

	Please tick the most appropriate choice	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	The work environment at bank branch is good.					
2	My health has not suffered as a result of working for this bank branch.					
3	I always feel safe working here in this environment.					
4	This organization does everything to ensure the well-being of its bank staff					

(Source: Bibi, Ahmad and Majid, 2018)

SECTION C: REWARD

Instruction: The following statement is your opinion regarding reward. Please TICK (/) to indicate to what degree you agree or disagree for each statement.

	Please tick the most appropriate choice	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I am satisfied with the incentives provided by the organization to the employees					
2	The reward management system will influence employees' performance					
3	Financial incentives motivates me more than non-financial incentives					
4	The salary increments given to employees who do their jobs very well motivates them					

(Source: Hussain et al, 2013)

SECTION D: JOB SATISFACTION

Instruction: The following statement is your opinion regarding job satisfaction. Please TICK (/) to indicate to what degree you agree or disagree for each statement.

	Please tick the most appropriate choice	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	All in all, I am satisfied with my job					
2	In general, I like working here					
3	I will probably not be looking for a job outside of banking scope					
4	I seldom think about quitting					

(Source: Mak and Sockel, 2001)

SECTION E: EMPLOYEE PERFORMANCE

Instruction: The following statement is your opinion regarding employee performance. Please TICK (/) to indicate to what degree you agree or disagree for each statement.

	Please tick the most appropriate choice	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I managed to plan my work so that I finished it on time					
2	I kept in mind the work result I needed to achieve					
3	I was able to set priorities					
4	I was able to carry out my work efficiently					
5	I managed my time well					
6	On my own initiative, I started new task when my old tasks were completed					
7	I took on challenging tasks when they were available					
8	I worked on keeping my job-related knowledge up-to-date					
9	I worked on keeping my work skills up-to-date					
10	I came up with creative solutions for new problems					
11	I took on extra responsibilities					
12	I continually sought new challenges in my work					
13	I actively participated in meetings and/or consultations					
14	I complained about minor work-related issues at work					
15	I made problems at work bigger than they were					
16	I focused on the negative aspects of situation at work instead of the positive aspects					

17	I talked to colleagues about the negative aspects of my work					
18	I talked to people outside the organization about the negative aspects of my work					

(Source: Ramos et al., 2019)

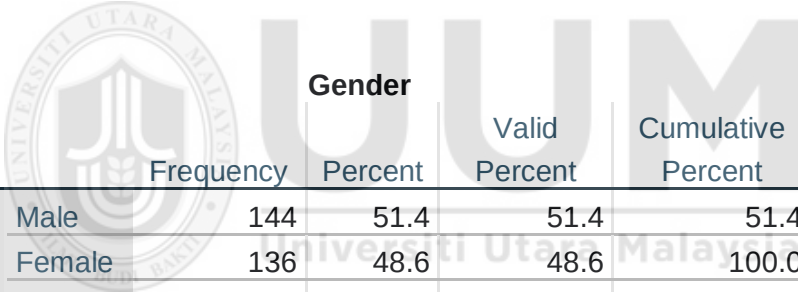
THANK YOU FOR YOUR KIND PARTICIPATION



Appendix 2: Results from IBM SPSS Statistics 26

Frequency Table

		Job_Position		Valid Percent	Cumulative Percent
		Frequency	Percent		
Valid	Branch Manager	39	13.9	13.9	13.9
	Operations Manager	39	13.9	13.9	27.9
	Departmental Supervisor	40	14.3	14.3	42.1
	Teller	45	16.1	16.1	58.2
	Sales Representative	60	21.4	21.4	79.6
	Executive	54	19.3	19.3	98.9
	Other	3	1.1	1.1	100.0
	Total	280	100.0	100.0	



		Gender		Valid Percent	Cumulative Percent
		Frequency	Percent		
Valid	Male	144	51.4	51.4	51.4
	Female	136	48.6	48.6	100.0
	Total	280	100.0	100.0	

		Age		Valid Percent	Cumulative Percent
		Frequency	Percent		
Valid	20 - 25 years	22	7.9	7.9	7.9
	26 - 30 years	115	41.1	41.1	48.9
	31 - 35 years	78	27.9	27.9	76.8
	36 years and over	65	23.2	23.2	100.0
	Total	280	100.0	100.0	

		Bank		Valid Percent	Cumulative Percent
		Frequency	Percent		
Valid	Maybank	51	18.2	18.2	18.2
	Bank Islam	71	25.4	25.4	43.6
	Bank Simpanan Nasional (BSN)	62	22.1	22.1	65.7
	CIMB Bank	44	15.7	15.7	81.4
	Public Bank	52	18.6	18.6	100.0
	Total	280	100.0	100.0	

		Lenght_Service		Valid Percent	Cumulative Percent
		Frequency	Percent		
Valid	Less than 2 years	28	10.0	10.0	10.0
	3 - 5 years	116	41.4	41.4	51.4
	6 - 8 years	77	27.5	27.5	78.9
	9 years and above	59	21.1	21.1	100.0
	Total	280	100.0	100.0	

		Current_Salary		Valid Percent	Cumulative Percent
		Frequency	Percent		
Valid	Less than RM 2000	9	3.2	3.2	3.2
	RM 2001 - RM 5000	164	58.6	58.6	61.8
	RM 5001 - RM 10000	82	29.3	29.3	91.1
	RM 10001 and above	25	8.9	8.9	100.0
	Total	280	100.0	100.0	

		H_Edu_Level			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	39	13.9	13.9	13.9
	Bachelor	195	69.6	69.6	83.6
	Master	46	16.4	16.4	100.0
	Total	280	100.0	100.0	

		H_Edu_Level			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	39	13.9	13.9	13.9
	Bachelor	195	69.6	69.6	83.6
	Master	46	16.4	16.4	100.0
	Total	280	100.0	100.0	

Descriptive Statistics Analysis

Scale: Work Environment

Statistics

Factor_WE

N	Valid	280
	Missing	0
Mean		4.5143
Std. Deviation		.60447
Minimum		1.50
Maximum		5.00

Scale: Reward

Statistics

Factor_RW

N	Valid	280
	Missing	0
Mean		4.5036
Std. Deviation		.65376
Minimum		1.50
Maximum		5.00

Scale: Job Satisfaction

Statistics

Factor_JS

N	Valid	280
	Missing	0
Mean		4.1759
Std. Deviation		.77373
Minimum		1.25
Maximum		5.00

Scale: Employee Performance

Statistics

Factor_EP

N	Valid	280
	Missing	0
Mean		3.7109
Std. Deviation		.36437
Minimum		2.28
Maximum		5.00

Reliability

Scale: Work Environment

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.882	.882	4

Scale: Reward

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.878	.880	4

Scale: Job Satisfaction

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.734	.767	4

Scale: Employee Performance

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.705	.815	18

Correlations Analysis

Correlations

		Factor_W E	Factor_R W	Factor_J S	Factor_E P
Factor_W E	Pearson Correlation	1	.746**	.539**	.500**
	Sig. (2-tailed)		.000	.000	.000
	N	280	280	280	280
Factor_R W	Pearson Correlation	.746**	1	.649**	.562**

	Sig. (2-tailed)	.000		.000	.000
	N	280	280	280	280
Factor_JS	Pearson Correlation	.539**	.649**	1	.449**
	Sig. (2-tailed)	.000	.000		.000
	N	280	280	280	280
Factor_E	Pearson Correlation	.500**	.562**	.449**	1
P	Sig. (2-tailed)	.000	.000	.000	
	N	280	280	280	280

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

* . Correlation is significant at the 0.05 level (1-tailed).

Multiple Regression Analysis

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	Factor_RW, Factor_WE ^b	.	Enter

a. Dependent Variable: Factor_EP

b. All requested variables entered.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.575 ^a	.331	.326	.29917	.331	68.427	2	277	.000

a. Predictors: (Constant), Factor_RW, Factor_WE

b. Dependent Variable: Factor_EP

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.249	2	6.124	68.427	.000 ^b
	Residual	24.792	277	.090		
	Total	37.041	279			

a. Dependent Variable: Factor_EP

b. Predictors: (Constant), Factor_RW, Factor_WE

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.146	.140		15.381	.000		
	Factor_WE	.109	.044	.181	2.448	.015	.444	2.254
	Factor_RW	.238	.041	.428	5.794	.000	.444	2.254

a. Dependent Variable: Factor_EP

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	Factor_JS ^b	.	Enter

a. Dependent Variable: Factor_EP

b. All requested variables entered.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.449 ^a	.201	.199	.32618	.201	70.148	1	278	.000

a. Predictors: (Constant), Factor_JS

b. Dependent Variable: Factor_EP

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.463	1	7.463	70.148	.000 ^b
	Residual	29.578	278	.106		
	Total	37.041	279			

a. Dependent Variable: Factor_EP

b. Predictors: (Constant), Factor_JS

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	Collinearity Statistics	
		B	Std. Error				Tolerance	VIF
1	(Constant)	2.146	.140		15.381	.000		
	Factor_WE	.109	.044	.181	2.448	.015	.444	2.254
	Factor_RW	.238	.041	.428	5.794	.000	.444	2.254

a. Dependent Variable: Factor_EP

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	Factor_RW, Factor_WE ^b	.	Enter
2	Factor_JS ^b	.	Enter

a. Dependent Variable: Factor_EP

b. All requested variables entered.

Model Summary ^c									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.575 ^a	.331	.326	.29917	.331	68.427	2	277	.000
2	.583 ^b	.340	.333	.29756	.010	4.016	1	276	.046

a. Predictors: (Constant), Factor_RW, Factor_WE

b. Predictors: (Constant), Factor_RW, Factor_WE, Factor_JS

c. Dependent Variable: Factor_EP

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.249	2	6.124	68.427	.000 ^b
	Residual	24.792	277	.090		
	Total	37.041	279			
2	Regression	12.605	3	4.202	47.454	.000 ^c
	Residual	24.437	276	.089		
	Total	37.041	279			

a. Dependent Variable: Factor_EP

b. Predictors: (Constant), Factor_RW, Factor_WE

c. Predictors: (Constant), Factor_RW, Factor_WE, Factor_JS

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients		Sig.	Collinearity Statistics	
		B	Std. Error	Beta	t		Tolerance	VIF
1	(Constant)	2.146	.140		15.381	.000		
	Factor_WE	.109	.044	.181	2.448	.015	.444	2.254
	Factor_RW	.238	.041	.428	5.794	.000	.444	2.254
2	(Constant)	2.116	.140		15.158	.000		
	Factor_WE	.099	.045	.165	2.230	.027	.439	2.280
	Factor_RW	.198	.046	.355	4.348	.000	.358	2.796
	Factor_JS	.061	.030	.130	2.004	.046	.572	1.748

a. Dependent Variable: Factor_EP