

STUDY OF THE RELATIONSHIP BETWEEN  
RETENTION STRATEGIES AND JOB  
PERFORMANCE IN MALAYSIA BANKING  
INDUSTRY

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## DECLARATION

We hereby declare that:

- (1) This undergraduate research project is the end result of our own work and that due acknowledgement has been given in the references to ALL sources of information be they printed, electronic, or personal.
- (2) No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.
- (3) Equal contribution has been made by each group member in completing the research project.
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## LIST OF ABBREVIATIONS

CD	Career Development
F	Fair Treatment
H	Hypothesis
JB	Job Performance
RW	Reward System
SAS	Statistical Analysis System
T	Training
WE	Working Environment

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## PREFACE

The research study that is conducted by our group is basically a part of the requirement by our degree course. It is mandatory for us to conduct this research study to complete our course Bachelor of Business Administration (Hons). Our research study topic is — a study of the relationship between retention strategies and job performance in Malaysia banking industry. The research study that will be conducted could probably prove vital in the field of banking industry.

The main reason we choose banking industry as our area is because we would like to investigate Malaysian Banking nowadays. Furthermore, previous researchers at Universiti Tunku Abdul Rahman (UTAR) did not focus on the factors that affect the banking industry. Meanwhile, in our research study, we have covered a wider scope since we were looking at banking industry as well as the job performance of the staffs.

In this research study, we outline five important variables that influence towards the job performance. The variables included training, career development, working environment, reward systems and fair treatment. These five variables play important roles in determining the possible factors that might influence the job performance in Malaysia banking industry.

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## ABSTRACT

Job changing has been one of the major issues to organization in terms of productivity and long-term plan. The turnover rate gives an impact on the effectiveness and job performance of an organization. However, there are not much research been done for this specific area. This study is designed to investigate the relationship between retention strategies and job performance in Malaysia banking industry. At the same time, the study is also aimed to examine the relationship between job performance and factors such as training, career development, working environment, reward systems, and fair treatment. Generally, this study is sought to achieve the following: (1) to determine the job performance of employees in banking industry; (2) to discuss the factors that affect the turnover in banking industry; (3) to examine the relationship between retention strategies and job performance. The data is collected from secondary sources and 300 sets of survey questionnaires have been distributed. Statistical Analysis System (SAS) Enterprise Guide 5.1 is used to conduct new findings on the relationship between retention strategies and job performance in Malaysia banking industry.



## **CHAPTER 1: INTRODUCTION**

### **1.0 Introduction**

The research proposal in this chapter provides a comprehensive background to focus on the study the research topic that has been selected. More specific, this research proposal seeks to a study of the relationship between retention strategies and job performance in Malaysia banking industry. As overall, this chapter will cover the problem statement that the research topic has been selected. Then, follow by research objectives, research questions, hypotheses of the study and significance of the study for this research. Finally end with the chapter layout.

### **1.1 Research Background**

Nowadays, our world is approaching to a world without border because of rapid improvement and transformation in the way of connecting people and sharing information. However, these advantages create a competitive medium among the organizations and talented employee's retention has become the top priority of the organization in order to survive in their field.

Retention is defined as “the ability to hold onto those employees you want to keep, for longer than your competitors” (Johnson, 2000). Employee retention become so much important in an organization as a consequence of the rapid economic growth, high employee turnover and also lack of skilled labour in the particular field. According to the framework done by Yukon Government (2010), create an awareness of the employee retention is a major vital issue and far more important than hiring an employee. An organization with high employee turnover need to expect the lost of customers and business, and also the price of damaged morale. Other than that, an organization with high employee turnover always need to start all over again in screening, verifying credentials and references, interviewing, hiring and training a new employee in order to compensate the lost.

Right retention strategies made possible for the organizations to survive and grow in the market (Gberevbie, 2010).

Yukon Government (2010) found out that high pay and employee welfare that offer by an organization can attract and retain their employees to continue work with the organization. Besides, work-life balance, employee's health and safety, flexible arrangements of work, recognition, wellness programs, workplace diversity, employee career development, and engagement are some examples of approaches that can become a part of the mix while developing retention strategies. Gberevbie (2010) also shared some common opinions with Yukon Government (2010) and stated that job satisfaction arising from reward systems, performance pay, offer training to employee, career development, high level of wage rate, empowerment in decision making and creation of social community in the workplace that can actually improve social ties such as organization's image, job security, sharing of information, encouraging marriage between the employee and also offer the jobs to the sibling can be serve as the part of the employee retention strategies and all these strategies will affect the performance of the organization.

Lau and Sholihin (2005) explain that the level of trust of the employees toward their supervisors is so much important and is the parity of their organizations' performance appraisal procedures. Other than that, Campion (1988) mentioned that inescapable turnover was danger to an organization. Most of the researchers supported that turnover reduces the organizational performance. Job performance will be interrupted when employees are intended to leave an organization and this will cause the organization less efficient and effective. Thus, employee retention is so much essential for an organization.

Nowadays, banking industry play an important role in the commercial market. Since Asian economic crisis, Malaysia's banking scenario has changed drastically in order to adapt to the world with rapid change. There is high turnover rate in banking industry, and this will affect the efficiency and effectiveness of the organization and finally will result in the poor performance of employee as well as the accomplishment of predetermined organizational goals. The employees of the

bank sectors may have the fear and worry towards the changes in working environment, organization management and organizational culture. Thus, it is very important that employees must be attached physically to their banks. Banking industry is a service based industry; hence, employee's performance has the direct impact on the organization if the employee can offer good services which satisfy the customers especially in this competitive market.

## **1.2 Problem Statement**

Employee retention in banking industry is one of the largest struggles that managers face currently. Financial institutions have been working hard to develop and preserve gains as the financial markets keep on growing. Meanwhile, financial institutions are also adapting the fluctuated regulations and the slump effects on implementation. Today's challenge would be the enhancement of performance (Samsung, 2009). It is shown when financial institutions have expanded insurance, mutual funds, and trading products into their services. Therefore, staff is becoming significantly important to involve in those daily operation mentioned. These major challenges affect the level of customer satisfaction which ultimately impacts profits.

The specific problem is that few research efforts have addressed the high turnover rates of employees in the banking industry, a problem that has plagued the industry for a long time and that has resulted in high replacement and training costs (Boushey & Glynn, 2012). Employee turnover has its good and bad. Some industries might expect for a high level of turnover rate to be happened and the replacement costs are mostly considered. However, a high level of employee turnover rate costs a lot. The cost of replacement might range from 100% to 150% of an individual's base salary (Nelson & McCann, 2009). Those cost included separation costs, and replacement costs in addition to training and development.

Some businesses depend on the longevity of employees in order to thrive, keep costs down and succeed. The excessive turnover rates have caused the increase of

costs and eventually affect the profitability of an organization (Harris, 2009). Moreover, according to May (2013), high turnover rate might cause the morality of employees become low as they follow their colleagues doing the same thing. Nevertheless, for those who choose to stay, they tend to become more stressful as they need to substitute the gaps until new recruit is hired.

The current study involved a bunch of retention strategies aimed at improving short-term and long-term retention. The research method for the study was quantitative analysis. The general population examined was the employees of major banking institutions operating in Malaysia.

Turnover can cause negative impacts to a firm's performance in accordance to certain circumstances. Gregory (2008) has stated that the knowledge of employees is a considerable asset for a company to possess. Everyone has something valuable to be added to an organization. An employer that experiences much turnover is going to see that valuable knowledge deviate for nothing (Goessl, 2009). Therefore, the relationship between job performance and turnover rate is negative. An organization's performance is strong when the turnover rate is relatively low (Shaw, Gupta, & Delery, 2005).

Hence, we are going to conduct this research to study the relationship between several types of retention strategies and job performance in Malaysia banking industry.

## **1.3 Research Objectives**

### **1.3.1 General Objective**

Exactly, the main objective of this study is to study of the relationship between retention strategies and job performance in Malaysia banking industry.

### **1.3.2 Specific Objectives**

- (1) To examine the relationship between training and job performance in Malaysia banking industry.
- (2) To examine the relationship between career development and job performance in Malaysia banking industry.
- (3) To examine the relationship between working environment and job performance in Malaysia banking industry.
- (4) To examine the relationship between reward systems and job performance in Malaysia banking industry.
- (5) To examine the relationship between fair treatment and job performance in Malaysia banking industry.

### **1.4 Research Questions**

In this research, there is several research questions have developed to a study of the relationship between retention strategies and job performance in Malaysia banking industry. Below has shown those research questions:

- (1) What are the relationship between training and job performance in Malaysia banking industry?
- (2) What are the relationship between career development and job performance in Malaysia banking industry?
- (3) What are the relationship between working environment and job performance in Malaysia banking industry?
- (4) What are the relationships between reward systems and job performance in Malaysia banking industry?
- (5) What are the relationship between fair treatment and job performance in Malaysia banking industry?

## **1.5 Hypotheses of the study**

There are several hypotheses have been developed to facilitate the objective of this study to investigate the relationship between retention strategies and job performance in Malaysia banking industry. After reviewing all the relevant journals and articles, the following hypotheses have been generated:

- H1<sub>1</sub>: There is a significant relationship between training and job performance.
- H2<sub>1</sub>: There is a significant relationship between career development and job performance.
- H3<sub>1</sub>: There is a significant relationship between working environment and job performance.
- H4<sub>1</sub>: There is a significant relationship between reward systems and job performance.
- H5<sub>1</sub>: There is a significant relationship between fair treatment and job performance.

## **1.6 Significant of the study**

Due to the banking industry is one of the sectors that always imposed high work pressure on employees, it is a matter of concerned to study the relationship of retention strategies has a significant role on job performance, with providing training, career development, working environment, reward systems and fair treatment in the banking industry. Company or organization that can remain competitive in their sector definitely required retention strategies that are able to attract and retain the employees' need, thus, the potential for economic growth and sustainability will be enhanced.

Nature of the work environment has been changed from time to time; employees are facing with increased workloads, sarcastic bosses without appropriate rewards in accordance with their performance and so on. All of these factors are lead to the high employees' turnover of a company. If the bank's employees are satisfy with

their current job, it can help the organizations survive in the market or industry and it also can increase productivity in return. However, if the bank's employees are not satisfied with their current job, they may have an intention to leave their current job and it may show high job turnover rates in banking sector and it reflects poor performance or services in banking industry.

In brief, retention strategies application is needed in order to retain those employees who outperformed beyond expectation, and also reduce the unnecessary costs of recruit, hiring and training. In fact, findings of this study will assist in providing a fundamental basis for the workplace area of developing competitive pay or packages of the benefits for the employees in banking industry.

## **1.7 Chapter Layout**

This research is composed and categorized into five chapters, which are:

### Chapter 1: Introduction

This chapter provides an insight to the subject of interest to the readers through the introduction of research background and problem statement. Meanwhile, the research objective is aimed to address the purpose of the investigation. Thereafter, research questions and hypotheses addressed the direction of the research. Furthermore, the significance of the research briefly explained the dedication of the research;

### Chapter 2: Literature Review

This chapter includes the critical analysis of the relationship between retention strategies and job performance. Besides, as a ground for formulating the research's questions, the proposed theoretical framework and hypotheses are developed;

### Chapter 3: Research Methodology

This chapter will assess the extent to which the retention strategies have met its intended aims to enhance the job performance. Primary and secondary data are used to carry out the research. Research instrument, measurement, process and analysis are indispensable to provide a pledge to guide researchers to the next chapter for analysis;

### Chapter 4: Research Results

This chapter discussed about the research results obtained in the survey. The research objectives, hypotheses, and problem that have been identified in previous chapters are then further discussed in this chapter. Statistical Analysis System (SAS) Enterprise Guide 5.1 is used to examine the overall results and findings from Chapter 3, charts and tables are illustrated;

### Chapter 5: Discussion and Conclusion

This chapter consists of implications, recommendations and suggestions in order to accelerate the discussed issues. It basically contains the overall conclusion for the research carried. The limitations of the research study are evaluated and studied to provide platforms for future researches.

## **1.8 Conclusion**

As an overall of this chapter, in order to understand the relationship between the retention strategies and job performance in Malaysia banking industry identification of the problem from research background and examine the variable to meet the research objective is very important. In next chapter, literature review will be conducted by using different source of secondary data so it can provide a better view in developing hypotheses for the study.



## **CHAPTER 2: LITERATURE REVIEW**

### **2.0 Introduction**

In this chapter, there is a study of the relationship between retention strategies and job performance in Malaysia banking industry. It begins present with the literature review and follow by relevant theoretical models, conceptual framework and lastly with hypotheses development. Based on the previous chapter, there are five factors being studied that include training, career development, working environment, recognition and fair treatment. We believe that these retention strategies have a relationship with the job performance in Malaysia banking industry. For this chapter, we will discuss about the definition of job performance which is the dependent variable of the research as well as the relevant theories regarding to independent variables. In addition, we will use secondary research, such as journal article, textbooks, Web sites, magazines, online newspaper, etc., to complete this chapter.

### **2.1 Review of Literature**

#### **2.1.1 Job Performance**

According to Sonnentag, Volmer and Spychala (2010), job performance can be defined as multi-dimensional concept. Basically it can differentiate behavioural and an outcome aspect of performance. Behaviour is the practices, and acting of an individual while doing a task and outcome aspect are the impact of an individuals' behaviour. Job performances are very importance to an organization and individuals. An individual able to gain high job performances when complete a task with a satisfied result, feelings of self-efficiency and mastery." An individual able to be promoted, get

rewards and having career opportunities when an individual are having well performance.

The efficiency of productivity of an organization is strongly influences by job performance. To evaluate employee performance, an organization could use task performance, contextual performance, and three items for effectiveness which are productivity, quality and innovation (Kahya, 2007). Furthermore, level of performance able to be increase with the involvement on budgeting process which leads to rise of goal commitment (Jermias, & Yigit, 2013).

Employee retention strategies having a positive effect or relationships to employees' job performance. As the result, an organization should practices retention strategy which able to remain employee to increase the level of job performance (Akuoko, 2012). The example employee retention strategies are such as working environment, training and development, rewards and so on.

Azman, Loh, Ajis, Dollah, and Boerhannoeddin (2009) had done research on the relationship between retention strategy which is employee training and development and employee job performance. On the study, the supervisor will give a high support and encourage the employee to take part on training programs. Those skill and knowledge that been gain by the employee thorough the training are able to practices in their job and useful from the support of the supervisor. Throughout this study, they found that those employees are agrees that the support of the supervisor on training programs, and attending training programs able to increase their job performance.

### **2.1.2 Training**

According to Neo (as cited in Ken, Cheah & Mohd Salleh, 2012) training defined as the part of organization planned activities in order to increase the knowledge, skills and ability or adapt the employee's attitude and behaviours consistent with the job requirements and organizational goals. Peretomode and Peretomode (as cited in Nakpodia, 2011) also found out that the training is intended organizational efforts focus on helping the employees to obtain a specific and useable knowledge, skills, ability and others so that they can perform their job more efficiently and effectively. Based on HR dictionary (as cited in Ango, Yakubu & Ismaila, 2011), training defined as the amount or type of training should provide to the employees so that it can comprise for shortage or abilities to put off the organization from accomplishing its aims and operating effectively.

Besides, Huang (as cited in Ken et al., 2012) had stated that training involves organized learning activities that changing the knowledge, skills, and abilities in order to improve an individual performance. Stone R J. Human Resource Management had study that by integrating the interests of the workforce and organization, training has the different role in order to achieve an organizational goal (as cited in Khan, Khan, & Khan, 2011). In addition, in the business world today, the most significant issue is training. This is because training can enhance the efficiency and effectiveness of employees and organization.

Khan, Ahmed, Muhammad, and Muhammad (2012) studied that training is necessary to add in on their previous job skills due to the changing of the technologies brings new jobs and responsibilities; and employees require getting familiar with the latest technologies. Salas and Connon-Bowers (as cited in Khan et al., 2012) found out that training is difficult to execute because it need to invest a huge money in human capital. In order to increase the firm overall performance, innovations and abilities of learning new technologies, improving and building up employee skills that creating

aggressive return for a firm is very important. Consequently, companies are continuously pumped in huge money in human capital and bosses of each company are attempting to value the necessities of investment and remain competitive in the market.

### **2.1.3 Career Development**

Employee decides the success or failure of an organization (Hameed & Waheed, 2011). The job performance will highly affect the operation of the organization. Thus, most of the companies are contributing money to help on employees' development. Career development is one of the major functions of Human Resource whereby employee develops their competencies through training to increase their job performance. The development includes self-development, self-directed learning and work recognition.

According to Monis and Sreedhara (2010), there is a relationship between employee growth and development activities. A good career development will lead to employee commitment, boost up productivity, and reduce turnover rate of employees. The research has shown that employees are willing to stay in a company if they are provided chances to develop. It is stated that less opportunity of career development in India has caused the employees to leave.

Luthans (2000) has stated that employee recognition is another effective way to motivate the employees in job commitment. Employee commitment has decreased due to downsizing of the workforce. With the increase of job commitment, the job performance will be enhanced and reinforced. Therefore, there is a need to award employee recognition in order to retain the employees, at the same time improve productivity. The recognition will tie up the top management and employees to work together, eventually reaching a desired outcome.

Besides, Goyer (2010) has stated that professional development that provided to the employees in small and medium enterprises seems to be beneficial to both employees and enterprises. There is a labour shortage problem arising in certain sectors of the industries where employers are hired on temporary contract. Most of the employees hired are unskilled or semi-skilled. To encourage the independency of the employees, career development is needed to deal with the low productivity problem.

Job performance involves the participation and collaboration of the organizational, team and individual efforts to obtain the objectives and goals of the organization (Nyakundi, 2012). Successive improvement and evaluation are needed make sure the performance made is corresponding to the organizational goals. Needs for recognition is what the employees desire for. When they are recognized, it will lead to the enhancement of productivity rate.

In addition, organizations in service industry have been working hard to manage their employees so that they can contribute in a better job performance (Alam, Ahmed, Sahabuddin, & Akter, 2013). The organizations aim to balance up the employee's contribution and organization's contribution. Whoever having good job performance will be recognized. Thus, employees feel they are appreciated. People are more willing to take challenges and perform better on their tasks when they are motivated.

#### **2.1.4 Working Environment**

Currently, employee have a lot of working alternative, the working environment have play a significant factor that influence the employee whether remain in the job or leave the job. Employee retention could effects the error rate, level of innovation and collaboration with other employees, absenteeism and the duration of stay in the job. The level of employee's

motivation, following performance and productivity able been determined by the quality of working environment (Leblebici, 2012).

Quality of working environment is a significant component to increase the level of productivity. However, most of the organization might neglect of the health, safety and security matters. This matter might cause the organization having a poor performance and facing high absenteeism (Leblebici, 2012). Quality of working environment are effected by fair rewards, safe and healthy environment, training and development, and so on. An organization are requires to provide a good working environment including those financial or non-financial encouragements to remain their employee and increase the level of performance (Kaur, 2010).

In term of safety and healthy environment, according to Agwu (2012) study, employees' safety culture can be defines as "a product of individual and group values, attitudes, perceptions, competencies, and patterns of behaviour that determine the level of commitment, style and proficiency of an organization's safety management". Agwu (2012) had done a study about the impact of employees' safety culture on organizational performance. According to the study, the effort of improve management or employees safety practices, enhanced productivity, increased profitability and reduced accident or incident rate have improve the employees' safety and organization performance. Furthermore, the development in some of the physical measurements of the safety and healthy environment at the workplace such as "internal climate" and "repetitive and strenuous activity" are significantly affects organization productivity (Buhai, Cottini, & Westergard-Nielsen, 2008).

In banking industry, the probabilities of the bank employees to be the subject of armed violence are higher than others industry employee even-though bank hold-ups are reducing in Australia. Severe physical and non-physical damage might cause by those violent attacks (Bunn & Guthrie, 2009).

### 2.1.5 Reward Systems

Employees' reward defined as benefits, such as increased salary, bonuses and promotion result from the assessing of their performance by their superior or manager. It can be reinforce and define in terms of organization's structure whereby the impact of the reward systems on structure is usually unintentional (Lawler, 1993). Besides that, according to Huselid, Ngo, Daniel, Chung-Ming, and Siuyun; Paul and Anantharaman; Collins and Smith; Minbaeva, Kassicieh and Yourstone; Lawler and Cohen (as cited in Rahman, Hussain, & Hussain, 2011) suggested that rewards can be considered as a significant factor that could influence the employees' job performance as well as their morale. According to Stredwick (2000), he argued about reward policies that have start to follow the procession. In fact, Smith (1992) stated that reward plays a significant part in order to develop a highly performance workforce and would be able to discuss about it with their employees in an organization. As evidence, past researchers have mentioned about those multinational organizations for instance Textron and Burger king; they have declared their increased salary and conditions for their employees to transfer to become "the preferred employer" in their particular industries (Walsh, 1998; Stredwick, 2000). In the meanwhile, Thang (2004) and Wan (2008) also stressed that compensation and reward is a powerful tool that can influence the staffs' performance result in an individual level as well as group level. A higher pay for the higher contributors will lead to a better individual and organizational performance, in the linkage with high collaborative efforts acquired to support the performance outcome of the employees.

Through a structural equation modelling testing by inserting the idea of concepts, theories and empirical researches, a theoretical framework was developed and proved that there is a significant relationship between reward systems either both financial or nonfinancial and the job performance level of employees. Likewise, according to Heneman and von Hippel (1995); Pearce and Ravlin as cited in Rahman et al (2011), they suggested that a

combination of financial and nonfinancial incentives strategies would be more effective in cultivating the performance level of the employees in an organization.

Reward also can be classified into two categories- Financial (extrinsic) and non-financial (intrinsic) rewards. Financial rewards include increased salary and bonus system whereas non-financial rewards which are appreciation, promotion and title. Reward systems contribute as a core function of human resource discipline and strategically partner with the company management and it has significant impact on the employees' performance (Gungor, 2011). For instance, balance scorecard had emerged into focusing on the non-monetary and monetary measures into the formal reporting system, which helping managers to pay attention on the overall important operational measures and supervise the needed for improvement in certain area (Drury, 2009). In addition, Barber and Bretz as cited in (Gungor, 2011) indicated that reward systems had an impact on retain and motivate the high talented employees, as a result of high level performance of an individual employee. Another past researcher, Bishop as cited in (Gungor, 2011) found that discrepancy between the productivity of the employees is mainly affected by the factor of recognition and reward of employee.

As in further indicated that reward system is one of the significance variables which contributed to the performance level of employees, Gungor (2011) had emphasized previous studies is proven the used of reward systems as a strategies in order to motivate and retain employees, thus it is directly increase their performance outcome in an organization. In fact, the methodology piloted by Gungor (2011) through collecting sample of the target populations about related study especially those bank employees in the global banks and titled as administrative staffs, supervisor, and manager or director positioning. A survey method will be carried out through online system to the e-mails of the bank employees.

According to Babakus, Yavas, Karatepe and Avci (2003), the employees' attitude was affected by the reward climate. Additionally, how the managers



reward his or her employees also reflect the commitment of managers towards the organization. Skinner as cited in (Khan, Shahid, Nawab, Wali, 2013), emphasis in referring the rewards in exchange for hard work is very imperative when it comes to influencing the acuties of employees especially in banks and other service industries. According to Khan et al. (2013), through a Minnesota Satisfaction Questionnaire (MSQ) survey which is to measure the level of satisfaction with intrinsic and extrinsic rewards. The result of the level of satisfaction of banking employees was assessed as satisfactory with the satisfactory self-rated performance. Overall was showing that the respondents reach to an agreement that intrinsic and extrinsic rewards increase overall job satisfaction and performance of employees.

Meanwhile, Doeringer and Piore as cited in (Kim, 2010) also point out that employee with high levels of opportunities in promotion in the future have a tendency to perform better because of their high levels and advance incentives. For the reason to be more validated, Petersen, Spilerman and Dahl as cited in (Kim, 2010) had listed an example, which is the lack of promotion opportunities constitute a prior reason for high turnover rates of employees in a large bureaucratic and hierarchical organization, therefore rewards system anticipated as significance element that determined the job performance of the employee in an organization.

In accordance to the expectancy theory, it revealed there is a significant relationship between reward systems and job performance. As the employees believe that the effort they putting on the job will lead to a good performance evaluation and thus, they will be rewarded bonuses, salary increase or the high opportunity to be promoted, and it is definitely fulfil their personal goals (Robbins, 1999).

However, according to Lazear as cited in (Johnson, 2005), he has underlined that a double-edged sword could happened if the rewards are spreading too wide in the sense of motivating effort in the job performance, in fact it can also create a non-cooperative and sabotage among the employees in the

organization, as the political culture exist in the organization could leads to declining of productivity and damaging the reputation of the company. Similarly, researcher notifies that managers should not rewarded too frequently, they should emphasize on the non-rewards in order to increase the level of performance of workers (Bowen, 2000), as it is also supported by Shore and Shore (1995), employees who are experience and being recognized by supervisor will have better perceptions towards their work, colleagues and the place he or she worked for.

Buchanan (as cited in Aktar, Sachu, Ali, 2012) stated that when the well-being is concerned by the organization (being promoted or recognized), employees will definitely showing commitment towards the organizations' goal and objectives. According to researchers, banking industry is particular on the establishment of relationship between the bank personnel and customers which constitute a driving force that lead to a higher level of satisfaction of customers towards the bank services. A good product or services will increase the perceived value and it is likely to satisfied customer in terms of their needs (Reynolds & Beatty, 1999).

### **2.1.6 Fair Treatment**

Fair treatment is a critical issue in an organization. Many researches show that employees who perceive fairness in their workplace tend to contribute high levels of commitment and satisfaction in the organization (Sabeen & Mehboob, 2008; Simons & Roberson, 2003). Employees show high levels of organizational commitment to the organization relatively have higher job motivation and organization citizenship and hence generate higher level of job performance (McShane & Von Glinow, 2010).

The perception of fairness is varies for each person and situation. Organizational behaviour scholars had come out an equity theory to explain how the people develop their perception of fairness in the organization

(McShane & Von Glinow, 2010). From the view of equity theory, it indicates that if employees feel they are treated fairly by the organization, employees will provide something in value in return as show reciprocate to the organization. This theory says that employees will be motivated in their work when they perceive that they are being treated fairly (Williams, 2010).

Ketelaar and Koenig (2007) claimed that in relation to the “fairness”, commonly human minds will routinely apply the judgement of fairness into three categories, that is (a) judgments about the fairness of acts of punishments and compensation, (b) judgements about fairness of distributions, and (c) judgements about the fairness of the methods and procedures employed to generate the outcomes. Traditionally, fairness is said as three-dimensional construct which contain of procedural fairness, distributive fairness and interactional fairness. In addition, according to Colquitt (2001), the level of employees’ perceived fairness is manipulated by the level of justice. Organizational justice has been separated into three dimensions; they are distributive justice, procedural justice and interactional justice (Colquitt, 2001).

Distributive justice is referring to the perceived fairness in the outcome the people get according to their contributions and compared with the outcome others get and their contributions (McShane & Von Glinow, 2010). Procedural justice is referring to the perceived fairness in the policies and procedures that used to implement decisions and distribution of resources (McShane & Von Glinow, 2010). People who perceive procedural justice feel greater control in the environment. They tend to respond with less turnover intentions, lower levels of absenteeism, improve job performance and commitment to the organization (Masterson, Lewis, Goldman & Taylor, 2000). Bies and Moag’s study (as cited in Masterson et al., 2000) indicated that individual fairness judgment also base on how one is being treated in the procedure and it is emphasizes on interpersonal aspects and communication in the processes. They labelled this concept as interactional justice.

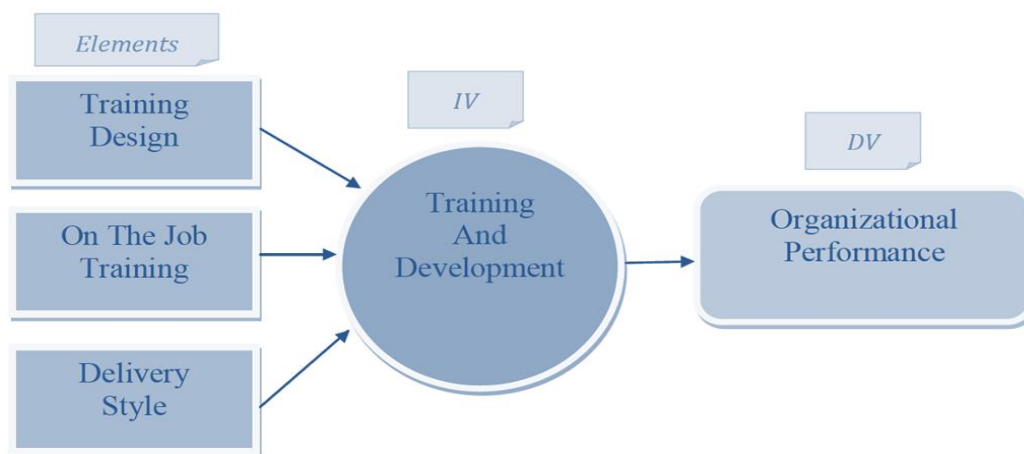
According to Dailey and Kirk's study (as cited in Matlala, 2011), they propose that managers must pay awareness on both procedural and distributive justice of employees since these two constructs play a vital role in relation to job disappointment and intentions to quit. They highlight the importance of participation of employees in changing the organizational systems. The fair distribution of allocation by seeking employees appropriate opinions help to form positive perception of the organization systems. This is because employees feel that they are being respected in the organization. Hence, the more effective management is practiced as employees perceive the fairness given by the organization.

Besides, in the study of Dayan and Benedetto (2007), there is interaction between the procedural and interactional justice on the quality of the teamwork. They claimed that mutual support, team cohesion, communication, individual effort, and coordination of member will have contributions and positive effect to both procedural and interactional justice. Their study shows a strong relationship between interactional justice, balance of member contributions and coordination. They proposed that the path to achieve desire coordination will become very difficult when the decision makers are bias or dishonesty towards their team members.

On the other hand, in the study of the effects of interactional justice on egocentric bias in resource allocation decisions by Leung, Tong and Ho (2004), they found out that a fair interpersonal treatment will cause a smaller egocentric bias, fewer stalemates and quicker settlements. Therefore, improvement on the perceptions of interactional justice should be concerned by the managers in order to get more satisfactory performance. As overall of the studies, fair treatment in workplace play an importance role towards job performance.

## 2.2 Review of Relevant Theoretical Models

Figure 2.1: The Relationship between Training and Job Performance

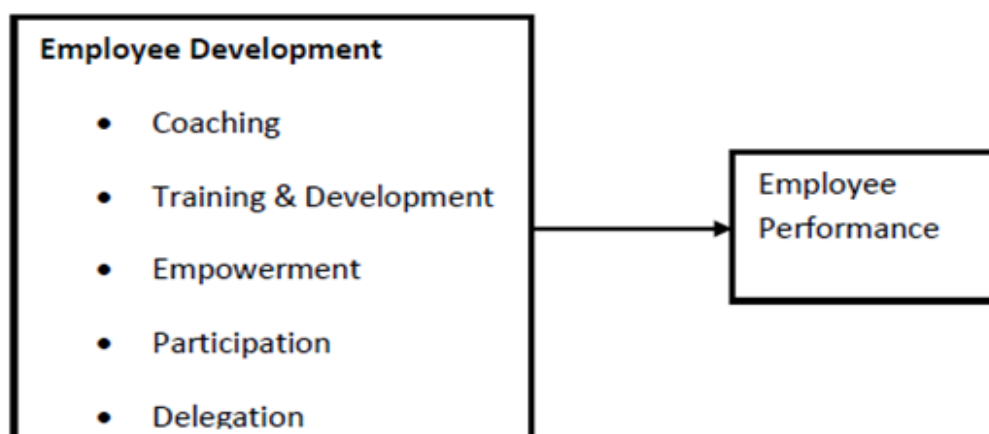


Source: Khan, R. A. G., Khan, F. A. & Khan, M. A. (2011). Impact of training and development on organizational performance. *Global Journal of Management and Business Research*, p. 64

The above model is aimed to implement the training and development and its affect to the organizational performance. There are total of three variables, such as training design, on the job training and delivery style, that can affect the relationship between the training and development with job performance. Michael Armstrong and Ginsberg (as cited in Khan et al., 2011) stated that it is necessary and carefully to design the training by the organization based on the needs of the employees. It is proven that if an organization develops a good training design based on employees' need, then the good results can obtain by the organization. Besides, on the job training benefits the employees in term of knowledge of the job. In the study of Khan, et al., it is suggested that organization should give on the job training to their employees so that employees can acquire in a practical way. On the other hand, delivery style also considered as very significant part of training and development. Mark A. Griffin et al. (as cited in Khan et al., 2011) stated that if employees cannot carry the training in an impressive style, then the employees cannot capture the attention of the managers. Consequently, in the research saying that each organization should develop the suitable training to the

need of the employees so that the organization can compete with other competitors.

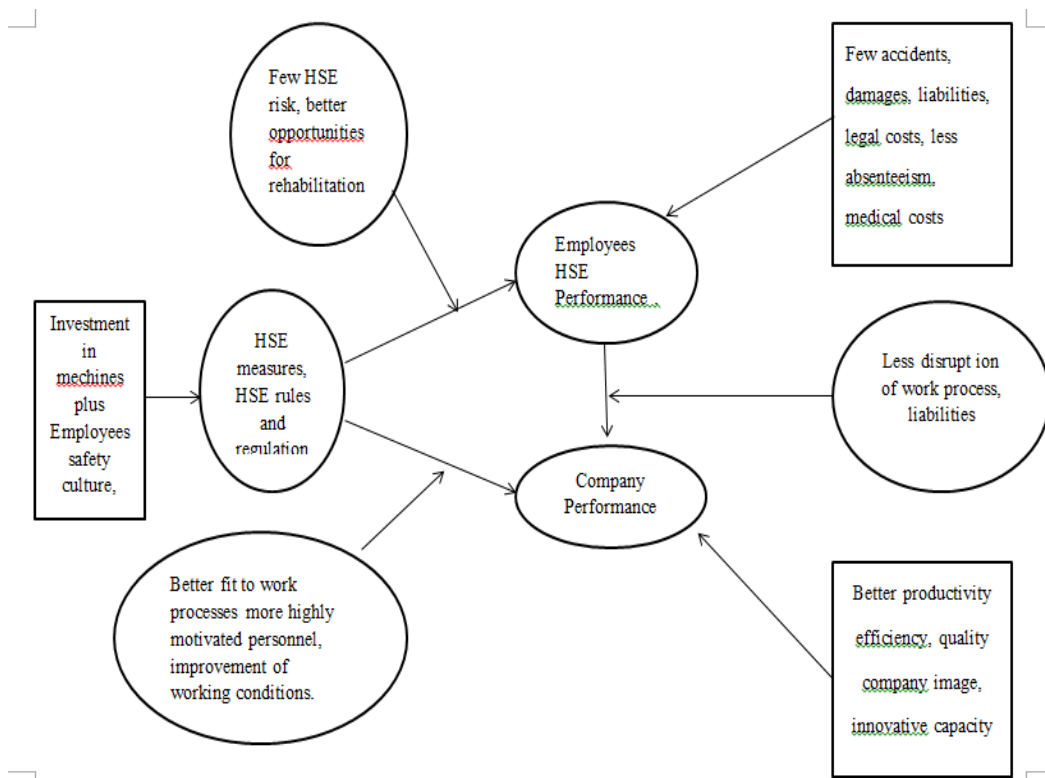
Figure 2.2: The Relationship between Employee Development and Job Performance



Source: Hameed, A., & Waheed, A. (2011). Employee development and its affect on employee performance a conceptual framework. *International Journal of Business & Social Science*, p. 227.

The above model is developed by Hameed and Waheed (2011) aimed to study the employee development and its effect on employee performance. There are total of five exogenous variables (coaching, training and development, empowerment, participation and delegation) are recognized as antecedents of employee development that affect the job performance. Career development is definitely a key element to success. It is stated that employee is a precious capital in an organization. The growth or declined of an organization is always depends on the job performance. It is relatively imperative for an organization to invest in human capital as those developments would contribute to the organizational effectiveness. When the organization concerns about the employees, it wants the employees to develop to perform better. Poor performance is detrimental to organization's success. If an employee is given a full authority of performing a task, he or she will improvise themselves in order to achieve the organizational goals, and eventually increase their self-confidence and job performance.

**Figure 2.3: Economic Effects of Inculcation of Employees' Safety Culture at the Company Level**

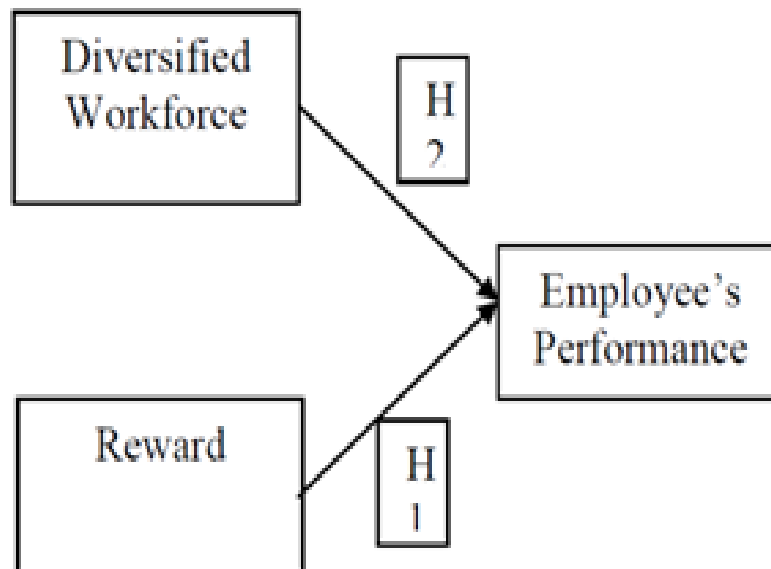


Source: Agwu, M. O. (2012). Impact of employees safety culture on organizational performance in Shell Bonny Terminal Integrated Project (BTIP). *European Journal of Business and Social Sciences*, p. 75.

The above model is developed by Agwu (2012) which is developed to study the relationship between safety working environment culture and job performance. Agwu (2012) stated that investment in metrics plus employee safety culture need to meet HSE (Health and Safety Executive) measures, HSE rules and regulation and throughout this will meet better company performance and employee HSE performance.

Few HSE risk, better opportunities for rehabilitation and few accidents, damages, liabilities, legal costs, less absenteeism, medical costs will lead to better employee HSE performance and throughout better company performance. Less disruption of work process, liabilities and better productivity efficiency, quality company image, innovative capacity will lead to better company performance.

Figure 2.4: The Relationship between Reward Systems and Employee's Performance



Source: Rahman, M.S., Hussain, M. & Hussain, B. (2011). Assessing the relationship between diversified workforce and reward on employees' performance in the organization: An exploratory study of private organisations in Bangladesh. *Journal of Employment Studies*, p. 91.

The first stage of the data analysis was done through exploratory factor analysis (EFA) to pinpoint the factor structure and assessing the factor that affect employees' performance. The second part was employed with confirmatory factor analysis (CFA) to confirm the factor structure. Hence, this study used structural equation models to test the hypothesis and it has used the maximum likelihood estimation method. As a result, it is strongly related with certain aspects of perception of employees that will influence their performance in an organization. In fact, the result revealed that financial reward variable is one of the highest influential factors followed by the diversified workforce which were influencing the performance level in the organization.



Figure 2.5: The Relationship between Organisational Justice and Organisational Performance

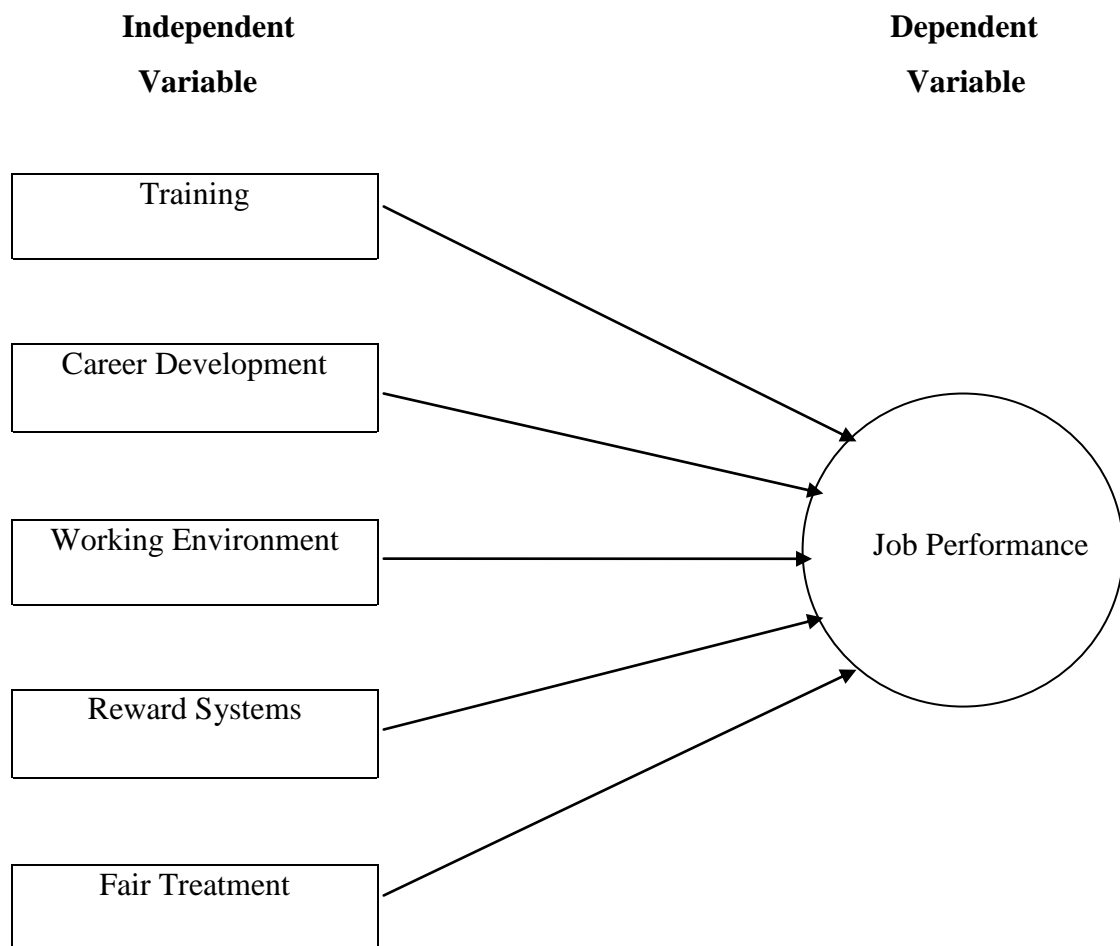


Source: Hornibrook, S., Fearne, A. & Lazzarine, M, 2009. Exploring the association between fairness and organisational outcomes in supply chain relationships. *International Journal of Retail and Distribution Management*, p. 793.

According to Hornibrook, Fearne and Lazzarine (2009), if the three justices (procedural, distributive and interactional justice) are practiced in an organization, then it will have direct effect on the organizational effectiveness and performance through changes in the attitude and behaviour of the employees. This is because improvement on the perceptions of fairness by an individual will enhance the commitment, performance, and job satisfaction of the employees to the organization. Due to the behaviour changed, the employees might identify the organization's objectives and involve themselves as their own; therefore they will be more productive and benefit to the organization.

## 2.3 Proposed Theoretical Framework

Figure 2.6: Model of Proposed Theoretical Framework



Source: Developed for the research

Figure 2.6 above shows the proposed theoretical framework of our research study. The purpose of conducting this study is to examine the relationship between the retention strategies and job performance. There are five variables under retention strategies in our study, which are training, career development, working environment, reward systems and fair treatment.

## 2.4 Hypotheses Development

### 2.4.1 Training

Nelson, Hilary and Michael (2012) studied that training and job performance had a significant relationship in completing different duties. The researchers had proven that for those employees have taken and involved in the trainings, they are more proficient in carrying out different duties and vice versa. Therefore, training has positive relationship with the job performance. Micheal Armstrong (as cited in Nelson et al., 2012) proven that normally training is a proper and organised adaptation of behaviour through learning which occurs in education, tutoring, development and prearranged experience. Effective training is important due to the practical consequences of training.

Khan, R. A. G. et al. (2011) stated that the most significant issue is derived from the training in the business world due to it can enhance the efficiency and effectiveness for both employees and organization. In fact, job performance depends on several issues; nevertheless, the most significant issue of job performance is training because training can improve the proficiencies of employees. Fakhar Ul Afaq and Anwar Khan (as cited in Khan, R. A. G. et al., 2011) the more training the employees' experienced, the better job performance that employees involved in terms of increasing of knowledge, skills, ability and proficiencies.

Based on the literature review, the following hypothesis is being formulated:

H<sub>10</sub>: There is no significant relationship between training and job performance.

H<sub>11</sub>: There is a significant relationship between training and job performance.

### **2.4.2 Career Development**

According to Nyakundi (2012), the study has pinpointed the significance of employee recognition as one of the major factors that affect the job performance. Recognition as one of the elements in career development is the motivator to boost up the productivity of an organization. There is also a significant relationship between employee growth and development activities (Monis & Sreedhara, 2010). It is shown that high performer in MNC firms tend to have close relationship towards development activities. The employees need to have a strong career path to compete in an organization.

Goyer (2010) stated that the study reviewed a significant relationship between executive coaching and work performance where career development is needed to solve the low rate productivity problem. Luthans (2000) stated that recognizing employees for their work is highly desirable to motivate the employees in enhancing their job performance. Collaboration between top management and employees with highest motivation will create an outstanding performance. The findings of Alam et al. (2013) shown that there is a strong relationship between employee contribution and recognition in an organization. There is a need to offset between the recognition and job performance so that the employees feel they are valuable.

Based on the literature review, the following hypothesis is being formulated:

H<sub>20</sub>: There is no significant relationship between career development and job performance.

H<sub>21</sub>: There is a significant relationship between career development and job performance.

### 2.4.3 Working Environment

According to Leblebici (2012), we found that in bank industry at Turkey, there is a significant relationship between working environment and job performance. Base on Leblebici (2012), the hypothesis that done which is “There is a relationship between office environment and productivity of employees”, “It is the behavioural components of office environment that have a greater effect on productivity than the physical components” and “It is the comfort level that has the significant impact on the performance level of employees than office layout” had been accepted.

Paputungan (2013) stated that in banking industry it has a strong relationship between safety and health working environment and job performance. The study had proved that work stress is strongly affecting the employee performance.

Agwu (2012) stated that, there is a positive relationship between safety working environment and job performance. Having a safety culture will lead to less accidents, damages, liabilities, legal costs, medical costs and less disruption of work process and liabilities. Throughout this, the job performance will be better.

Based on the literature review, the following hypothesis is being formulated:

H<sub>30</sub>: There is no significant relationship between working environment and job performance.

H<sub>31</sub>: There is a significant relationship between working environment and job performance.

#### **2.4.4 Reward Systems**

Relationship between reward systems and job performance has been well studied in the journals. Rahman, Hussain and Hussain (2011) perceived that rewards both financial and nonfinancial found to have a significant and positive impact on their individual performance based on the empirical findings. According to DeMatteo, Eby and Sundstom stated that it is essential to manage and apply the reward strategy in order to enhance overall performance (Rahman, Hussain & Hussain, 2011). Based on the past researchers Heneman and Von Hippel, and Pearce and Ravlin, the job performance at individual level will be more effective through combination of the financial and nonfinancial rewards strategies (Rahman, Hussain & Hussain, 2011).

Next, research conducted by Gungor (2011) on the relationship between the reward management system applications and employee performance of bank employees on global banks in Istanbul, the finding showed that financial rewards have positive effects on employee performance. The findings of the study is reliable which it is consistent with the previous studies which Herpen, Praag, Cools (as cited in Gungor, 2011), which have investigated empirically the effects of pay on performance and the results bring out a positive relationship between the perceived features of the reward systems and extrinsic motivation.

In Khan, Shahid, Nawab and Wali (2013) research, they suggest that top management of banking sector of Pakistan requisite to be appropriately promote the employee performance by using of rewards due to the conducting research methodology's resulted in a positively relationship between the reward systems (intrinsic and extrinsic) and performance level of employees. Furthermore, a customized set of rewards factors in an understudied but vital banking sector been applied in the literature body through contribution of study.

Based on the literature review, the following hypothesis is being formulated:

H<sub>40</sub>: There is no significant relationship between reward systems and job performance.

H<sub>41</sub>: There is a significant relationship between reward systems and job performance.

### **2.4.5 Fair Treatment**

Aldrich and Ruef (as cited in Matlala, 2011) proposed that an organization must expect to encounter a problem that happens in any situation where burdens or benefits are distributed, that is when members become aware of the system just in a procedural and distributive sense. Salimaki and Jansen (2010) found out that there are actually has some interaction between the perception of fairness and politics. In their study, it is suggested that perceptions of unfairness perceived might actually jeopardize the system, and as a result it will cause the difficulty to meet the organization objectives.

It is important for procedural justice to be perceived positively in an organization in order for them to achieve full productivity, excellent performance, and execution of its strategic objectives (Van Prooijen, 2009). Van Prooijen (2009) claimed that a fair decision making procedures will affect on human perceptions, behaviours, emotions, and do so across diverse social settings. The practice of procedural justice in an organization will actually make the employees to have the increase sense of being respected; thus, they will be more willing to volunteer themselves to involve in the organization's objectives. In contrast, De Cremer (2005) indicate that if unfair procedure are used, trust between the employer and employees will be low and employees will show low commitment and not co-operative to the employers.

According to Hopwood, and Lind and Tyler (as cited in Tan, S. L. C. & Lau, C. M., 2012), study of perception of fairness is crucial because it is connected with a series of important consequential behaviours. Basically, employees will be pleased when serve and treat equally by their employers and they will use fairness as a fundamental base to judge their relationship with the organizations. The employees will be more committed to the organization if the organization treats them without bias.

Based on the literature review, the following hypothesis is being formulated:

H5<sub>0</sub>: There is no significant relationship between fair treatment and job performance.

H5<sub>1</sub>: There is a significant relationship between fair treatment and job performance.

## **2.5 Conclusion**

In chapter 2, we cover the research topic which is the retention strategies and job performance by providing the support from the review of literature background. The literature review provided us with a better understanding of the current research regarding the current topic which consists of total five variables: training, career development, working environment, reward systems and fair treatment. Furthermore, we proposed our own conceptual framework based on the relevant model that we have mention above in this chapter. The framework generalizes our research title to provide a better statement of the overall picture. In the last part of chapter 2 we formulated the hypotheses based on literature review.



## **CHAPTER 3: RESEARCH METHODOLOGY**

### **3.0 Introduction**

Research methodology is implemented in order to identify the relationship between retention strategies and job performance in Malaysia banking industry. This chapter portrays how the research is carried out in appropriate research procedures, in terms of research design, data collection methods, sampling design, research instrument, construct measurement, data processing and data analysis.

### **3.1 Research Design**

Research design is a plan that providing comprehensive guidance for collecting and analysing the desired data and information (Zikmund, 2003). It is an overall operation framework for carrying out a research project. The research problems faced in the process of obtaining the information needed is required to solve in the best possible way. Research design can be categorized into three different groups: exploratory research, descriptive research and causal research. The chosen research design for this study is descriptive research.

Descriptive research is a type of authentic research that describes the situation, which is the characteristics of phenomenon, people, objects, groups, or organizations (Zikmund, 2003). Unlike exploratory research, descriptive research is studied based on some prior understanding of the nature of research problem. It seeks to address the answer for what is happening and what had happen in a particular situation. Our research study is more to descriptive method because this study deals with the description of the relationship between retention strategies and employee's job performance which is structured as it implies closed questions which make it more descriptive. It involves the study of behaviours that are measured in particular situation. On the other hand, it is easier for us to do the research by using descriptive research method as it can get a lot of information

through journals and researches that had done by other researchers. It is used to describe the relationship among variables and not to make any conclusions. Besides, descriptive research is less expensive and less time consuming than the exploratory and casual research.

There are two types of business research paradigm, which are quantitative research and qualitative research. We have adopted quantitative research method upon our research study. Quantitative research is the most suitable tool to conduct this research as it addresses the research objectives through the empirical investigation that involve statistical analysis. According to Ticehurst and Veal (2000), the result that obtained through questionnaire survey, secondary data or observation is more reliable. The data is necessary to collect from a large number of people and statistical analysis need to be done by using the computer software. Numerical data is generated in the form of questionnaire survey upon our research study. Questionnaires are distributed to the target respondents in order to get the reliable data for our research study. We use numeric rating scales in our questionnaire in order to measure the perception of our target respondents toward the retention strategies and their job performance. Furthermore, quantitative research is easier and less time consuming as compare to qualitative research method.

### **3.2 Data Collection Methods**

Within each general research approach, data collection has played an important role. A researcher will determine one or more data collection methods which is appropriate to be used in the study. Every single research is based on the data that is analysed to gather information. Data can be collected through primary data or secondary data. Primary data refers to the original data that has been gathered for a particular purpose. It is a first-hand source of data which has not been published before. Primary data is more valid compared to secondary data as the data has never been modified. Secondary data is the data that people has already gathered.

It is a data that is being reused. Secondary data is considered cheaper in cost and faster in obtaining the data.

### **3.2.1 Primary Data**

According to Sekaran and Bougie (2010), primary data is the information obtained by the researcher in the first-hand on the area of interest for the definite drive of the study. The sources of primary data comprise of individuals, focus group, and so on. The most common methods to gain primary data are distributing questionnaire, interview, observation, and experiment research. The investigator will transform the data that being collected into knowledge or information (Sekaran & Bougie, 2010). Our group is using questionnaire to collect our primary data in our research survey.

### **3.2.2 Secondary Data**

Secondary data is the data obtained from a published source such as journals, books, article, general websites, and magazine. The gathered data is being processed by researcher for particular purposes and can only be treated as references. This study is using relevant journals and articles as an evidence to support the research. When there is difficult to obtain primary data such as the respondents are not willing to provide information regarding the study, secondary data will be the solution to conduct the study.

Secondary data can be less valid. However, it is understandable that it is quite difficult to obtain primary data. By using the advancement of technology, researcher can get the information through electronic media and internet. It is relatively easy to access via online. This provides convenience and standardized usage methods for all sources of secondary research. However, there is disadvantage of using secondary data. As known, the

originators of the primary research are mostly self-governed and controlled by the marketer. Therefore, it is questionable for the secondary researcher about the information gathered. Researchers need to take action in evaluating the validity of the data provided.

For this research project, most of the secondary data are collected from online journals, case study, books, and online articles. These are to provide support in the research project which the data is obtained from Business Research textbooks and online database. Those data is used as references to enhance the validity and reliability of this research. Journals related to retention of bank's staff will be extracted from online database via UTAR online database such as EBSCOhost, Lexis Malaysia, ProQuest, SAGE and ScienceDirect. In addition, Google, the search engine has played a vital role in collecting data. The information gathered will help in developing the literature review and obtaining the information from respondents through the questionnaire.

### **3.3 Sampling Design**

#### **3.3.1 Target Population**

Zikmund, Babin, Carr and Griffin (2010) defined the population is the researcher wishes to examine the entire group of people, events or things. Besides, Zikmund et al. defined target population as the people who reply the question which is considering to the essential characteristics of the population. Based on the Malaysia Labor Force Survey Quarterly Report 2011, by referring to financial and insurance or takaful activities, there have 299,100 employees under this category. Hence, our target population for our research is 299, 100 people.

### **3.3.2 Sampling Frame and Sampling Location**

Based on Zikmund et al. (2010), sampling is the process of choosing points from the population so that the sample characteristics can be simplified from the population. In this research, 300 sets of questionnaire have been prepared and distribute to several types of Malaysia base's banks in Perak state. We choose to conduct our survey in Perak state because it is more convenience for us to get the data within a short period.

### **3.3.3 Sampling Elements**

In this research, the employees who are working in the banking industry are the primary respondents of the survey. Targeted sample size of 300 respondents has been selected. 300 sets of questionnaire have been prepared and distribute to several types of Malaysia base's banks in Perak state. One of the reasons to distribute the questionnaire in this way is to make the result more reliable and reduce the occurrence of the research.

### **3.3.4 Sampling Technique**

Base on Sekaran and Bougie (2010), there are basically having two types of sampling techniques which are probability sampling method and non-probability sampling method.

Probability sampling is where the component of the population are being notice that having chances for being selected as sample. The types of probability sampling such as simple random sampling, systematic sampling, stratified random sampling, cluster sampling, area sampling, and double sampling. Simple random sampling is used when the entire component in population is having equal chance for being considered and selected as sample. For systematic sampling, each of the  $n$ th components in the

population is selected started from a random point in the sampling structure. In term of stratified random sampling, initially, the population will be allocated into meaningful segments. After that, sample is determined in proportion to their original numbers in the population. For cluster sampling, initially will determine the group that have heterogeneous members. After that, each of the members of the group will be selected randomly as sample. Area sampling is where practice cluster sampling at a specific area or location. Double sampling are where study double time on the particular sample or subset of the sample.

Besides that, in term of non-probability samples, the component in the population unable to clarify have probability been select as sample. Non-probability samples such as convenience sampling, judgment sampling and quota sampling. Convenience sampling are where the most easily been reached and available member are been selected as sample subjects. For judgment sampling, the sample subjects are being chosen based on their expertise, and knowledge in the subject studied. For quota sampling, the sample subjects are being chosen randomly from targeted group based on some predetermined number or quota (Sekaran & Bougie, 2010).

For our research, we are using probability sampling method-simple random sampling technique to conduct our survey. We proceeding to the banks and ask for the permission of the bank manager to conduct the survey and randomly select the employees who are work in bank as our respondents. We are using simple random sampling because it is easy to conduct and it is free from human bias in conducting the survey.

### **3.3.5 Sampling Size**

A total of 300 sets questionnaire had been distributed to the employees who are working in banking industry in Perak state. 30 sets of questionnaire had

been chosen for pilot testing to check the validity and accuracy of the questions and identify the errors in the questions.

### **3.4 Research Instruments**

To conduct our research, we are using close-ended questionnaire as instruments in data collection. Initially, there are some research questions that have been determined in order to come out with the questions that able to help us in gaining information. It includes demographic characteristics of the target respondents such as gender, age, education level, working duration and income level. Furthermore it also includes relationship between job performance and retention strategies. For instance, relationship between job performance and training, relationship between job performance and career development, relationship between job performance and working environment, relationship between job performance and reward systems and relationship between job performance and fair treatment.

We are using close-ended format with Likert scale form for the questionnaires. The Likert scale format is created to determine how strongly subjects agree or disagree of the statement (Sekaran & Bougie, 2010). Furthermore, it is an optimal from strongly disagree to strongly agree of the statement (Sekaran & Bougie, 2010).

#### **3.4.1 Distribution Methods**

According Sekaran and Bougie (2010) questionnaire are a well-organized data collection tools when researcher clearly understand what is needed and how to evaluate the variables of interest. Thus, effective questions were created so that the quantitative data that been collected are more reliable and relevant. Furthermore, we are using probability sampling for this research. It means the component of the population are being notice that having chances for being selected as sample subject. For this

probability sampling, sample random sampling has been chosen as the distribution methods. This is because sample random sampling has the most litter bias and provides the most generalizability. It helps to generate high complete large number of interviews quickly and also cost effectively. In order to gather all the data from the target respondents, we are physically visiting to bank door-by-door. We distribute the questionnaires to the respondents by meeting them face to face. The overall process of the distribution and collecting the questionnaires took a few hours' time because they are busying with their works, we cannot collect back the questionnaires immediately even though it is only needed for few minutes for them to answer the questions.

### **3.4.2 Questionnaire Design**

The questionnaires involve of two parts, which are Section A and Section B. In Section A, it requires the information regarding demographic characteristic and personal information of the respondents. The questions involved consist of gender, age, education level, working duration and income level. For Section B, the questions are related to the dependent variable (job performance) as well as the five independent variables (training, career development, working environment, reward systems and fair treatment) of the research. The questions have been divided into six parts respectively for each variable in Section B. Each variable consists of five questions. Section B is created specifically to evaluate how the five retention strategies practices in organizational will be affect the job performance.

### **3.4.3 Pilot Test**

NC3Rs (2006) stated that a pilot, or feasibility study, is a small research create to test logistics and gather information prior to a greater study in



order to improve the later quality and efficiency. The objective of a pilot study is to evaluate the feasibility of a research it is very rarely sensible to present more than summary statistics of the data.

In our research, there are 30 sets of questionnaires have been randomly distributed to the banking employees who are involved in this construction of study to identify for the errors. According to the response from the 30 sets of questionnaires, generally the questionnaires are suitable to use as are clear and easy for respondent to understand. However, there are some comments such as some grammar errors and typing errors in the questionnaire. Therefore, improvements have been make based on the mistakes that been pointed out through the pilot testing.

Table 3.1: Cronbach's Alpha Reliability Analysis

Variables	Number of items	Cronbach's Alpha
Job performance	5	0.676712
Training	5	0.855991
Career development	5	0.612939
Reward systems	5	0.855128
Working environment	5	0.647321
Fair treatment	5	0.676712

Source: Developed for the research

From the table above, the result is obtaining from SAS Enterprise Guide 5.1 software. It displays that all the items are good as it is under the acceptable level of reliability. The highest Cronbach's Alpha of reliability is training, 0.856 while the lowest Cronbach's Alpha of reliability is career development, 0.613. Thus, it can be concluded that all the independent variables are acceptable because the Cronbach's Alpha is  $>0.60$ , which is the acceptable level of the reliability (refer to Table 3.3). All the questions will be remained and a big scale of study will be conducted using the questionnaire.

## **3.5 Construct Measurement**

According to Hair, Money, Page and Samouel (2007), measurement scale is a tool that used to describe a question with the data of outcome. There are four levels of measurement to analyse the data and from the data, conclusion is drawn. The levels of measurement included nominal, ordinal, interval and ratio. In this study, four of the measurement scales have been used.

A six-page survey questionnaire is conducted to examine the relationship between retention strategies and job performance in Malaysia banking industry. The questionnaire is divided into two sections which are Section A and Section B. Section A consists of five demographic profile questions. Meanwhile, Section B consists of thirty fixed-alternative questions which are divided into six parts. The first part is about the dependent variable, whereas the next five parts are about the independent variables.

### **3.5.1 Nominal Scale**

Nominal scale is used for qualitative variables which the data is categorized into discrete groups (Sekaran, 2003). There is no fixed quantitative difference among the classifications. At first, the categories are assigned with code numbers of 1 and 2 to determine the gender of an individual (Sekaran, 2003). This scale has no order connection to other variables. In this research study, nominal scale has been applied in the demographic profile of Section A where respondent is asked to select their gender (male or female).

### **3.5.2 Ordinal Scale**

Ordinal scale is a rank-order observation. The categories have an inherent order from more to less. The items are placed in rank order according to

some criterion such as education level and preferences. Ordinal scale is used on a statement of “greater than” or “less than” without stating the range (Cooper and Schindler, 2008). Non-parametric statistics including mode, median, and spearman rank order correlation are used in this scale (Hair et al., 2007). In this study, ordinal scale has been applied in the demographic profile of Section A where respondent is required to choose their education level.

### **3.5.3 Interval Scale**

Interval scale is used when the categories of a variable are legitimate numbers and the distance is constant. The measurement is relatively precise compared by using nominal or ordinal scale of measurement. Interval scale has all the characteristics of nominal and ordinal scale. If the categories are numbers, the numbers will have equal scale point between them. Theoretically, interval scale does not have a true zero point (Hair et al., 2007).

Besides, mean and standard deviation on variables are computed by using interval scale (Sekaran, 2003). Even though the position of zero point is not constant, but the zero point and unit of measurement are arbitrary. Likert scale is one of the components in interval scale. It uses five point scales where 1 represents strong disagree and 5 represents strongly agree. It helps to strengthen the agreement of a statement.

In this study, Likert scale has been applied in the variables of Section B where respondent is required to select either from 1 (strongly disagree) to 5 (strongly agree) for each statement in order to acquire information on the relationship between retention strategies and job performance in Malaysia Banking Industry.

### 3.5.4 Ratio Scale

Ratio scale is the highest level of measurement where the variables measured have all the characteristics of nominal, ordinal and interval scale. Besides, this scale has a true zero point. The zero point refers to the sensibility of multiplying and dividing the variables in each category. The ratio data represents the actual capacity of a variable (Cooper & Schindler, 2008). Therefore, the use of ratio scale is legitimate as it compares the intervals and rank objects according to magnitude. In this study, ratio scale has been applied in the demographic profile of Section A where respondent is required to choose their range of age, range of working experience, and range of income level.

### 3.5.5 Summary of Questionnaire

Table 3.2 Summary of the Questionnaire

Variables	Number of Items	Items
<u>Part A – Demographic</u>		
Gender	1	Part A – Item 1
Age	1	Part A – Item 2
Education Level	1	Part A – Item 3
Working Experience	1	Part A – Item 4
Income Level	1	Part A – Item 5
<u>Part B</u>		
Job Performance	5	Part B – 1-5
Training	5	Part B – 6-10
Career Development	5	Part B – 11-15
Working Environment	5	Part B – 16-20
Reward Systems	5	Part B – 21-25
Fair Treatment	5	Part B – 26-30

Source: Developed for the research

## **3.6 Data Processing**

A description of data preparation processes comprises of questionnaire checking, editing, coding, transcribing and data-cleaning (special treatments of data) that are statistically adjusting the data before it is being analysed.

### **3.6.1 Questionnaire Checking**

In this step, checking the questionnaire is to ensure there is completeness and interviewing quality. This process begins after returned of the first set of questionnaires in order to detect problem existed, and we able to take immediate correction before a whole surveys to be conducted. Besides, pilot test is performed to certify the validity and reliability of the questionnaire.

### **3.6.2 Data Editing**

Data editing is the second step of checking mistakes or error done by the respondents during data collection undertakings. After the first process being conducted, data editing will be implemented in order to review the questionnaire in terms of accuracy and precision, because some of the questionnaire collected may be incomplete or left unanswered by respondents. In addition, missing or incomplete questionnaires will be disregarded.

### **3.6.3 Data Coding**

After the questionnaires are collected, coding can only be done. Data coding is a process of assigning a code to each of the question whereby these codes is being assigned with a specific numerical value to the

response for each specific question in the survey instrument. For this study, SAS Enterprise Guide is used for data coding. In coding phase, all of the relevant data will be grouped into categories and numbers which were assigned to each of the question.

Section A of the questionnaire is about respondent's demographic information. For instance in question 1, "male" is coded as "1" and "female" is coded as "2". Section B of the questionnaire is about the measurement of dependent variable- job performance and independent variables- training, career development, working environment, reward systems and fair treatment, where the responses will be coded from 1 until 5 according to respondents' level of agreement. For example, "strongly disagree" is coded as "1" and "strongly agree" is coded as "5".

### **3.6.4 Data Transcribing**

Once the checking and editing of data are done, data transcribing is performed. It is a process of transferring the coded data from questionnaires into the computers through keypunching. In order to get an accurate result for analysis purpose in this research study, we had to key into the SAS Enterprise Guide, a computer software program.

### **3.6.5 Data Cleaning**

Data cleaning involves of uniformity checking of conduct and treatment of missing responses in order to ensure that the data have correctly recorded from the data collection form. This process is more wide-ranging and more detail than data editing. This step was the final procedure that the data has to go through before it is proceed to data analysis phase.

## **3.7 Data Analysis**

After the data have been collected, researchers will analyse and interpret by using SAS Enterprise Guide computer software program. There are three major statistical techniques that were applied on this research study, which are descriptive analysis, scale measurement and inferential analysis.

### **3.7.1 Descriptive Analysis**

Descriptive analysis refers to the transformation of raw data into a form of that is easy to comprehend and interpret, rearranging, ordering and also manipulating data to provide descriptive information (Groenewald, 2010). The most common descriptive techniques that been used are includes of the calculating averages, percentage and frequency distributions. Based on our study, the frequency of the respondents' includes of gender, age, education level, working experience and income level. The descriptive statistics will be presented through the forms of tables and charts in order to show the frequencies and percentages from the calculation.

### **3.7.2 Scale Measurement**

Reliability test is refers to the outcomes that are reliable over time and also an accurate representation of total population under the research study (Golafshani, 2003). The computer software program SAS Enterprise Guide provides an internal consistency or reliability of the test items, with the measurement of Cronbach's Alpha. The higher the correlation among the variables, the greater the alpha will be tested. According to Sekaran (2003), Cronbach's Alpha Technique is a common reliability coefficient showing how well the items are positively correlated to one another. It indicates a high level of reliability when the Cronbach's Coefficient value

is 0.6 or more. Below is the table of the rule of thumb about Cronbach's Alpha Coefficient Size (Hair et al., 2007).

Table 3.3: Cronbach's Alpha Coefficient

Alpha Coefficient Range	Strength of Association
< 0.6	Poor
0.6 to < 0.7	Moderate
0.7 to < 0.8	Good
0.8 to < 0.9	Very Good
$\geq 0.9$	Excellent

Source: Hair et al. (2007). *Research methods for business*. West Sussex: John Wiley & Son, Inc.

If the coefficient value is more than 0.7, it is good and reliable result. However, if the alpha value is 0.6 and below, it means the result is poor and not reliable, thus the data collected may have error and adjustment is needed.

### 3.7.3 Inferential Analysis

Inferential analysis is a group of statistical techniques and procedures used in confirmatory data to draw a conclusion about a population from quantitative data collected from a sample. According to Sekaran (2003), researchers might have inferred from the data through analysis about the relationship between two variables, differences in a variables among different subgroups, and how several independent variables might explain the variance in a dependent variable. Based on our study, we will be focused on the two techniques which are Pearson correlation coefficient analysis and multiple regression analysis.



### 3.7.3.1 Pearson Correlation Coefficient Analysis

Pearson correlation coefficient refers to the measure of strength and direction of linear relationship between independent and dependent variable, with a test item  $R^2$  which is a coefficient of determinant that provides the information about the proportion of variation in the dependent variable with the variation in the independent variable. Besides, Pearson correlation coefficient describes the degree and direction of those variables. It is values from -1 to +1, which +0.1 indicates the variables are positively correlated (increasing relationship). Whereas a value with -1 indicates that there is negative relationship. A zero value indicates that the variables are not linear correlated to each other. There is a strong correlation if the correlation coefficient is more than 0.70, and is a weak correlation if the value is less than 0.40.

In our research study Pearson correlation analysis is used in order to find a correlation between the independent and dependent variable. Below is the table of the rule of thumb about correlation coefficient size (Hair et al., 2007).

Table 3.4: Pearson Correlation Coefficient

<b>Coefficient range</b>	<b>Strength</b>
$\pm 0.91$ to $\pm 1.0$	Very Strong
$\pm 0.71$ to $\pm 0.90$	High
$\pm 0.41$ to $\pm 0.70$	Moderate
$\pm 0.21$ to $\pm 0.40$	Small but definite relationship
0 to $\pm 0.20$	Slight, almost negligible

Source: Hair et al. (2007). *Research methods for business*. West Sussex: John Wiley & Son, Inc

### **3.7.3.2 Multiple Regressions Analysis**

It is a set of independent variables describes a proportion of the variance in a dependent variable which is used to measure the strength association between two variables. The higher the correlation, the more accurate of the prediction towards the results of our research study. In associate to the multiple regressions is  $R^2$ , which indicates the percentage of variance of the dependent variable can be explained by all the independent variables.

In our research study, the independent variables comprises of training, career development, working environment, reward systems and fair treatment. These independent variables might significantly affect our dependent variable which is job performance in banking industry. From this statistical technique, we can make a clear standing point of which of these independent variables gave the most accurate prediction of job performance.

## **3.8 Conclusion**

As a conclusion, the research methodologies used in our research study are descriptive method, quantitative research method, data collection method including primary data (questionnaire) and secondary data, and sample random sampling design method. Sample size of our survey is 300 people and the sampling location of our survey is focus on Malaysia base banks in Perak state. The research results that obtained from the 300 respondents will be further discussed in Chapter 4.

## **CHAPTER 4: RESEARCH RESULTS**

### **4.0 Introduction**

In this chapter, results are obtained by the way of data collection method from 300 sets of questionnaires that distribute to banks employees. The data are analyzed and computed with the aid of SAS Enterprise Guide 5.1 software. The aim of this chapter is to analyze and interpret the data that have been collected for our research study. The results will be presented in tables and charts form in an understandable manner. Several analyses have been done in this chapter. First, it is started with descriptive analysis, which provided the analysis of respondent demographic characteristics based on frequency analysis and the central tendencies measurement of constructs. Next is the scale measurement that provided the results of reliability analysis. This is followed by inferential analyses, which are Pearson correlation coefficient analysis and multiple regression analysis. Lastly, a summary is provided at the end of this chapter.

### **4.1 Descriptive Analysis**

Descriptive analysis summarizes the sample by forming a basis quantitative analysis with simple graphic analysis. In this section, 300 respondents' demographic data have been analyzed by using frequency analysis. Besides, the frequency of phenomena occurrence and the variability of the set of questions in questionnaire also have been presented in this section.

#### **4.1.1 Respondent Demographic Profile**

In this section, the demographic characteristics data of 300 respondents have been presented in table and chart form. They are gender, age,

working duration, educational level and their salaries level in the company.

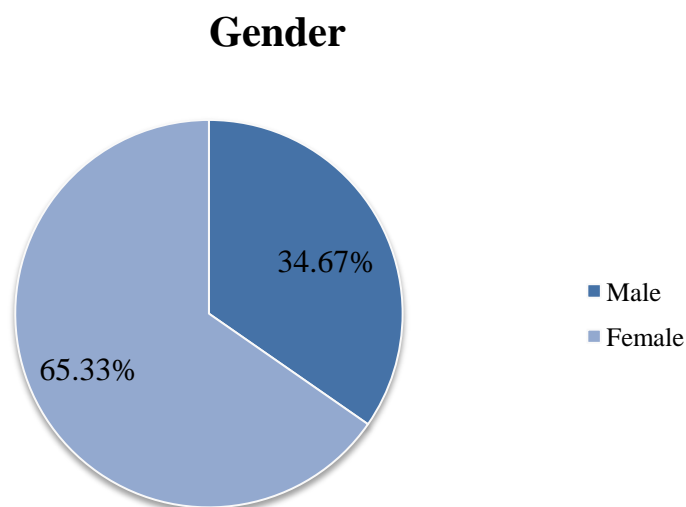
#### 4.1.1.1 Gender

Table 4.1: Gender

1=Male 2=Female				
Gender	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	104	34.67	104	34.67
2	196	65.33	300	100.00

Source: Developed for the research

Figure 4.1: Distribution of Gender



Source: Developed for the research

Table 4.1 shows the frequency of 300 respondents according to gender in this study. There are 104 male respondents and 196 female respondents participated in the survey. Figure 4.1, the pie chart demonstrates that 65.33% of respondents were female and 34.67% were male. From this, it indicates that female compose the majority in the survey.

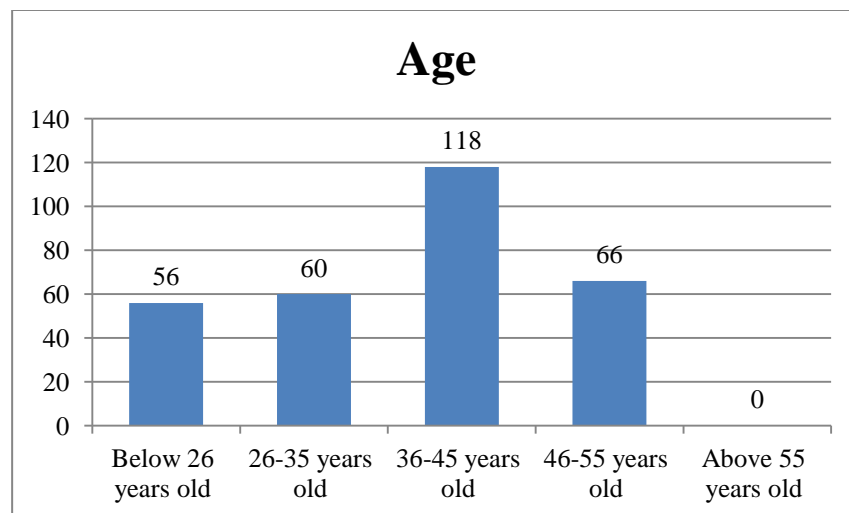
#### 4.1.1.2 Age

Table 4.2: Age

1=Below 26 years old 2=26-35 years old 3=36-45 years old 4=46-55 years old 5=Above 55 years old				
Age	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	56	18.67	56	18.67
2	60	20.00	116	38.67
3	118	39.33	234	78.00
4	66	22.00	300	100.00
5	0	0.00	0	0.00

Source: Developed for the research

Figure 4.2: Distribution of Age



Source: Developed for the research

Table 4.2 and Figure 4.2 indicate the age group of respondents in the survey. The largest age group of respondents in this survey was between 36 – 45 years old, which consisted of 118 respondents out of the 300 respondents. The second highest age group was between 46 – 55 years old, which consisted of 66 respondents. It was followed by 60 respondents that age between 26 – 35 years old, and 56 respondents were below 26 years old. None of the

respondents were fall under age group that above 55 years old in this survey.

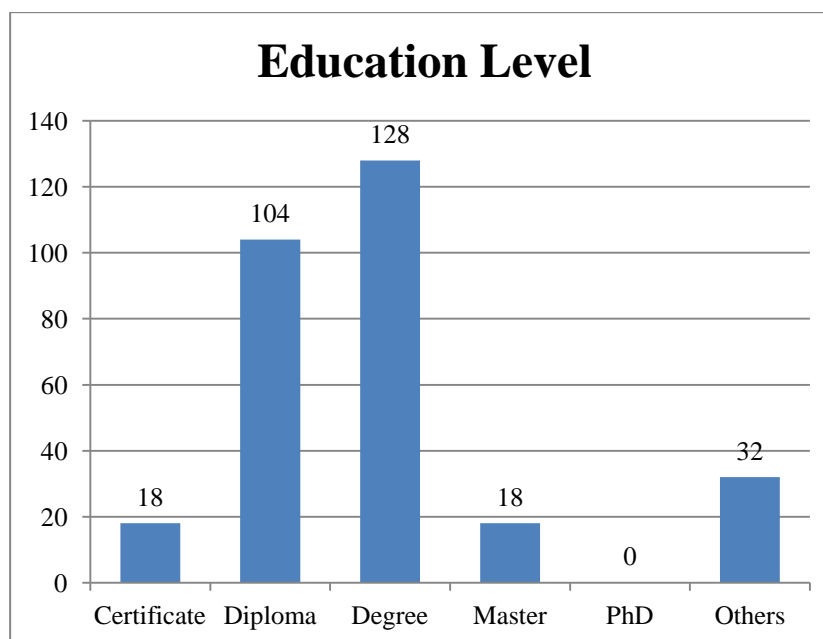
#### 4.1.1.3 Education Level

Table 4.3: Education Level

1=Certificate 2=Diploma 3=Degree 4=Master 5=PHD 6=Others				
Education Level	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	18	6.00	18	6.00
2	104	34.67	122	40.67
3	128	42.67	250	83.33
4	18	6.00	268	89.33
5	0	0.00	0	0.00
6	32	10.67	300	100.00

Source: Developed for the research

Figure 4.3: Distribution of Education Level



Source: Developed for the research

Table 4.3 and Figure 4.3 show the education level of 300 respondents. Majority of the respondents were degree holders. It consisted of 42.67%, which were 128 respondents out of 300 respondents in the survey. It was then followed by diploma holders that consisted of 104 respondents which were 34.67%. 10.67% of the respondents, that was 32 respondents were fall under other educational level category that including STPM and SPM. However, the percentages of respondents who hold certificate and master level were the same; they were 6% which consisted of 18 respondents for each level. There was no PhD holder participated in the survey.

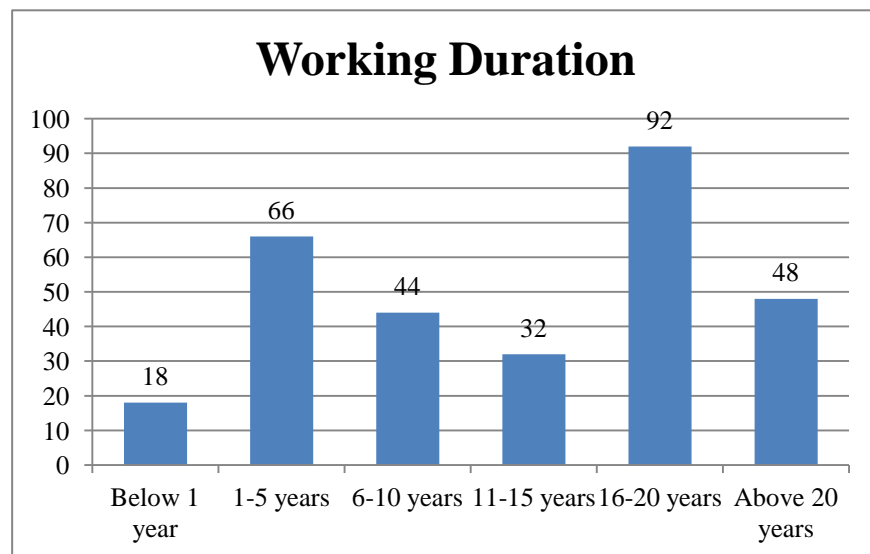
#### 4.1.1.4 Working Duration

Table 4.4: Working Duration

1=Below 1 year 2=1-5 years 3=6-10 years 4=11-15 years 5=16-20 years 6=Above 20 years				
Working Duration	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	18	6.00	18	6.00
2	66	22.00	84	28.00
3	44	14.67	128	42.67
4	32	10.67	160	53.33
5	92	30.67	252	84.00
6	48	16.00	300	100.00

Source: Developed for the research

Figure 4.4: Distribution of Working Duration



Source: Developed for the research

Table 4.4 and Figure 4.4 show the years of working experiences of the respondents in the company. From the data that we had collected, it showed that there were 92 respondents or 30.67% of the respondents were working between 16 to 20 years in the company. The second highest percentage of the respondents working duration was 1 to 5 years, which was 22% that consisted of 66 respondents. It was followed by the respondents that working above 20 years in the company, which was 16% or 48 respondents. Next, there were 44 out of 300 respondents were working for 6 to 10 years in the company and 32 out of 300 respondents were working for 11 to 15 years. However, the least respondents' working experiences in the company were below 1 year, which was only 6% or 18 respondents.

#### 4.1.1.5 Income Level

Table 4.5: Monthly Income Level

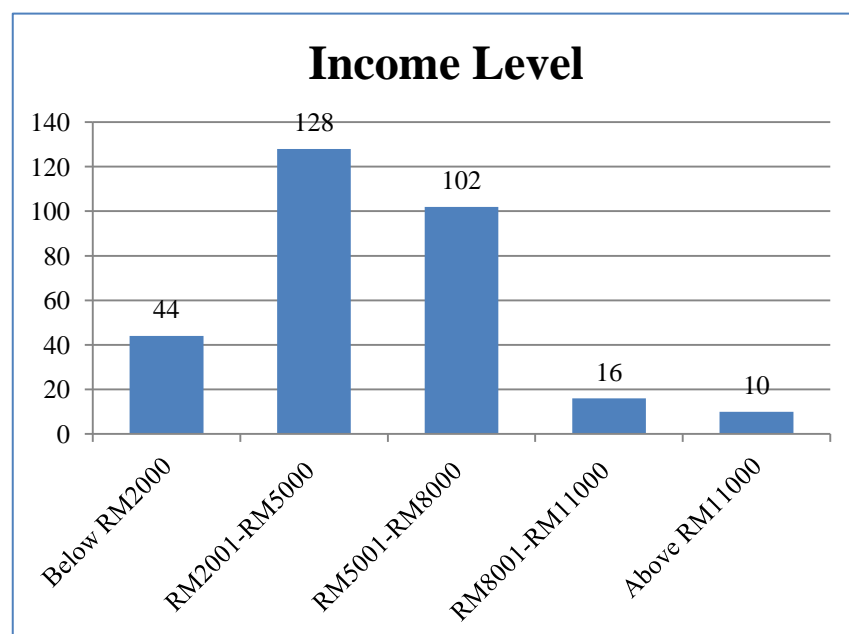
1=Below RM2000 2=RM2001-RM5000 3=RM5001-RM8000 4=RM8001-RM11000 5=Above RM11000
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Income Level	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	44	14.67	44	14.67
2	128	42.67	172	57.33
3	102	34.00	274	91.33
4	16	5.33	290	96.67
5	10	3.33	300	100.00

Source: Developed for the research

Figure 4.5: Distribution of Income Level



Source: Developed for the research

We had divided the salaries level into five different levels. They are categorized as below RM 2000, RM 2001-RM 5000, RM 5001-RM 8000, RM 8001-RM 11000 and above RM 11000. Based on Table 4.5 and Figure 4.5 above, there was 42.67% or 128 respondents' salaries level were between RM 2001 to RM 5000. For level between RM 5001 to RM 8000, it had a total of 102 out of 300 respondents, which consisted of 34% of the 300 respondents. However, there was 14.67% or 44 respondents' salary were below RM 2000. It was followed 5.33% or 16 respondents'

salary were between RM 8001 to RM 11000. The least was 3.33% or 10 respondents' salaries that were above RM 11000.

#### 4.1.2 Central Tendencies Measurement of Constructs

In this section, central tendencies of constructs have been measured. The mean and standard deviation of the variables have been generated by SAS software. The constructs of questions have been presented in table form to show the mean and standard deviation of each question for each variable. There are a total of one dependent variable and five independent variables in the questionnaire.

Table 4.6: Descriptive Statistics of Job Performance

Statement	N	Mean	Std. Deviation	Rank
JP1: I always complete projects and works according to deadlines.	300	4.53333	0.53838	1
JP2: I always manage information and data effectively.	300	4.36667	0.59447	3
JP3: I work without supervision when necessary.	300	4.26000	0.69811	4
JP4: I effectively collaborate with other department members when necessary.	300	4.37333	0.52428	2
JP5: I take appropriate action on problems when necessary.	300	4.36667	0.59447	3

Source: Developed for the research

Table 4.6 consisted of five statements for job performance. “I always complete projects and works according to deadlines” had the highest mean score of 4.53333 and its standard deviation was 0.53838. The second highest mean score was “I effectively collaborate with other department members when necessary” with a mean score of 4.37333 and its standard deviation was 0.52428. Thirdly, statement of “I always manage information and data effectively” and “I take appropriate action on problems when necessary” have the same mean score of 4.36667 and standard deviation 0.59447. “I work without supervision when necessary” statement was ranked the last with a mean score of 4.26 and its standard deviation was 0.69811.

**Table 4.7: Descriptive Statistics of Training**

Statement	N	Mean	Std. Deviation	Rank
T1: I am satisfied by the training program that I received at the company.	300	4.24000	0.57460	1
T2: I feel that training provided by my organization helps me to understand the goals of my department.	300	4.16000	0.51829	4
T3: I become more committed toward my job after getting training.	300	4.20667	0.59312	2
T4: I become more productive after receiving training.	300	4.10667	0.51915	5
T5: After received training, my	300	4.20000	0.60100	3

attitude/behaviour becomes willing to accept more challenging assignments.				
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Source: Developed for the research

Table 4.7 shows the ranking of the five statements for training. “I am satisfied by the training program that I received at the company” had the highest mean score of 4.24 and its standard deviation was 0.5746. The second highest was “I become more committed toward my job after getting training” with a mean score of 4.20667 and its standard deviation was 0.59312. Then it is followed by the statement of “After received training, my attitude/behaviour becomes willing to accept more challenging assignments” with a mean score of 4.20 and standard deviation was 0.601. The fourth is “I feel that training provided by my organization helps me to understand the goals of my department” with mean score of 4.16 and its standard deviation was 0.51829. “I become more productive after receiving training” had the lowest mean score, which was 4.10667 and its standard deviation was 0.51915.

Table 4.8: Descriptive Statistics of Career Development

Statement	N	Mean	Std. Deviation	Rank
CD1: I am aware of how current social and labour market trends may impact my career.	300	4.30000	0.59821	2
CD2: I know that how to access and who to consult regarding information about career and training alternatives in my field.	300	4.15333	0.67181	4

CD3: I am systematically trying to improve the skills I need to success in my career.	300	4.26667	0.59728	3
CD4: I want my career to benefit me in the future.	300	4.30667	0.57770	1
CD5: I do not think much about the way my career might expand 10 years from now.	300	4.13333	0.71922	5

Source: Developed for the research

From table 4.8, among the statements of career development, it shows that “I want my career to benefit me in the future” had the highest mean score of 4.30667 and its standard deviation was 0.5777. “I am aware of how current social and labour market trends may impact my career” was the second highest with mean score of 4.30 and standard deviation of 0.59821. “I am systematically trying to improve the skills I need to success in my career” was the third highest with mean score of 4.26667 and standard deviation of 0.59728. After that, it was followed by “I know that how to access and who to consult regarding information about career and training alternatives in my field”, which had a mean score of 4.15333 and standard deviation of 0.67181. “I do not think much about the way my career might expand 10 years from now” was ranked at the last with its mean score of 4.13333 and its standard deviation was 0.71922.

**Table 4.9: Descriptive Statistics of Working Environment**

Statement	N	Mean	Std. Deviation	Rank
WE1: I am satisfied with the physical working conditions.	300	4.33667	0.90889	1

WE2: I feel safe and comfortable at my work place.	300	4.14000	0.83830	5
WE3: I am able to balance my work and personal life.	300	4.15667	0.92102	4
WE4: I am satisfied with relationship I have with my co-workers.	300	4.21667	0.82785	3
WE5: I do not feel stressed at my work place.	300	4.30333	0.89479	2

Source: Developed for the research

Table 4.9 indicates the ranking of the five statements of working environment. “I am satisfied with the physical working conditions” had the highest ranking with the mean score of 4.33667 and its standard deviation was 0.90889. “I do not feel stressed at my work place” was ranked at second place with mean of 4.30333 and its standard deviation was 0.89479. The third ranking was “I am satisfied with relationship I have with my co-workers” with 4.21667 mean score and its standard deviation was 0.82785. “I am satisfied with relationship I have with my co-workers” was ranked at fourth with mean score of 4.2167 and its standard deviation of 0.82785. “I feel safe and comfortable at my work place” was ranked at last with its mean score of 4.14 and standard deviation was 0.83830.

Table 4.10: Descriptive Statistics of Reward Systems

Statement	N	Mean	Std. Deviation	Rank
RW1: I am really interested in my work because company rewards me financially.	300	4.20333	0.73288	4

RW2: I believe employees perform well when reward is given appropriately.	300	4.33000	0.60192	3
RW3: Promoting the most talented people will increase the performance level of employee.	300	4.35333	0.61895	2
RW4: Higher opportunity for employees to be promoted will affect the performance of the employee.	300	4.36333	0.62124	1
RW5: Empowered employees to make decisions at workplaces will increase the level of performance.	300	4.16333	0.58119	5

Source: Developed for the research

Table 4.10 shows the ranking for statements of reward systems. “Higher opportunity for employees to be promoted will affect the performance of the employee” had the highest mean score of 4.36333 and its standard deviation was 0.62124. Second was “Promoting the most talented people will increase the performance level of employee” which had a mean score of 4.35333 and standard deviation of 0.61895. Thirdly was “I believe employees perform well when reward is given appropriately”, it had a mean score of 4.33 and standard deviation of 0.60192. “I am really interested in my work because company rewards me financially” was ranked at the fourth with mean score of 4.20333 and standard deviation of 0.73288. The last statement was “Empowered employees to make

decisions at workplaces will increase the level of performance” with its mean score of 4.16333 and standard deviation of 0.58119.

Table 4.11: Descriptive Statistics of Fair Treatment

Statement	N	Mean	Std. Deviation	Rank
Fair1: I am rewarded fairly for the amount of effort I put forth.	300	4.55333	0.53050	1
Fair2: I am rewarded fairly for the stresses and strains of my job.	300	4.38333	0.58669	4
Fair3: I have complete trust that my supervisor will treat me fairly.	300	4.29667	0.70021	5
Fair4: My organization’s procedures generate standards so that decisions can be made with consistency.	300	4.38333	0.52022	3
Fair5: Management has little regard for the well being of people who work for this company.	300	4.38667	0.58734	2

Source: Developed for the research

Table 4.11 indicates the ranking of statements of fair treatment. “I am rewarded fairly for the amount of effort I put forth” had the highest mean score, which was 4.55333 and its standard deviation was 0.53050. The second highest mean score was “Management has little regard for the well being of people who work for this company”, which was 4.38667 and standard deviation was 0.58734. “My organization’s procedures generate standards so that decisions can be made with consistency” and “I am



rewarded fairly for the stresses and strains of my job” have the same mean score of 4.38333. However, the standard deviations of these two statements were different. “My organization’s procedures generate standards so that decisions can be made with consistency” had a lower standard deviation as compare to “I am rewarded fairly for the stresses and strains of my job”. The last statement was “I have complete trust that my supervisor will treat me fairly” with the lowest mean score of 4.29667 and its standard deviation was 0.70021.

## 4.2 Scale measurement

In this section, we were using Cronbach’s Alpha coefficient to examine the internal reliability of the variables. Cronbach’s Alpha coefficient was being used to measure the consistency of a set of items correlated with each other as a group. Based on the rule of thumb of Cronbach’s Alpha, coefficient of 0.60 is the acceptable level for the reliability test. Coefficient ranges that lower than 0.60 is consider as poor reliability. The range of 0.60 to below 0.70 is in moderate level, 0.70 and below 0.80 is consider as good reliability, 0.80 and below 0.90 is deem to be a very good reliability and the range that more and equal to 0.90 is an excellent association. Section 4.2.1 indicated the reliability of the variables in our research. They are job performance, training, career development, working environment, reward systems and fair treatment.

### 4.2.1 Reliability Test

Table 4.12: Reliability Statistics

Variables	Number of items	Cronbach’s Alpha
Job performance	5	0.707157
Training	5	0.834886
Career development	5	0.696655
Working environment	5	0.856257
Reward systems	5	0.665447
Fair treatment	5	0.694501

Source: Developed for the research

Table 4.12 shows the result of the reliability test for each of the variables that used in our research study. There are five items for each variable. The coefficient for the five items in job performance was 0.707157. It was slightly more than 0.70, it has a good internal consistency. The alpha coefficient of training and working environment were 0.834886 and 0.856257 respectively. These two variables have the same level of reliability, which they have a very good internal consistency. However, the alpha coefficient of career development, reward systems and fair treatment were 0.696655, 0.665447 and 0.694501 respectively. These three variables were in the same range of alpha coefficient that is 0.60 to below 0.70, they have moderate internal consistency.

### **4.3 Inferential Analyses**

Inferential analyses are being used to make the judgment about the population base on the 300 sample size. Pearson correlation and multiple regression were used to measure the correlation between the independent variables and dependent variable in this section.

#### **4.3.1 Pearson Correlation Coefficient Analysis**

Pearson correlation analysis determines the relationship between two variables based on the degree of covariance between them. Pearson correlation coefficient is used to measure the relationship between each independent variable with the dependent variable in our study. A higher values of the correlation coefficient, the stronger the relationship between the two variables (refer to Table 3.4).

### 4.3.1.1 Training and Job Performance

H<sub>10</sub>: There is no significant relationship between training and job performance.

H<sub>11</sub>: There is a significant relationship between training and job performance.

Table 4.13: Correlation between Training and Job Performance

Pearson Correlation Coefficients, N=300	
	Training
Job performance	0.45819
P-value	<.0001

Source: Developed for the research

The first hypothesis is examining about the relationship between training and job performance in banking industry. Table 4.13 shows that the correlation coefficient between training and job performance is 0.45819. There is a moderate strength of association between these two variables. The p-value is small than 0.0001, which is <0.05, hence the null hypothesis is rejected. So, there is a significant relationship between training and job performance.

### 4.3.1.2 Career Development and Job Performance

H<sub>20</sub>: There is no significant relationship between career development and job performance.

H<sub>21</sub>: There is a significant relationship between career development and job performance.

**Table 4.14: Correlation between Career Development and Job Performance**

Pearson Correlation Coefficients, N=300	
	Career development
Job performance	0.49224
P-value	<.0001

Source: Developed for the research

The second hypothesis is examining about the relationship between career development and job performance in banking industry. Table 4.14 shows that the correlation coefficient between these two variables is 0.49224 with a p-value of less than 0.0001. There is a moderate strength of correlation between these two variables. The null hypothesis is rejected since p-value is less than 0.05. Thus, there is a significant relationship between career development and job performance.

#### **4.3.1.3 Working Environment and Job Performance**

H<sub>30</sub>: There is no significant relationship between working environment and job performance.

H<sub>31</sub>: There is a significant relationship between working environment and job performance

**Table 4.15: Correlation between Working Environment and Job Performance**

Pearson Correlation Coefficients, N=300	
	Working environment
Job performance	0.29711
P-value	<.0001

Source: Developed for the research

The third hypothesis is to examine about the relationship between working environment and job performance in banking industry. Table 4.15 shows that the correlation coefficient between working environment and job performance is 0.29711. There is a small but not defines strength of association between these two variables. The p-value associated is small than 0.0001, which is  $<0.05$ , hence the null hypothesis is being rejected. So, there is a significant relationship between working environment and job performance even though the relationship is small and not defines.

#### 4.3.1.4 Reward Systems and Job Performance

H<sub>0</sub>: There is no significant relationship between reward systems and job performance.

H<sub>1</sub>: There is a significant relationship between reward systems and job performance.

Table 4.16: Correlation between Reward Systems and Job Performance

Pearson Correlation Coefficients, N=300	
	Reward systems
Job performance	0.48010
P-value	<.0001

Source: Developed for the research

The fourth hypothesis is to examine about the relationship between reward systems and job performance in banking industry. Table 4.16 shows that the correlation coefficient between these two variables is 0.48010 with a p-value of less than 0.0001. There is a moderate strength of correlation between these two variables. The null hypothesis is rejected since p-value is less than 0.05.

Therefore, there is a significant relationship between reward systems and job performance.

#### 4.3.1.5 Fair Treatment and Job Performance

H<sub>50</sub>: There is no significant relationship between fair treatment and job performance.

H<sub>51</sub>: There is a significant relationship between fair treatment and job performance.

Table 4.17: Correlation between Fair Treatment and Job Performance

Pearson Correlation Coefficients, N=300	
	Fair treatment
Job performance	0.24178
P-value	<.0001

Source: Developed for the research

The fifth hypothesis is to examine the relationship between fair treatment and job performance in banking industry. Table 4.17 shows that the correlation coefficient between working environment and job performance is 0.24178. There is a small but not defines strength of association between these two variables. The p-value associated is small than 0.0001, which is <0.05, hence the null hypothesis is being rejected. So, there is a significant relationship between working environment and job performance even though the relationship is small and not defines.

### 4.3.2 Multiple Regression Analysis

Multiple regression is used to measure how all the independent variables are related to a dependent variable.

Table 4.18: Model Summary

Root MSE	Dependent Mean	Coefficient Total	R. Square	Adj. R. Square
1.34786	18.40667	7.32269	0.3888	0.3784

Source: Developed for the research

R Square value is the coefficient that showing how the extent of independent variables correlate with the dependent variable. Table 4.18 indicates that R Square for our study is 0.3888. This is meant that the independent variables (training, career development, working environment, reward systems and fair treatment) can explain 38.88% of the dependent variable (job performance) in this study. Yet, there is still 61.12% residual variability unexplained in this study. On the other words, there is still has other variables that can be explained job performance which are not study in this research.

Table 4.19: Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	5	339.70611	67.94122	37.40	< .0001

Source: Developed for the research

Table 4.19 shows that the p-value associated were less than 0.0001. This means that the relation of the five independent variables and dependent variable is significant.

Table 4.20: Parameter Estimates

Variable	DF	Parameter Estimate	Standard Error	T Value	Pr >  t	Ranking
Intercept	1	3.12592	1.21237	2.58	0.0104	
Training	1	0.23033	0.04956	4.65	< .0001	1
Career development	1	0.18071	0.05714	3.16	0.0017	3
Working environment	1	0.07703	0.02877	2.68	0.0078	5
Reward systems	1	0.20902	0.05258	3.98	< .0001	2
Fair treatment	1	0.15505	0.04723	3.28	0.0012	4

Source: Developed for the research

Table 4.20 indicates the p-value and the parameter estimation of the five independent variables with dependent variable. P-value associated with the t-test for each of the independent variables was less than 0.05. This indicated that the relationship between all the independent variables with dependent variable were significant in this study. Multiple regression estimates a linear equation to indicate the relationship of all the independent variables toward the dependent variable.

Regression equation is formed as follow:

$$Y = a + b_1 (X_1) + b_2 (X_2) + b_3 (X_3) + b_4 (X_4) + b_5 (X_5)$$

Y = Job performance (Dependent variable)

X<sub>1</sub> = Training (Independent variable)

X<sub>2</sub> = Career development

X<sub>3</sub> = Working environment

X<sub>4</sub> = Reward systems

X<sub>5</sub> = Fair treatment

a = constant

b = Regression coefficient of X<sub>i</sub>      i = 1, 2, 3, 4, 5



Therefore,

$$\text{Job performance} = 3.12592 + 0.23033 (\text{Training}) + 0.18071 (\text{Career development}) + 0.07703 (\text{Working environment}) + 0.20902 (\text{Reward systems}) + 0.15505 (\text{Fair treatment})$$

Training contributes the highest to job performance with the regression coefficient of 0.23033. Training was contributed the highest to explain the variation in job performance. The second higher contribution is reward systems with coefficient of 0.20902. It was followed by career development, which had a regression coefficient of 0.18071. Fair treatment was contributed the fourth to the variation of job performance, which had a regression coefficient of 0.15505. However, working environment is contributes the lowest to the variation of job performance.

## **4.4 Conclusion**

As a conclusion in this chapter, SAS Enterprise Guide 5.1 was used to evaluate the results of 300 sets of questionnaire in this study. All the five independent variables (training, career development, working environment, reward systems and fair treatment) for this study have significant relationship with the dependent variable (job performance). The summary of the statistical analysis, discussion of findings, implication and limitation of the study will be discussed in Chapter 5.

## **CHAPTER 5: DISCUSSION AND CONCLUSION**

### **5.0 Introduction**

In this final chapter of the research study, it highlights the discussion, conclusion and implication which had been analyzed in previous chapter (chapter four), by providing a summary view of both descriptive and inferential analyses, discussion on the major findings to validate the research objectives and hypotheses, as well as limitations and recommendations for future research before we end the chapter with the conclusion of our research. In fact, limitations and recommendations of the study can help the organization to identify and understand some of the key areas in order to attain more comprehensive and defined of the future research.

### **5.1 Summary of Statistical Analyses**

#### **5.1.1 Descriptive Analyses**

Base on chapter 4, demographic analysis is used to show an illustration of respondent's characteristics. From the demographic information, within the sample of 300 respondents, in the term of gender, there are 34.67% of male and 65.33% of female. In term of age, most of the respondents are from the age group 36-45 years old which is 39.33% or 118 respondents. However, none of the respondents were fall under age group that above 55 years old in this survey. For the education level, most of the respondents were degree holders. It consisted of 42.67% of the respondents. However there was no PhD holder participated in the survey. For working duration, most of the respondents were working between 16 to 20 years in the company which consist 30.67% of the respondents. However, there are the least respondents working experiences in the company were below 1 year,

which was only 6% of the respondents. For the income level, most of the respondents' salary level was between RM 2001 to RM 5000, which consisted of 42.67%. However, there were only 3.33% of the respondents' salaries level were above RM 11000.

### **5.1.2 Scale Measurement**

We used Cronbach's Alpha to evaluate the internal reliability of the six variables in our research. The six variables included job performance, training, career development, working environment, reward systems, and fair treatment.

Working environment has the highest alpha coefficient, which is 0.856257. It is followed by training with 0.834886, job performance with 0.707157, career development with 0.696655, fair treatment with 0.694501, and lastly is reward systems with 0.665447.

### **5.1.3 Inferential Analysis**

#### **5.1.3.1 Pearson Correlation Coefficient**

According to the internal analysis, the five independent variables which are training, career development, reward systems, working environment and fair treatment are used to examine their relationship with the job performance respectively by using Pearson correlation analysis.

The results in Chapter 4 showed that the correlation between job performance and training is 0.45819; with career development is 0.49224; with working environment is 0.29711; with reward

systems is 0.48010; and fair treatment is 0.24178. As an overall, the figures show that all the variables have positive relationship towards job performance.

### **5.1.3.2 Multiple Regression Analysis**

Referring to Table 4.20, training has the highest parameter estimation with job performance, which is 0.23033. Secondly, is followed by reward systems, which is 0.20902. Thirdly, it is followed by fair treatment, which is 0.15505. Next, is followed by career development, which is 0.18071. The lowest parameter estimation was working environment, which is 0.07703. The result shows that all the independent variables (training, career development, working environment, reward systems, and fair treatment) have significant relationship with the dependent variables (job performance). This analysis indicates that training has the highest influence on job performance as compare to the other four variables. Whilst, working environment is the least.

The regression equation is formed as below:

$$\text{Job performance} = 3.12592 + 0.23033 (\text{Training}) + 0.18071 (\text{Career development}) + 0.07703 (\text{Working environment}) + 0.20902 (\text{Reward systems}) + 0.15505 (\text{Fair treatment})$$

The parameter estimate table indicates that the p-value associated were less than 0.0001. This means that the relation of the five independent variables and dependent variable is significant. The coefficient of determination ( $R^2$ ) is 0.3888 which means 38.88% of the variances in job performance have been significantly explained by the training, career development, working environment, reward systems, and fair treatment.

## **5.2 Discussion of Major Findings**

The overall objective of this research is to examine relationship between retention strategies and job performance in Malaysia banking industry. The study is to determine whether there is a significant relationship between the five independent variables (i.e. training, career development, working environment, reward systems, and fair treatment) and the dependent variable (i.e. job performance).

### **5.2.1 Relationship between Training and Employees' Job Performance**

Hypothesis 1

H<sub>1</sub>: There is a significant relationship between training and job performance.

Based on the result computed by using Pearson Correlation test in Chapter 4, the analysis has shown a moderate positive relationship of 0.45819 between training and job performance. There is a positive significant relationship between training and job performance. Hence, when more training is provided, the job performance is high.

The result of the study showed that training has an impact towards the job performance in banking industry. Therefore, the organization should provide more training programs for the employees in order for them to have self-improvement to take the challenge in doing their tasks assigned (Owens, 2006). The job performance will be increased given the employees received the benefits they wanted. The result is also agreed by Bartlett (2001) who stated that cultivating the employees with training program is supported as human capital plays a crucial role on the employees' commitment, and commitment will affect the job performance.

Besides, Groen (2006) has stated that when less training is provided, the turnover rate of employees is high.

### **5.2.2 Relationship between Career Development and Employees' Job Performance**

Hypothesis 2

H2<sub>1</sub>: There is a significant relationship between career development and job performance.

The result from statistical data has shown there is a significant relationship between career development and job performance for employees in banking industry. Besides, a moderate positive correlation of 0.49224 is reported between career development and job performance. In other words, when career development is much provided, the job performance will be higher.

The result has shown that career development will affect the job performance of employees in banking industry. Hence, when the social esteem (i.e. recognition) is high, employees feel they are worth-impressed; the job performance will increase (Ellingsen and Johannesson, 2008). Nelson (2002) also supported this finding that recognition helps to improve job performance as management received expected outcome from employee right after the recognition. Furthermore, Saunderson (2004) also stated that formal recognition will rise up the compliance of the employees and hence, increase the job performance. According to Harter, Schmidt, and Hayes (2002), recognition as one of the component of career development is the major drivers for employee engagement which will alternatively affect the job performance. Employee feels happy when they are praised or recognized, and thereafter they are motivated to complete their task given.

### **5.2.3 Relationship between Working Environment and Employees' Job Performance**

#### Hypothesis 3

H3<sub>1</sub>: There is a significant relationship between working environment and job performance.

According to SAS result, there is a significant relationship between working environment and job performance, with a small but not defines strength of association between these two variables, as a result of figure of 0.29711. Therefore, H3<sub>1</sub> is accepted and it is supported with various studies and research finding. The better working environment has been provided, the higher the level of job performance in an organization.

According to Leblebici (2012), it is found that there is significant relationship between working environment and job performance. In Leblebici's study, he had proved that office working environment has significant impact on productivity of employees. Besides, the behavioral components of office environment have a greater impact on productivity than the physical components. It is the comfort level that has the significant impact on the performance level of employees than the office layout. Hence, a comfort working environment has significant impact on the job performance.

Furthermore, Paputungan (2013) stated that there is a strong relationship between safety and healthy working environment and job performance in banking industry. According to the hypothesis tested in the study, the finding has proved that work stress has significant affect towards the employee performance. Otherwise, this statement is agreed by another researcher. On the other hand, Agwu (2012) stated that, the relationships between safety working environment and job performance is strong. By having a safer working environment, it will lead to less accidents,

damages, liabilities, legal costs, medical costs and less disruption of work process. In all places, the job performance will be enhanced.

### **5.2.4 Relationship between Reward Systems and Employees' Job Performance**

Hypothesis 4

H<sub>4</sub>: There is a significant relationship between reward systems and job performance.

Based on the result computing in chapter 4 using Pearson Correlation Test, the analysis is showing a figure of 0.48010, a moderate strength of correlation between these two variables. The p-value of <0.0001 which is less than the significant level of 0.05 ( $P > 0.05$ ), indicates that there is a significant relationship between reward systems and job performance. Thus, H<sub>1</sub> will be accepted as when the reward is high, the performance of the job carry out by the employees is high.

According to Rahman, Hussain, and Hussain, (2011) states that most of the respondent perceived that rewards of both financial and non-financial have a significant and positive impact on their individual performance. That is why it is essential for the HRM practitioners of private companies' requisite to bring about and apply the reward policy to human resource in order to enrich their overall performance (DeMatteo, Eby & Sundstom, 1998). Additionally, the result of the research done by Aktar, Sachu and Ali (2012) was identified that there was a positive relationship between rewards and employees' performance resulted from the strong correlation between intrinsic and extrinsic rewards.

In fact, the capability of the human resource management in dealing with the reward systems functions could lead to a success of the economics of



an organization, as well as to the nation (Pieper, 1990; Selvarajah, Stanley & Gladys, 2003). Based on the researchers, they allude to an example of the Banglaeshi government, they are particular in capitalized the reward as a fundamental of competitive advantage as to retain their employees in achieving an industrial nation within the Asia Pacific region, where they have achieved a high degree of industrialization and which to enjoys the higher standards of living in that country (Morrison, 1992; Sessa, 1992).

Likewise, the researcher Zanelli (2004) states that when workers are rewarded in a tangible way for instance increased in salary or in cash bonuses, or intangible rewarded such as promotion and public recognition as the result of desirable behaviors in the performance, they will perceived to be more motivating to work. A fair and consistency reward systems will be essential for the presence of commitment from the employees towards the organization as well as superior performance of work. Hence, behavior and performance of the employees will be influenced by the reward systems have been proven by much empirical evidence (Maltz & Kohli, 2002; Furtado, Aquino, & Meira, 2009).

The result conducted by researcher Agwu (2013), there is significant relationship between reward systems as perceived by the employees. If reward fairly distributed which it is equal to their job performance, it might lead to the satisfactory of individual. Otherwise, they will perceive it as unfair and dissatisfied with their supervisor and they will tend to reduce their input or no longer putting effort on their job since the inputs are not fairly rewarded.

### **5.2.5 Relationship between Fair Treatment and Employees' Job Performance**

#### Hypothesis 5

H5<sub>1</sub>: There is a significant relationship between fair treatment and job performance.

The result from statistical data has shown there is a positive relationship between fair treatment and job performance for employees in banking industry. A small but not defines strength of association of 0.24178 is reported between fair treatment and job performance. This result has shown that fair treatment will affect the job performance of employees in banking industry.

Konovsky (as cited in Narcisse & Harcourt, 2008) stated that the fairness plays a significant role in primary organizational value and understanding the sequel of the employee perception on the fairness. The organization which practices the ineffectiveness and unfairness of a performance management system might result in poor performance, unproductive, and sometimes destructive behaviour from the employees. Employees are hoping to have fair treatment from the organizations regardless of the issues in rewards or punishment, and also their evaluations on the allocation process (Cho & Kessler, 2008).

According to Suliman (2007), in the condition in which the resources are distributed unfairly, the systems can become so destructive in the way that mistrust, disputes, disrespect and some social problems might arise. Generally, employees will make comparisons with others that are in the workplace to compare their salaries, working hours and benefits that are offer by the organization. The employee will feel satisfy toward the system and will have good performance in the organization if the comparison is positive. But if the outcome is negative, the reverse is true.

From the result we obtained and the supports from several researchers, it is concluded that fair treatment a significant relationship with job performance.

## **5.3 Implications of the Study**

The managerial implications will be provided at below after the five variables are tested in this study. It is useful to both human resource and employers in term of better understanding on how the five independent variables (i.e. training, career development, working environment, reward systems, and fair treatment) affect the job performance in continuing banking industry.

### **5.3.1 Managerial Implications**

This study has provided useful information to both management of banking industry and future researchers who are doing related topic. With the information available, employers would able to prevent unnecessary problems and increase the job performance. By meeting the needs of employees, turnover rate can be reduced. Furthermore, employers can get to know more about the factors that affect the turnover and eventually retain the employees, meanwhile increase job performance. With the results proven in this study, the researchers can realize that training, career development, working environment, reward systems, and fair treatment are the factors that affect the job performance of the banking staffs.

The result of this study addresses that a skilled employee is retained at the high levels of complying with the terms of retention issues. Human capital is relatively important in resulting competitive advantage of an organization. In this case, a well-trained employee may help in reducing costs of supervision because they are able to censor their own tasks. Apart of this, successive promoting the skills and knowledge of an employee via

career development will help in increasing the job performance. Nevertheless, a safe and comfortable working environment would increase the morale of the employees and gradually boost up the job performance. Management is able to understand and create an unrestrained environment for the employees through this study.

Besides, rewards have also been a carrot and stick for the employees in order to retain them in an organization. Employees feel a sense of insecurity when the firm started to outsource its task. Hence, the employee leaves the organization as they perceive the management does not look after their best interests. This study would help the management to understand better the heartfelt wishes of the employees in order to retain them and enhance the job performance. The management would realize the importance of rewarding the employees and would be able to implement an appropriate reward framework for effective spending through this study. Lastly, this study indicated that treatment in the workplace in terms of fairness conveys an important value to the staffs, and stimulate the staffs to be committed to the organization in order to enhance the job performance.

## **5.4 Limitations of the Study**

During the research process being carried out, there are several limitations of the study that hinder the progress of the research, for example sample size and questionnaire, limitation of time frame, financial and facilities, and methodology of data collection of whole research study. Thus, the limitation will be explained to meet the standard requirement of the research, and the recommendation will be provided for the improvement in future research.

### Sample size and questionnaire

The research study are grouped by five members and due to the constraint of limited members and survey size, data analysis will be insufficiently comprehend or precise to the attainment of requirement. Besides, the selected location for the

research scope is lack of geographical coverage which is only chosen in Ipoh, Perak, Malaysia, with consists of limited respondents of 300; this sample size might not accurately represent all the employees in banking industry in Malaysia. Therefore, the result might not be reliable in the presence of biasness. For the questionnaire, due to the smaller survey size the questionnaire will be only distributed for those who are willing to participate. However, cooperative and willingness of certain banking industry seems reluctantly agreed upon the filling of questionnaire due to the confidentiality which also restricted the research from going smoother.

#### Limitation of time frame, financial and facilities

Inadequate time frame for research title, information searching, discover prospective pool of respondents for questionnaires, questionnaire distribution, analysis of data and others, all of these are the constraint to a more precise and reliable results. Moreover, the limitation of financial and facilities for instance, the cost of printing fee, administrative cost and transportation cost that are fully bear by five members of the research team.

#### Methodology of data collection

The methodology use to obtain the result can be improvised instead of just using the way of distributing it manually by the five members of research team; it could lead to inefficiency as time will be dragging when the questionnaire is being collecting back one by one. Furthermore, there is difficult to have those co-operate respondent who are keen to answer the entire questionnaire. One might falsified the answer since there is no obligation and sincerity of the respondent's participation. Additionally, since the questionnaire are not seriously answering by the respondents, as a result of a weak correlation between the independent and dependent variables. In short, if the information given was falsified, the validity and reliability will be affected.

Nevertheless, throughout this study we can examine and identify the relationship of retention strategies which contribute towards the job performance level of the employees in an organization. However, there are some of the limitations with underlying assumptions that may affect the reliability and validity outcome of the

analysis. The identified limitation laid a background for potential future study to better understand the retention strategies towards the employees' job performance in banking industry in Malaysia.

## **5.5 Recommendations for Future Research**

From our research study, there are significant relationship between training, career development, working environment, reward systems and fair treatment commitment with the job performance of employees in banking industry. Several limitation been identified and there are certain of the recommendations provided for the future research.

For the sample size of respondents, a larger sampling size should be more appropriate to cover all the state in Malaysia for future research in order to represent the whole banking industry. A wider range of participants is more essential to the reliability and accuracy result in order to avoid bias and unwanted incongruities, correspondingly to increase the significance and to draw the final conclusion for whole research study.

Besides, the geographical area should be expanding to more locations in order to improve the reliability of data and to reduce the bias of the result. It is recommended to conduct the research to other states in Malaysia because the more data collected from different states, there is the higher possibility to acquired more significant data in order to create a more comprehend and precise of the research study.

In addition, the way of manually distributed of the survey cause a waste of time in completing the research progress. It is recommended for different data collection for instance through the channel of personal interview, observation, telephone interview or internet distribution. In personal interview session, researchers can explain more detail about the question to prevent ambiguity towards our research purpose, and reduce the falsification of respondents. Observation might receive more subjective interpretation towards the employee's behavior but it is to declare

the efficiency and effectiveness of the result. Telephone interview provided with a courtesy attitude in questioning that can shorten the time to distribute and collect the survey. Sending the questionnaire through internet deliberated as an easier and faster method to distribute to the respondents, and it can indirectly overcome the limitation in terms of financial and facilities which the process of data collection will lower the cost and time saving.

## **5.6 Conclusion**

A thorough and remarkable understanding on the independent variables which comprises of training, career development, work environment, reward systems and fair treatment, that will significantly affect the relationship with the dependent variable which is job performance of employees in banking industry. Upon the findings, the four factors undeniably play an important role and providing an overview of how it influences the level of job performance, through SAS Enterprise Guide, a software programs that used to run a test in terms the measurement of Pearson Correlation Coefficient and Multiple Regression Analysis.

There are several retention strategies in our research study which determined the significant relationship which lead to boost of level of job performance and this research findings not only beneficial by providing the useful insights for the education industry but also vital for every aspect in the organization, which will barely determine the perpetuity and sustainability of the particular organization in the global marketplace.

Furthermore, organization is able to ascertain employees' needs and wants. With the result findings, employers can implement those strategies based on the priority that have the most influential ranking with the intention of satisfying and motivating the employees. Thus, employees are more likely to perform well by exhibiting a higher level of commitment and tend to increase the productivity of the organization. In fact, they will assist the organization to achieve their goals

and objectives and it is directly retain the potential and talented employees in an organization.

However, change is the only consistent philosophy where the world is keep change over time. Therefore, the studies must be made accordingly with the changes to fit into different situation whereby new factors will be identified in the future. In brief, the retention strategies will be able to increase the overall job performance and become more efficiently and effectively in the organization, in the sense of achieving developing and successful organization.



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(Appendix A)

## Certificate Letter from UTAR to Conduct Survey



## UNIVERSITI TUNKU ABDUL RAHMAN

Wholly Owned by UTAR Education Foundation (Company No. 578227-M)

24<sup>th</sup> June 2013

## To Whom It May Concern

Dear Sir/Madam

## Permission to Conduct Survey

This is to confirm that the following students are currently pursuing their *Bachelor of Business Administration (Hons)* program at the Faculty of Business and Finance, Universiti Tunku Abdul Rahman (UTAR) Perak Campus.

I would be most grateful if you could assist them by allowing them to conduct their research at your institution. All information collected will be kept confidential and used only for academic purposes.

The students are as follows:

<u>Name of Student</u>	<u>Student ID</u>
WONG SIOK CHING	11ABB00158
CHUA BING LUEN	09ABB02823
NG PEI SHI	11ABB00258
TAN CHIU YEN	11ABB00189
TEOH YUN ZHEN	10ABB00718

If you need further verification, please do not hesitate to contact me.

Thank you.

Yours sincerely

.....  
 Mr Kuek Thiam Yong  
 Head of Department,  
 Faculty of Business and Finance  
 Email: [kuekty@utar.edu.my](mailto:kuekty@utar.edu.my)

.....  
 Puan Che Natheera Banu Binti Syed Abdul Aziz  
 Supervisor,  
 Faculty of Business and Finance  
 Email: [natheera@utar.edu.my](mailto:natheera@utar.edu.my)

Address: 9, Jalan Bersatu 13/4, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia Postal Address: P O Box 11384, 50744 Kuala Lumpur, Malaysia  
 Tel: (603)7958 2628 Fax: (603) 7956 1923 Homepage: <http://www.utar.edu.my>

(Appendix B)



UNIVERSITI TUNKU ABDUL RAHMAN  
FACULTY OF BUSINESS AND FINANCE

BACHELOR OF BUSINESS ADMINISTRATION (HONS)  
FINAL YEAR PROJECT

**TITLE OF TOPIC: The Relationship between Retention Strategies and Job  
Performance in Malaysia Banking Industry**

## **Survey Questionnaire**

Dear Respondent,

As part of our Bachelor of Business Administration (HONS) research at University Tunku Abdul Rahman (UTAR), we are conducting a survey on “The Relationship between Retention Strategies and Job Performance in Malaysia Banking Industry”.

We appreciate if you could complete the following questionnaire. Any information obtained in connection with this study will remain confidential. In any written reports or publications, no one will be identified and only group data will be presented.

Thank you very much for your participation.

Best regards,  
Chua Bing Luen  
Ng Pei Shi  
Teoh Yun Zhen  
Tan Chiu Yen  
Wong Siok Ching

### **Instruction for Completing the Questionnaire**

- 1) There are **TWO (2)** sections in this questionnaire. Kindly answer **ALL** the questions in Section A and Section B.
- 2) Completion of this questionnaire will take you approximately 10-15 minutes.
- 3) This questionnaire will be kept strictly **CONFIDENTIAL**.

**SECTION A: Demographic Profile**

**Please place a tick “√” or fill in the blank for each of the following:**

1. Gender:

- Male
- Female

2. Age:

- 25 years old and below
- 26 – 35 years old
- 36 – 45 years old
- 46 – 55 years old
- Above 55 years old

3. Education level:

- Certificate
- Diploma
- Degree
- Master
- PHD
- Others, please specify: \_\_\_\_\_

4. How long have you been working in banking industry?

- Below 1 year
- 1 – 5 years
- 6 – 10 years
- 11 – 15 years
- 16 – 20 years
- Above 20 years

5. Monthly salary:

- RM 2,000 and below
- RM 2,001 to RM 5,000
- RM 5,001 to RM 8,000
- RM 8,001 to RM 11,000
- Above RM 11,001

**SECTION B**

Please circle your answer to each statement using 5 Likert scale [(1) = strongly disagree; (2) = disagree; (3) = neutral; (4) = agree and (5) = strongly agree]

**Part 1:****Job Performance**

No.	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	I always complete projects and works according to deadlines.	1	2	3	4	5
2.	I always manage information and data effectively.	1	2	3	4	5
3.	I work without supervision when necessary.	1	2	3	4	5
4.	I effectively collaborate with other department members when necessary.	1	2	3	4	5
5.	I take appropriate action on problems when necessary.	1	2	3	4	5

**Part 2:****Training**

No.	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	I am satisfied by the training program that I received at the company.	1	2	3	4	5
2.	I feel that training provided by my organization helps me to understand the goals of my department.	1	2	3	4	5
3.	I become more committed toward my job after getting training.	1	2	3	4	5



4.	I become more productive after receiving training.	1	2	3	4	5
5.	After received training, my attitude/behaviour becomes willing to accept more challenging assignments.	1	2	3	4	5

**Part 3:****Career Development**

No.	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	I am aware of how current social and labour market trends may impact my career.	1	2	3	4	5
2.	I know that how to access and who to consult regarding information about career and training alternatives in my field.	1	2	3	4	5
3.	I am systematically trying to improve the skills I need to success in my career.	1	2	3	4	5
4.	I want my career to benefit me in the future.	1	2	3	4	5
5.	I do not think much about the way my career might expand 10 years from now.	1	2	3	4	5

**Part 4:****Working Environment**

No.	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	I am satisfied with the physical working conditions.	1	2	3	4	5
2.	I feel safe and comfortable at my work place.	1	2	3	4	5

3.	I am able to balance my work and personal life.	1	2	3	4	5
4.	I am satisfied with relationship I have with my co-workers.	1	2	3	4	5
5.	I do not feel stressed at my work place.	1	2	3	4	5

**Part 5:****Reward Systems**

No.	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	I am really interested in my work because company rewards me financially.	1	2	3	4	5
2.	I believe employees perform well when reward is given appropriately.	1	2	3	4	5
3.	Promoting the most talented people will increase the performance level of employee.	1	2	3	4	5
4.	Higher opportunity for employees to be promoted will affect the performance of the employee.	1	2	3	4	5
5.	Empowered employees to make decisions at workplaces will increase the level of performance.	1	2	3	4	5

**Part 6:****Fair Treatment**

No.	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	I am rewarded fairly for the amount of effort I put forth.	1	2	3	4	5

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2.	I am rewarded fairly for the stresses and strains of my job.	1	2	3	4	5
3.	I have complete trust that my supervisor will treat me fairly.	1	2	3	4	5
4.	My organization's procedures generate standards so that decisions can be made with consistency.	1	2	3	4	5
5.	Management has little regard for the well being of people who work for this company.	1	2	3	4	5

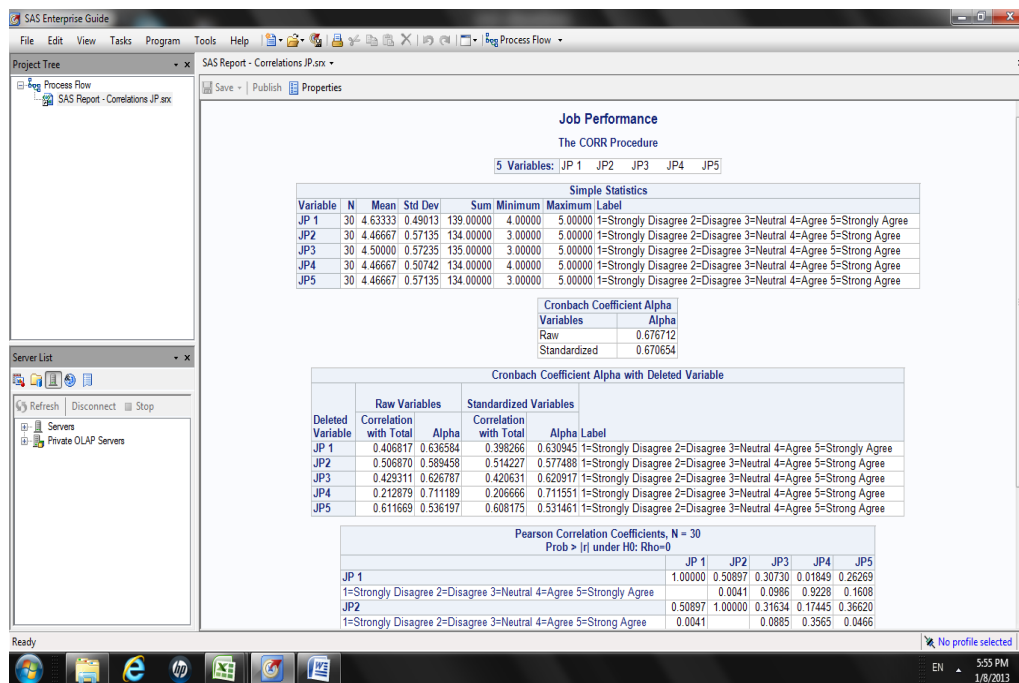
*Thank you for your time, opinion and comments.*

***~ The End ~***

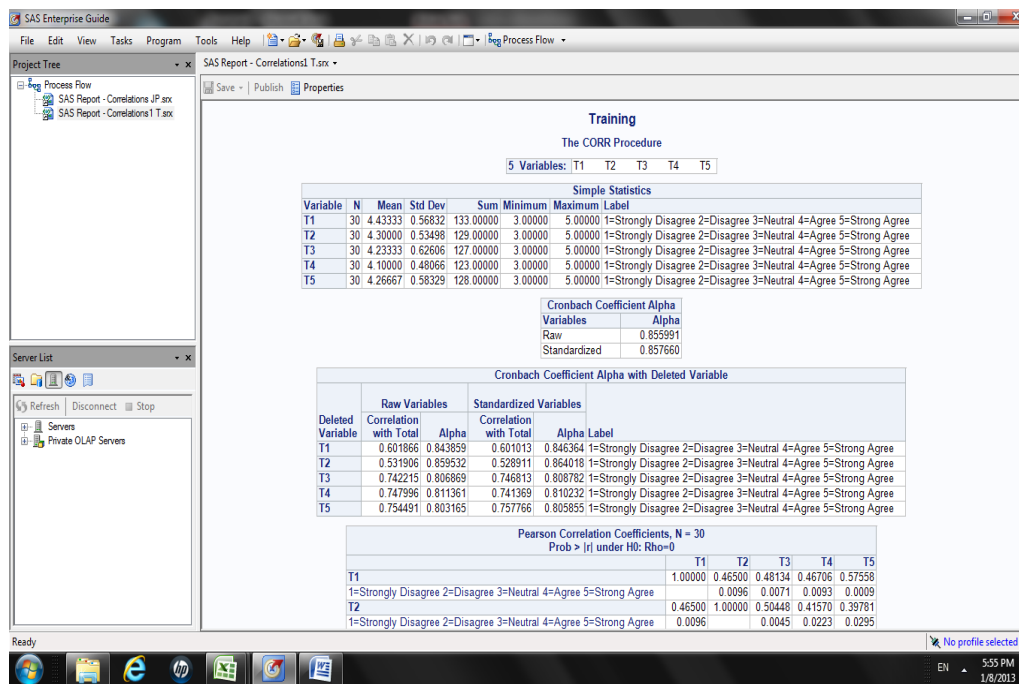
(Appendix C)

Survey Results Generated by SAS Enterprise Guide 5.1:

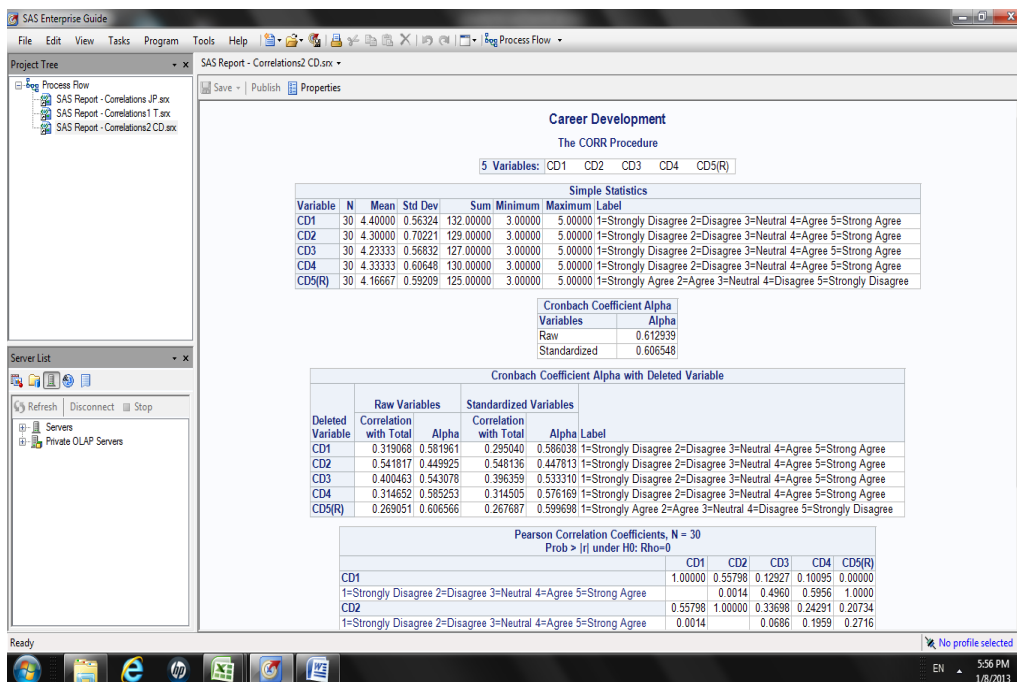
1. Pilot Test Result for Job Performance



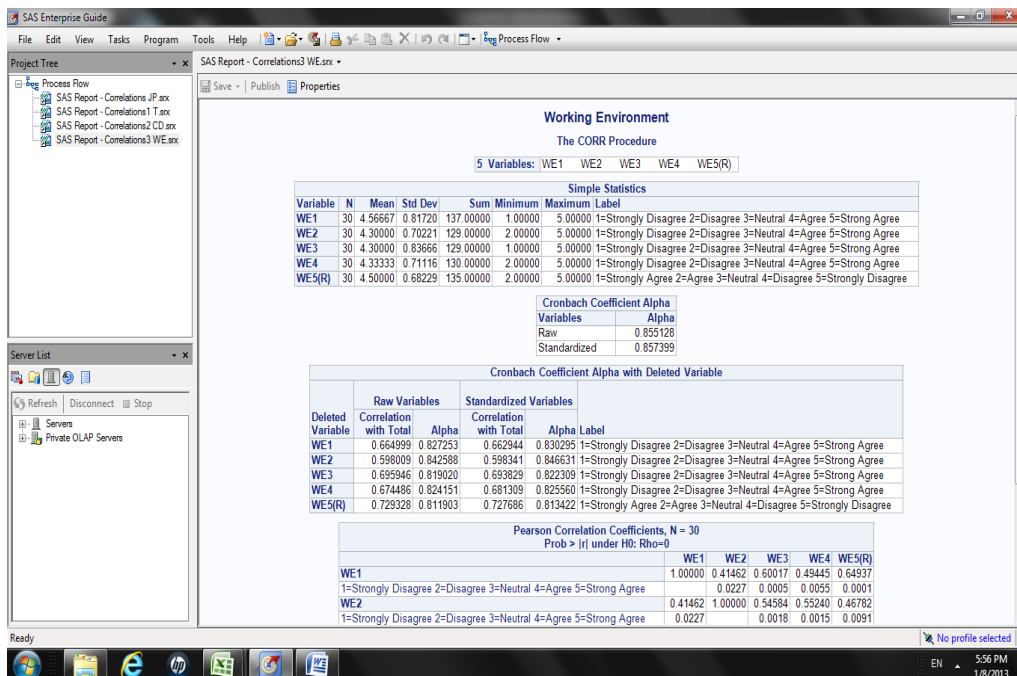
2. Pilot Test Result for Training



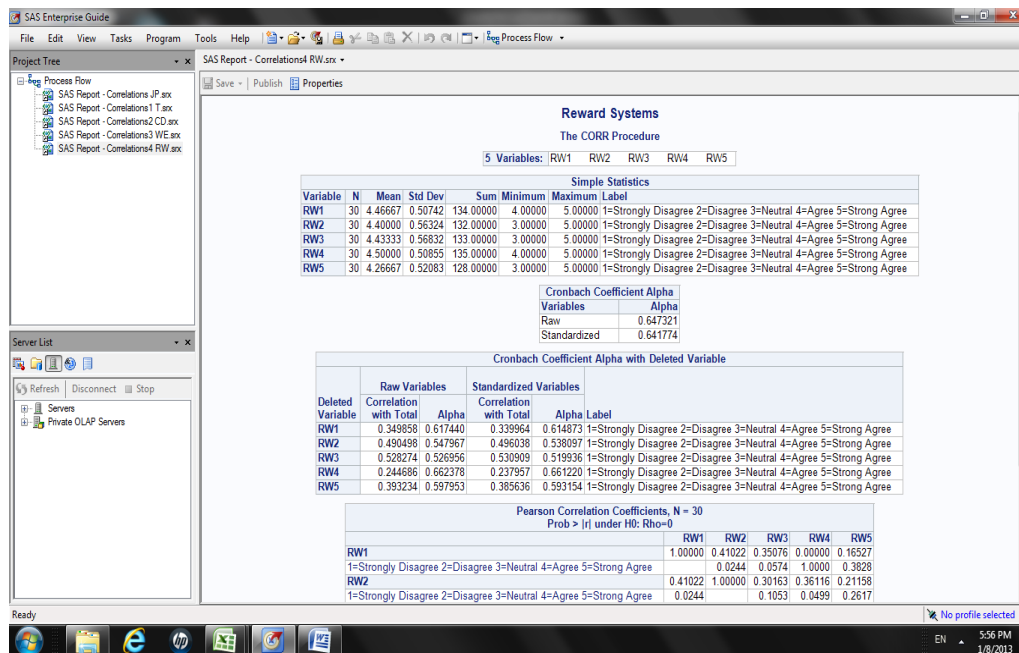
### 3. Pilot Test Result for Career Development



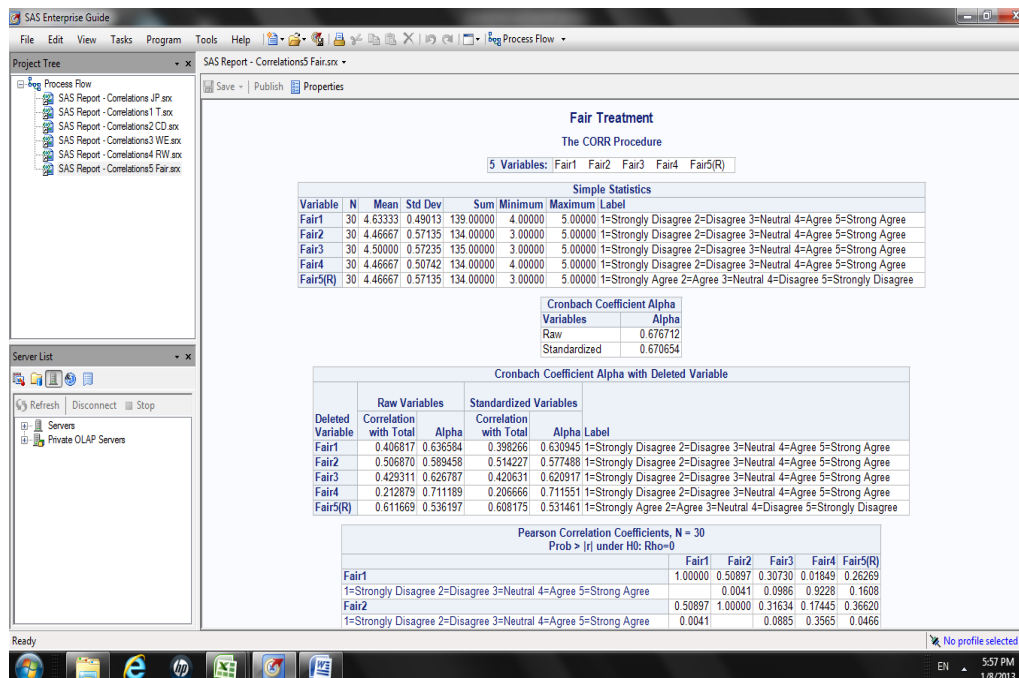
### 4. Pilot Test Result for Working Environment



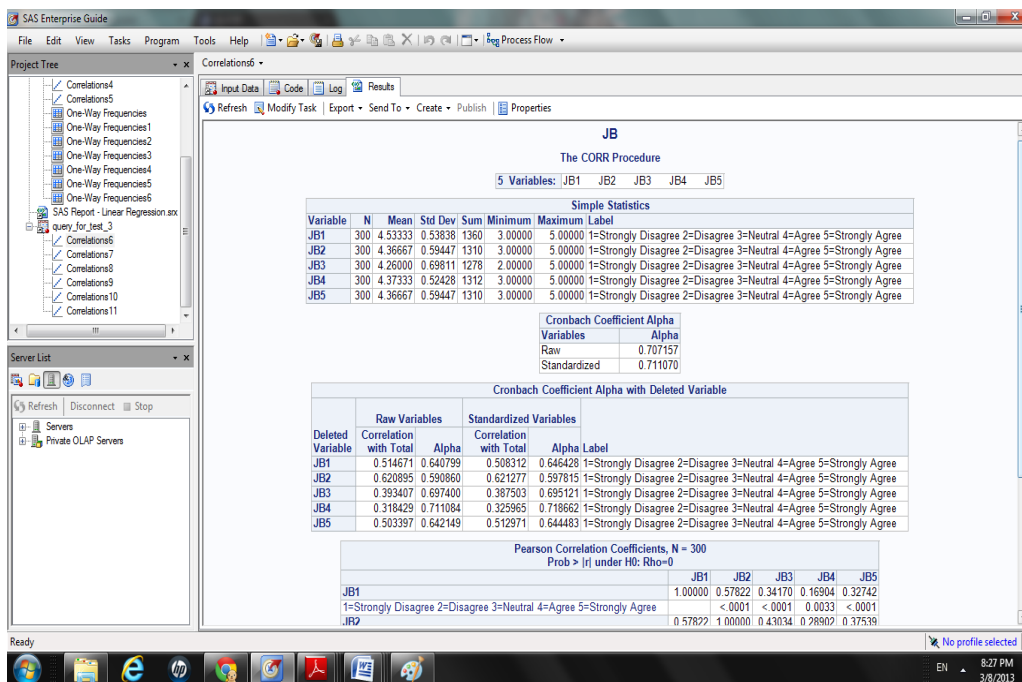
5. Pilot Test Result for Reward Systems



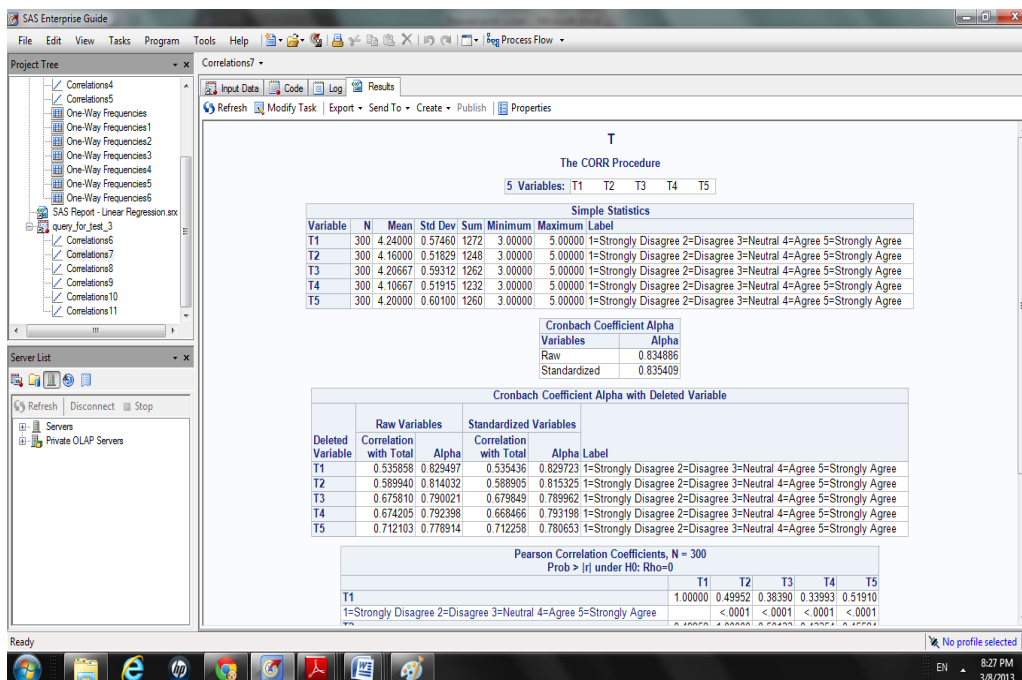
6. Pilot Test Result for Fair Treatment



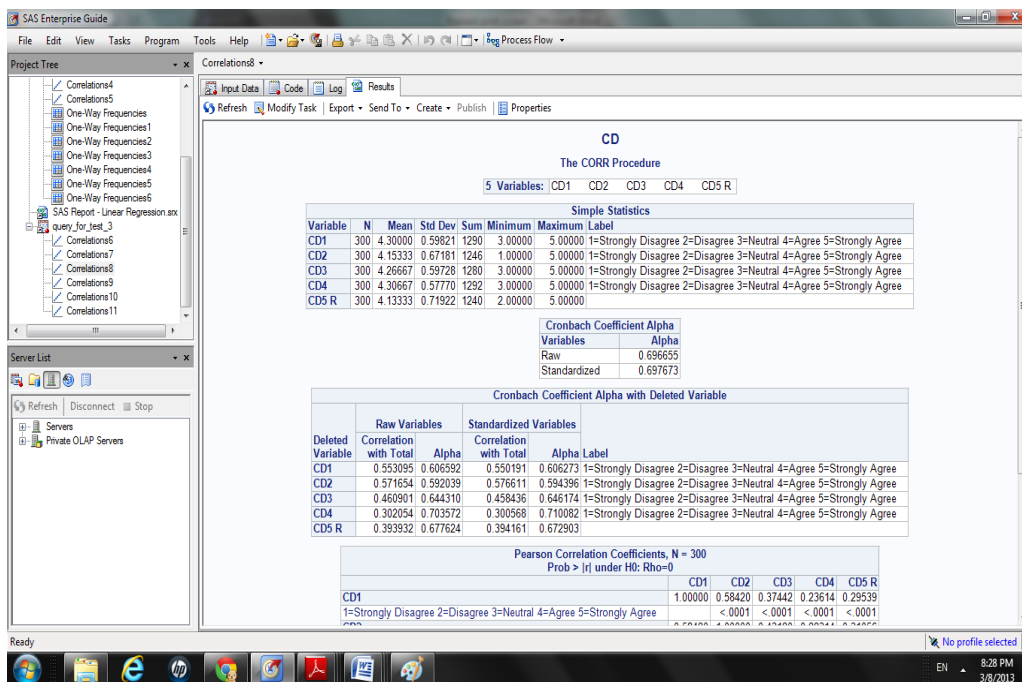
### 7. Reliability Test for Job Performance



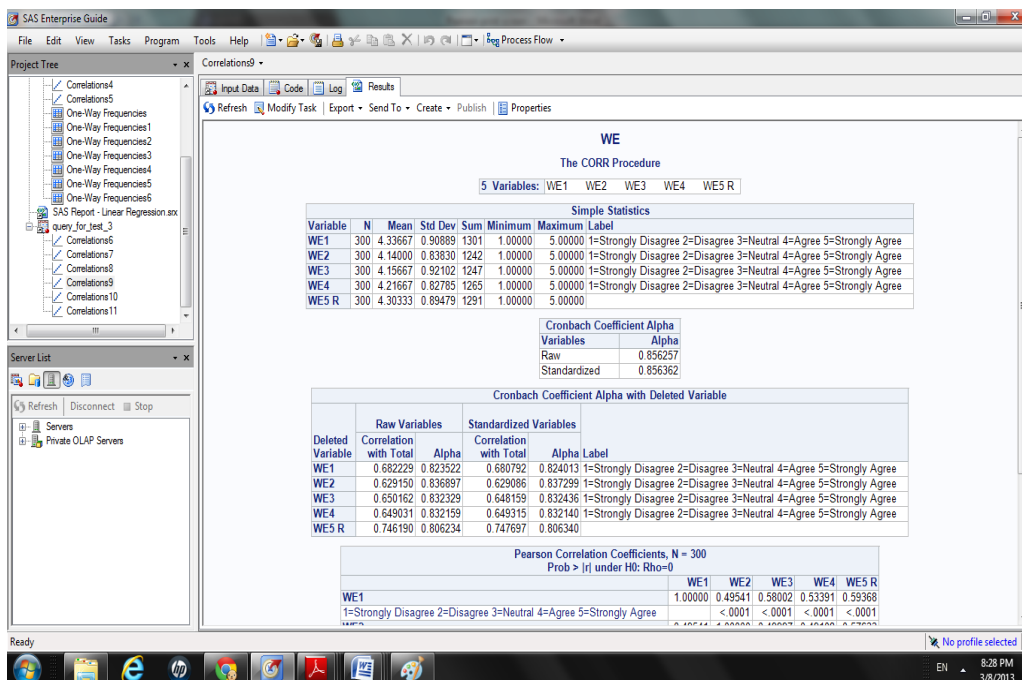
### 8. Reliability Test for Training



### 9. Reliability Test for Career Development

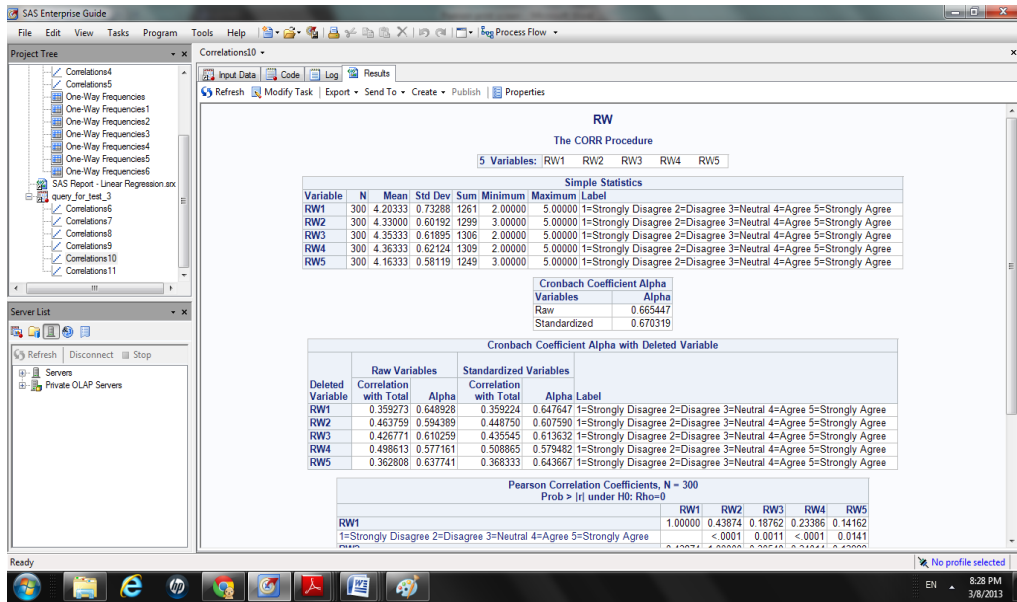


### 10. Reliability Test for Working Environment

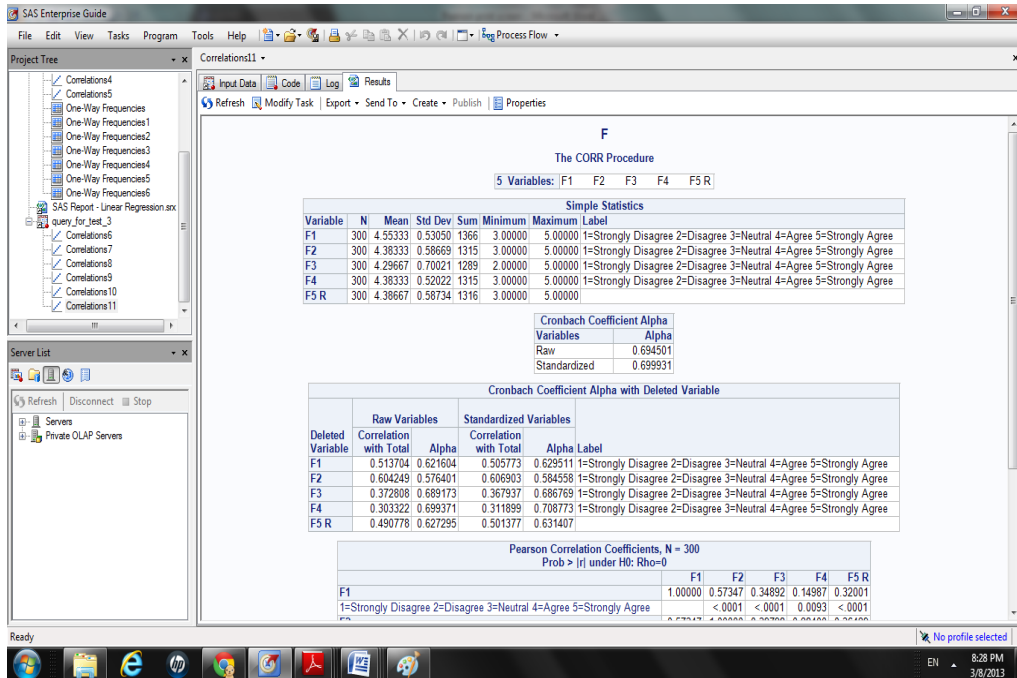




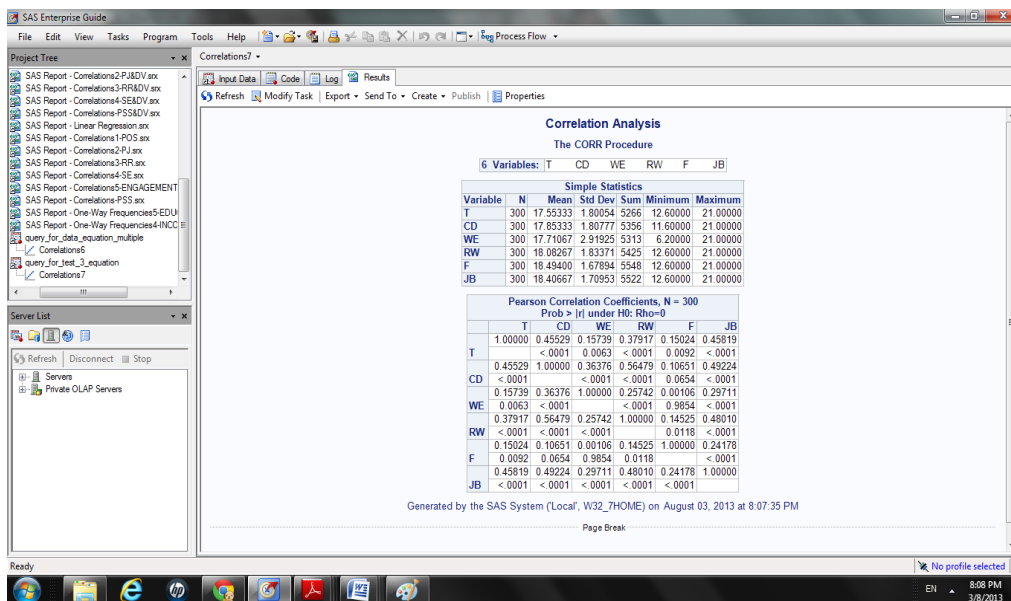
## 11. Reliability Test for Reward Systems



## 12. Reliability Test for Fair Treatment



### 13. Pearson Correlation Analysis



### 14. Multiple Regression Analysis

