THE IMPACTS OF ORGANIZATIONAL CHANGE TOWARDS EMPLOYEES' PERFORMANCE IN BANKING INDUSTRY

BY

LAM WAI FONG
LAU WAI TING
NG MEI HUI
SHUA HUI YING
TEH SOO EE

A research project submitted in partial fulfillment of the requirement for the degree of

BACHERLOR OF BUSINESS ADMINISTRATION (HONS)

UNIVERSITI TUNKU ABDUL RAHMAN

FACULTY OF BUSINESS AND FINANCE
DEPARTMENT OF BUSINESS

AUGUST 2011

DECLARATION

We hereby declare that:

1) This undergraduate research project is the final result for our work done. 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.

4) The word count of this research report is 31,466.

Name of Student:	Student ID:	Signature:
1. LAM WAI FONG	09ABB00115	____________
2. LAU WAI TING	09ABB00287	____________
3. NG MEI HUI	09ABB00038	____________
4. SHUA HUI YING	09ABB00230	____________
5. TEH SOO EE	09ABB01660	____________

Date: 15 August 2011

ACKNOWLEDGEMENT

We were grateful to Universiti Tunku Abdul Rahman (UTAR) for giving us to conduct this research which is benefits us in learning. Moreover, we would like to express our greater gratitude to a number of people and acknowledge their contribution who had been contributed their precious time, effort and concern to this research project.

Firstly, thousands of thank to our supervisor, Mr. Lee Eng Keong who guided, advised and supported us to complete this research project. We are highly appreciating his contribution to us by spending his precious time for us in this research process. Without his valuable guidance, we could not able to conduct this research project in a proper way.

Secondly, we are grateful to all respondents who willing to spend their precious time to fill up the questionnaire that enable us to complete this research. We were thankful to their cooperation in giving us the detail information that we needed to run this research smoothly.

Thirdly, we would like to thank our honor lecturer, Mr. Oon Kam Hoe and lovely friends for their suggestion and advices to facilitate us completed this research project. Without their supports, our research project would not able to complete.

Lastly, we are grateful to the team members who have been cooperative and tolerance with each other’s throughout the whole research process. We would like to thank our parents and family member who supported us in term of financial and mental support as well. This is because they understood our situation and provided us the costs that incurred in this project.

DEDICATION

We would like to dedicate to our lovely parents who give us the chance to study at Universiti Tunku Abdul Rhaman (UTAR) for learning. In addition, they provide us in financial and mental support whenever we need.

Furthermore, we will dedicate to our honor supervisor, Mr. Lee Eng Keong who provides us support, guidance, suggestion and motivation to facilitate us to do this research.

Lastly, we will dedicate to ourselves for the cooperation, understanding, respect and motivation to each other throughout this research process.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF ABBRECIATIONS

ASEAN	Association of South-East Nation
SPSS	Statistical Package for the Social Science
UTAR	Universiti Tunku Abdul Rahman

LIST OF APPENDICES

This undergraduate research project guideline is:

Prepared by:	Reviewed by:	Approved by:
Lim Yong Hooi Research Project Coordinator	Research Project Committee	Fong Chee Yang Head of Department
Date:	Date:	Date :

PREFACE

Due to the Asian economic crisis in year 1997, it brought an unfavorable effect to the banking industry in the countries of. After the crisis, the officials of the countries in Association of South-East Nation (ASEAN) had restructured to reinforce the banking industry. Hence, there were involved the changes in the aspect of improving in management, acquisition and mergers of banks.

The banking industry in Malaysia has transformed rapidly from transactional and customer service-oriented to increasingly aggressive environment. Due of this transformation, the employment culture in banking industry is changed and therefore it affected the employees' performance in the organizations.

Thus, in order to have the employees that are good in their performance, the variable such as employees' development, tolerance to change, leadership, communication and procedural justice were identify and used in this study.

Upon completion of this study, the relationship between employees' development, tolerance to change, leadership, communication and procedural justice with employees' performance will be identified and understand. The results enable every industry, especially banking industry to know of which variable can be influenced effectively for the employees' performance.

ABSTRACT

The main objective of this research is to analyze the impacts of organizational changes towards employees' performance in banking industry. The factors that will be discussed in the chapter include communication, leadership, procedural justice, employees' development and tolerance to change. The previous study by other researchers will helps to develop the hypotheses in this research project.

The location that been selected are Penang, Kuala Lumpur, Johor Bahru and Selangor. A sample size of 200 respondents in the questionnaire had been conducted. The questionnaire was design and distributed through randomly sample to employees. The Statistical Package for Social Science (SPSS) software had been used in order to run the reliability analysis, frequency analysis, explaining the correlation coefficient analysis and test of hypothesized relationships among the dependent variable and the independent variables.

As a result, it had been found that communication, procedural justice, employees' development and tolerance to change has positive significant relationship with employees' performance. On the other hand, leadership has the negative significant relationship with employees' performance. Next, the findings and suggested recommendation have been discussed. Lastly, the future study and conclusion have been done.

Keyword: organizational change, employee performance, communication, leadership, procedural justice, employees' development, tolerance to change.

CHAPTER 1: INTRODUCTION

1.0 Introduction

This introductory chapter provides a comprehensive background to the study of focusing on the research topic. Specifically, this research is aim to examine the impact of organizational change towards employees' performance. In depth, this chapter presents an overview of the scenario with statement of problem, followed by research objectives, research questions, hypotheses of the study, significance of the study, and finally chapter layout.

1.1 Research Background

Nowadays, there are rapid changes in organization which increased the markets and opportunities in terms of gaining the growth and revenues. Normally, the concept of organizational change more regards to the organizational wide change that would include the change in term of mission, restructuring operations, mergers, collaboration and others. There are research sayings that organizational change means organization transformation (Kotter and Schlesinger, 2008).

According to Ashford et al., (1989), he says that the employees will start to have the feeling of nervousness, stress and lack of self-confidence when there are organizational changes such as downsizing, restructuring as well as merging as cited in (Nicolaidis and Katsaros, 2007).

Although there is acknowledgement that change is just a progress and there is a need to go towards it, it is still hardly for people to accept the change. It is widely believe that most of the people are having the resistance to change. According to Duck (1993), he quotes "change is intensely personal" whereas Pietersen (2002) says that “for many people, the spectra of change produces what is sometimes calls as the Factor fear, Uncertainty and Doubt” as cited in (Dulger, 2009).

In order to determine the practice standard, value is the set of the real beliefs in terms of the teamwork, customer service, and respect for each other. According to Pierce (2003), when the change is starts to occur, the leaders can have the chances to leads the employees to a better perspective ways. In another words, it means that the leaders can inspire the employees and move their organization into a new direction, provided the new direction is in agreement with their essential values. Through this, the employees’ obligation and energy are fuel by the value that moves the organization.

The banking scenario in Malaysia has changed significantly since the Asian economic crisis. After 50 years of independence from British, Malaysia faced a lot of globalization such as employees in banking industry faces organization changes like reorganization as well as greater variation in workload due to rapid technological changes. The employees of the bank sectors may have the fear towards the changes of working environment, organizational culture and organization management. It is very important that employees must be physically attached to their banks. It can affect the efficiency and effectiveness of the organization and ultimately affect the accomplishment of predetermined organizational goals as well as the employee’s performance.

The organizational change can have difference impact towards the employees’ performance. It is depends on how the employees view it and how the environment of the working situation that the employee prefer. According to Isaksen, et al., (2000-2001), he reckons that the employee will be more motivated and they are willing to give their best contribution when they feels that the workplace have high degree of challenge and have the sense of belonging as cited in (Bowman, 1996).

Typically, people will have deep attachments towards organization, work group and the way of working. If there is organizational change, then in order to let the individual and organizational survive, they need to have the ability to adapt to the changing environment. According to Jimmieson (2003), change will be ever present and there is not only the need to just learn understanding the human factors but there is also need to have the skill to manage and lead change effectively so that the employees' performance would not be drop as cited in (Rashid, 2004).

According to Appelbaum (1998), there are time which the employee that experiencing the organizational change at the personal level will have the feelings of threaten and fearful. This is due to the employee starts to have the low confidence as they feels that they having a lack of organizational commitment to the vision of the company. Those employees who have the confident, skilled and experience that facing in the middle of the ambiguity and uncertainty might look for other career opportunity.

When there is changes happen within the organization, people tend to blame organization or the top management as normally top management are the one who implement the force of changes such as stiffer competition, shifts in the new market place or new technology (Stassen, 2008) as cited in Vakola, Tsaousis and Nikolaou (2004).

There is another research which also states that communication is also one of the important elements for the organizational change. It can affect the employees' performance as well (Jamison, 2008) as cited in (Dulger, 2009). The communication network will become critical when the environment is dynamically changed. According to Smith and Reinertsen (1995), they states that open communications plays an important role as it raises faster it can bring to the earlier of sharing the information as cited in (Qian, 2007). The key to collaboration to work together towards the changes will be communication (Rowe, 2000) as cited in (Qian, 2007).

According to Doppler and Lauterburg (2000), they states that most of the people do not like to change the way they do their work especially when they does not have any idea of the goal and who will gain the benefit from the changes as cited in (White, 2003).

The organizational change will bring the impact for the employees' performance in different views. There are some people who might accept it and some might not, depending on how the perception of the employees is and how well the changes go.

1.2 Problem Statement

Based on the past empirical studies, present researchers identified few concerns from the literatures review. Some employees might feel nervous and stress to the changes of the organization as they are more familiar with old organizational environment (Ashford et al., 1989) as cited in (Nicolaidis and Katsaros, 2007). Changes may cause decrease of employees' productivity and morale. It subsequently brings a negative impact towards employees' performance. Customer service is very important in banking industry. Employees need to face with the customers in every working day. Therefore, employees are playing an important role in this industry. If employee's performance decreased, it may affect the bank's reputation and profitability.

Besides, uncertainty and fear would cause the employees reluctant to change (Duck, 1993; Pietersen 2002) as cited in (Dulger, 2009). Employees are concerned their employment, own benefits and wealth fare after the change. They are afraid of whether the organizational change would bring a good or bad impact towards their employment and benefits. Thus, the employees may not have the motivation to work hard for the organization and their performance would be affected as well. The employee’s motivation is very important for helping the banking industry to achieve a good result, reputation and profitability. Hence, by giving a good benefit and reward to the employees will make them work hardly to complete their task efficiently and effectively.

When an organization decided to change, the employees might feel that they did not belong to the organization if the process of the change did not involve the employees. They might have the feelings that the organization disbelieves themselves and resulting low morale and motivation among the employees. There have some bank which they only make decision by the top management, and not involve their employees to give their opinion during decision making. The employees are just following the decision that make by the top management. As a result, the employees’ performance might be dropped.

Employees’ ability to absorb the organizational change would be one of the important issues. In order for the employees to secure their employment in the organization, they need to have the ability to adapt to the changing environment. There is not only the need to understand the human factors, but also the need to have the skill to manage and lead change effectively and efficiently to maintain or even to improve their own performance. Employees need to have a good communication skill when dealing or communicating with customers, beside that they also need to have their certain skill to compete with other employees. So it’s very important for an employee to have a multiple skill to secure their position on the banking industry.

Apart from these, communication between the employees and employers would be one of the key elements for the organizational change (Smith and Reinertsen, 1995; Rowe, 2000) as cited in (Qian, 2007). The communication network will become critical when the environment is significantly changed. If there is a good communication between the employees and employers, and the proper information of strategic relevance of imposed organizational change being told, this can help the employee to accept the change. Better acceptance of the change will lead employees to have better performance. There is very important to have a good employer to motivate their employees to work hard, give them a guideline to complete a task, help the employees to solve the problems that they face, in order to improve the bank result and profitability.

1.3 Research Objectives

In this section, the purpose of this research is to identify and examine the relationship between the organizational factors of communication, employees' development, leadership style, procedural justice, tolerance to change and organizational change with the employees' performance in banking industry.

1.3.1 General Objectives

Precisely, the study also investigates the organizational factors affects the employees' performance in Malaysian banking industry.

1.3.2 Specific Objectives

i) To examine the employees' performance in Malaysia banking industry.

ii) To identify the important of organizational changes toward employees' performance Malaysian banking industry.

iii) To identify the factors influences employees' performance in Malaysia banking industry.

iv) To investigate the impact of organizational change (communication, employees' development, tolerance to change, procedural justice and leadership) towards employees' performance in Malaysia Bank industry.

v) To examine the relationship between organizational changes factors (communication, employees' development, tolerance to change, procedural justice and leadership) and employees' performance.

1.4 Research Question

In this research, there is several research questions have developed to examine and investigate the factors influence employees' performance. Those research questions are as below:

i) What are the factors affect employees' performance in Malaysia banking industry?

ii) How important communication factor towards employees' performance?

iii) What are the factors influences employees' performance in Malaysia Banking industry?

iv) What are the impacts of organizational changes (communication, employees' development, tolerance to change, procedural justice and leadership) toward employees' performance in Malaysia Banking Industry?

v) What are the relationships between organizational change factors (communication, employees' development, tolerance to change, procedural justice and leadership) with employees' performance?

1.5 Hypotheses of the study

There are several hypotheses have been developed to facilitate the objective of this study to investigate employees' performance.

H_1: There is a positive significant relationship on communication towards and employees' performance in banking industry.

H_2: There is a positive significant relationship on employee's development towards employees' performance in banking industry.

H_3: There is a positive significant relationship on leadership style towards employees' performance in banking industry.

H_4: There is a positive significant relationship on procedural justice towards employees' performance in banking industry.

H_5: There is a positive significant relationship on tolerance to change towards employees' performance in banking industry.

H_6: There is positive relationship between communication, leadership, procedural justice, employee development, and tolerance to change towards employee performance.

1.6 Significance of the Study

This study is used to examine the impact of organization change toward employees' performance in the bank industry. The organization change can be in term of acquisition, strategic alliance, merge and joint venture.

There are four stages of the change which are recognizing the problems, planning to change, carrying out the change and maintaining the change (Erwin, 2009). Before carrying on any changes in the organization, this is essentially to plan the changes first. Thus, the finding of this study is important to provide a guideline for the local bankers to plan for any changes of management with the purpose of enhancing the management style.

When organization changes occur, diverse employees will respond in their own way. The employees usually will feel tension due to the increased of workload and they are possibility to feel job insecurity. Thus, it will affect their performance and the organization's goal (Yu, 2009). This is important to conduct this research to help the local banker to gain a better understanding on the employees' perception to cultivate these negative behaviours or perceptions.

Furthermore, this research is not essentially to be implementing in the bank industry, but it can be applied in other industries as well. This is because the performance of the employees is one of the most main issues in every organization. Hence, this is necessary for the organization to examine the factors that caused the employees' performance once the organization change.

1.7 Scope of research

This study provides a review of organizational change towards employee's performance in banking industry. The objectives of this research are examined how the independent variables are affecting by the dependent variable in banking industry.

This report attempts to present a snapshot of organizational change and what are the effecting reasons towards the employee's performance in banking industry. The scope of this research is broad and attempts to address all issues involved in the employee's performance. Therefore, this research is just focusing on those most influential factors, such as communication, employee development, leadership style, procedural justice and tolerance to change towards employee's performance in banking industries.

The locations for this survey will be conduct in 4 places which is Kuala Lumpur, Penang, Johor Bahru and Selangor. The development of the places brings business opportunities and improvement. There are several reasons for choosing these few areas which will be explained in further chapters.

1.8 Chapter Layout

As overall, there are totally five chapters in this dissertation. Those chapters are organized as below:

Chapter 1 is the introduction part of the research which provides an inclusive overview of the background of the study, followed by the problem statement, research objectives, research questions, hypothesis of the study, significance of the study, and finally is the chapter layout.

Chapter 2 contains of the review of the literature, review of relevant theoretical models, proposed theoretical or conceptual framework, and hypotheses development.

Chapter 3 covers the research methodology. This chapter includes research design, data collection methods, sampling design, research instrument, constructs measurement (scale and operational definitions), data processing, and data analysis used in this study.

Chapter 4 is illustrating the data analysis and the results from the descriptive analysis. It includes the scale measurement, inferential analysis such as multiple regression, ANOVA, and Pearson correlation are used to examine the relationship of the variables.

Lastly, chapter 5 is presenting the summary of statistical analyses, discussions of major findings, implications of the study, and limitations of the study. Recommendations and proposal for future research are provided as the ending of this research.

1.9 Conclusion

As an overall of this chapter, the study contributes a preliminary understanding of how a research is established to meet the research objectives and to figure out the problem from the research background. Chapter 1 comprise the developed of research objectives as well as research questions for this study. Hence, it can serve as a guideline to develop literature review with the relevant theories. In next chapter, literature review provides a better insight in development of hypotheses for the study.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

Researchers had carried out a series of research, including the secondary data research in order to gather the related information. The similar studies that done previously by other researchers had been review, by this it helps to provide more ideas to conduct the study and a summary about previous research regarding the present topic will be discuss comprehensively in this chapter. In this study, academic journals, case studies, newspapers, magazines and books as well as other secondary data including online journals are the references used as a source of information.

In this research, there is impact of organization changes towards employees' performance in banking industry. There is different opinion and statement from different resources. Based on the collected data, there are five factors that being studied which are communication, leadership, procedural justice, employees' development and tolerance to change. These factors are believed will be useful and helpful for the studies. In this chapter, the definitions and theories regarding to the independent variables as well as the dependent variables which is employees' performance will be discuss. It is believes that the new framework in this research will play a vital role in the studies.

2.1 Review of the Literature

2.1.1 Banking Industry in Malaysia

The banking industry in Malaysia has transformed speedily from transactional and customer service-oriented to increasingly aggressive environment in which competition for returns is main concern. Due to this transformation, the employment culture in banking industry is changed and affected the employees' performance in the organizations. Banking industry is an important industry for any countries and it executes a number of roles in the economy. Bank Negara Malaysia is the central bank of Malaysia, which is responsible for managing the monetary policy in Malaysia. The Bank is accountable for making sure the stability of financial system and promoting advance financial sector. Besides, it develops the financial system infrastructure and fosters the financial inclusion in Malaysia. The bank plays a significant banker and adviser role to the government as well (Bank Negara Malaysia, 2010).

Furthermore, there are numbers of commercial banks in Malaysia. According to Ghuslan, Muhammad and Abidin (2010), they found that there were 9 domestic and 13 locally integrated foreign commercial banks were functioning via a network of 1,979 branches across Malaysia in the end of the year 2008. There were 9 out of 5 domestic banks are existent in 18 countries in the way of operating as joint ventures, subsidiaries and branches. Moreover, the 21 foreign banks offer liaison services and smooth the progress of information exchange but not carry out the normal banking business in Malaysia. According to Ghuslan et al. (2010) the major uses of commercial banks are to offer the retail bank service, commerce financial infrastructures, treasury services, international payment service and custody services.

Due to the Asian economic crisis in year 1997, it brought a negative effect to the banking industry in the countries of Association of South-East Nation (ASEAN). After the crisis, the officials of the particular countries restructured for the sake of reinforcing the banking industry. Thus, there were involved the enhancement in management, acquisition and mergers of banks. Besides, after this crisis happened in 1997, the qualities of credit of each bank were sizeable dissimilarity (Okuda and Hashimoto, 2004). There are several banks involved merging, for instant Public Bank merged with Hock Hua Bank, RHB Bank merged with Bank Utama (Malaysia) Berhad ("Bank Utama") and Sime Bank, and Bumiputra-Commerce Bank Berhad (BCB) merged with Sounthern Bank Berhad (SBB). Zuniga-Vicente, Fuente-Sabate, and Suarez-Gonzalez (2005) found that, banks will normally merge with other banks to raise their local office and offer latest financial products and services to enlarge their market. The banks that involved in merging and acquisition can obtain an enormous of capitals and assets. Hence, the banks will become more efficient, productivity and competitive.

The turnover rate of banking industry is founded very high in Malaysia (Chan et al., 2011). Employee's turnover is considered as a costly dysfunction that every healthy business must endeavour to diminish or eliminate. Thus, the high or low turnover rates of employees' will impact the organizations' performance (Hasun, Makhbul and Rahid, n.d). Coping with this outstanding phenomenon, cross-discipline research studies on human capital and banking industry are keen valuable and effort-worthy to provide practical guideline and strategic action for those banking institution to sustain employees.

2.1.2 Employees' performance in banking industry

Nowadays, banking industry has developed speedily because of increasing on financial performance. The nature of the banking industry is different from other industrial organizations; the people are more integrated in the area of services. Hence, quality employees will need to predict the success of the organization in the future.

According to Sparrow and Hilltop (1994) the past studies stated that the main key to have the capabilities to top in the organization performances is the recruitment and selection practice in the organization, so the main purpose of recruitment is to hire the "right" people to fill-up in the "right" job position through a structured recruitment process by identifying what characters that the employees have to perform and achieve the goals and objectives of the organization. This can be achieved by the ways that use to select and recruit employees through an accurate and effective analysis, to pick the special capabilities from the employees that being employed (Herzberg and Snyderman, 1957).

Most of the organizations are relying on the roles that are played by each person. Employees who have good responsibility, skill and knowledge will accomplish the tasks to fulfil and achieve the organization's goals and objectives in an effective ways. Thus, the organizations to success will affect by the employees performance. An effective management is having great evidence on a strong employee engagement (Roberts, 1997).

Another way to improve the performance of employees, is the organization are encouraged to give the employees benefit and rewards as to motivate them to accomplish tasks or goal, and make them feel respect and feel that they are a part from the organization (Herzberg and Snyderman, 1957). The manager should also give recognition in all the things that accomplish by the employees, feel appreciated on what they have done for the organizations, and able to handle the employees in a mutual way. Besides, surely it will lead the employees to work hard for the organization and use them as a role model for other people (Swart and Purcell, 2003).

There is a strong linkage between high-performance work systems and firm performance. Hence, the employee performance can be reinforced through employee development program. According to Heskett (1986), in order to improve the employees' performance and effectiveness, the leader should set a clear mission, vision and objectives of the organization. By clearly state out the mission, vision and objectives, the employees will know what is expected from the leader and what they need to do to achieve the goals. In addition, this will also help to reduce the conflicts that appear between management and the employees, because they are clear for the policies. Besides, the group dynamic should be encouraged to enhance the cooperation among the workforce.

In addition, the business leaders have viewed the importance of the workforce as their business partners. Therefore, they need to manage well their people to satisfy their development. The appropriate strategy that used in managing the people can be made and measured based on their performances (SAP, 2005). By monitoring and evaluated the performance of the employees, it will make them work hard and it does not only will help them easily to get promote once they get the high evaluation, it also will bring the organization to success effectively.

In conclusion, employee or human capital is the most valuable asset to an organization. According to Huselid (1995) the comprehensive recruitment and selection, job design, training and participation programs will increase the proportion of employees involved in high performance work practices. A well employee will have the ability to solve the problems and meet with the challenges that they faced, and it will constantly increase their performance and give a better service for customers and making profit for the organizations (Heskett, 1986).

2.1.3 Organizational Changes

Nowadays, organizational change is an ongoing process rather than a disruption to business equilibrium (Nicolaidis, 2007). According to Mossholder et al. (2000) as cited in (Nicoldaidis, 2007) change needs to be constant in organization as it consumes more complexity and occurs more rapidly in greater volume. Organizational changes provides a significant event around which shared meanings, beliefs and values, that are constructed, destructed, and modified (Gray, Bougon,and Donnellon, 1985) as cited in (Roger and James, 1988).

The nature of the organization will affect the conception of organizational change. Change means “narrative describing a sequence of events of how development and change unfold” (Ven and Poole, 2005) as cited in (Kassim et al., 2010). According to McNamara (n.d.), organizational change refers to wide changes such as restructuring operation as in layoff, self-managed team, and change in technologies, major collaborations, and rightsizing. Laura (2007) says that the change is not only for products and services that they provide, it also includes making changes at the organizational level such as continual equipment update, retraining employees, mergers and acquisition.

Moreover, Tichy (1983) defined organizational change as the introduction of new patterns of actions, beliefs and attitudes among substantial segments of a population because of problems and opportunities that emerge from the internal and the external environment as cited in (Nicolaidis, 2007).

Change is important to modern business organization because it helps to sustain with evolving market demands and to stay competitive (Day, 1994) as cited in (Ye, Marinova, & Singh, 2007). Implementing strategic change is a double-edged sword as it concurrently generates expected performance gain and unexpected performance loss (Brown 2005; Kennedy, Goolsby, and Arnould 2003; Simesteret al.2000) as cited in (Ye et al., 2007).

Organizational change is often viewed as a necessary means to ensure that organizational strategies continue to be viable (Maya, 2009). On-going organizational changes are increasingly common in the workplace and embrace opportunities for growth and development as well as the potential for substantial costs and losses (Kiefer, 2005) as cited in (Ye et al., 2007). According to Isabella (1992) as cited in (Ye et al., 2207) change can be defined as “trigger event” which will stimulates an evaluation process of perceptions, opinions, emotions and attitudes.

Organization has to always change the way in doing business in order to sustain growth, competitive and survive from the pressure by external and internal environments (Herold & Fedor, 2008; Martins, 2008) as cited in (Liu, 2010). Implementing change in an organization forces to people alter how they relate to one another (Mowat, 2002).

Nelissen and SelmM (2008), says that the main objectives of having the organizational change were to make sure there are improvement of customer-friendly services and to gain better cooperation between the departments. The objectives of the changes and the consequences that will be happen normally can be informed through newsletter, intranets and also team meetings.

The change process in each organization is unique in each situation. It is depends on the different natures of the organizations, business, work culture and values, management and leadership style. Change may bring satisfaction, joy and advantages to some of the organization (Zabid and Sambasivan, 2003). According to Beard (1991), the impact of organization change will influence the task performance, the perception and the performance of worker. Mostly, employees form and react to the perception of jobs based on the characteristics of the task that they have to perform.

Managing changes is one of the most critical challenges in organizations. According to Norton and Fox (1997), as cited in (Madsen, 2003), a successful organizations are the organization that continually and consistently rise and meet the challenge. These changes in organization can help employees to improve their job performance if the organization implement it changes it effectively (Norton et al., 1997) as cited in (Madsen, 2003). The development and the survival of the organization are based on how success changes being implemented. In turn, positive implementation of these changes depends on the work performed by the employees (Dahlberg, 2007).

Armenakis and Bedeian (1999) also states that organization need to continue change their strategic direction, structure and staffing levels in order to stay competitive in this challenging business environment. The changes that been implement are more concern towards the organizational efficiency and effectiveness. In addition, organization changes will improve the employee's work attitude such in job satisfaction and productivity, (Miles, Hornstein, Callahan, Calder and Schiavo, 1969; Mann, 1969; Brown, 1972; Bowers, 1973; Hand, Estafen and Sims, 1975; Adams, 1977) as cited in (Edward and Lawrence, n.d.).

In addition, according to Govindarajulu and Bonnie (2004), organizational change also bring the benefits include development of experienced supervisors and employees, improvements in economic, liability and public image, develop competitiveness, and increased overall company performance.

Implementation of the changes tends to focus more on the positive changes in work content that is result through the intervention (Davis, 1979; Hackman and Oldham, 1980) as cited in (Roger and James, 1988). The positive changes are such as it can provide more meaningful patterns of tasks, increase the variety of the task; greater employee control over the production process, employee's contribution can receive greater recognition as well as increasing the performance feedback (Roger et al., 1988).

However, organizational changes also lead to a great deal of uncertainty and stress among employees (Callan, 1993; Terry and Jimmieson, 2003) as cited in (Roger et al., 1988). When organization facing changes, it will lead to employee's anxiety, stress and security will result bad performance in employee's productivity, satisfaction and commitment toward organization.

Furthermore, organizational change will also bring redundancy, delayering and downsizing (Worall, Parkes and Cary, 2004). The failure of planned organizational change is also because of many factors, which are more critically to employee's attitude towards the change event (Jones, Jimmieson and Griffiths, 2005).

Besides, according to Schein (1987, 1988, 1989) as cited in (Liu, 2010) too many changes will turn into resistance or outright failure is observable to the organization's incompetence to effectively unfreeze and create readiness for change before attempting a change induction. In addition, failure to manage change effectively may decrease organizational effectiveness and employee well-being, and damage manager's careers (Business Week, 2005; Herold and Fedor, 2008) as cited in (Liu, 2010). If the employee's do not trust management or understand the concept of the reason the change being implemented, it will bring the negative reactions on the employee as well as prevent the transition from going according to the plan. (Dahlberg, 2007)

According to Mowat (2002), change brings impact in high costs in terms of human and physical resources, share prices, stakeholder uncertainty, customer dissatisfactions, receivables and cash flow. The reality is often an aching period of change, during which resistance is high, morale is low, productivity is falling and confusion is widespread (Calvello and Seamon, 1995) as cited in (Mowat, 2002).

Besides, when the employees feel environment is uncertain, low tolerance of ambiguity, lack of freedom and time in doing work, they resist taking risk. This will lead to less motivated and commitment to give contributions (Isaksen, et. al., 2000-2001) as cited in (Chen, Hou and Fan, 2009).

There are many types of organizational changes which include different methods such as downsizing, merger and acquisition and others. For example, the impact of organization downsizing by lay-offing the employees in an organization will result in dissatisfaction among employees.

Simultaneously, the downsizing could create economic problems for employees who survive in the layoffs (Guiniven, 2001) as cited in (Malik, Ahmad and Hussain, 2010). This is because the leftover employees after downsizing which are known as layoff survivors (Virick et al., 2007) as cited in (Malik et al., 2010) confront difficult situations including the work overload that causes exhaustion that ultimately leads to dissatisfaction.

There is rapid regulatory and technological change in Malaysian banking, especially during the year 1998. Those changes bring in turbulent post-crisis. Bank Negara Malaysia, the central bank, had introduced wide-ranging reforms of the management of monetary aggregates. It is more specifically on reserves and liquidity, and also of the process of interest rate determination. Besides, there is also heavily investment in the information technology by the commercial banks. This investment is to establish extensive ATM networks and also to offer the new services such as home banking and telebanking. It becomes an issue of effectiveness of regulatory changes against the backdrop of technological innovation in order to promote efficiency and productivity in Malaysian banking (Dogan and Fausten, 2005).

Changes in bank will more emphasized on improving efficiency and cutting costs. It brings the impact of large scale layings-off. From statistic, it shows that almost 1,900 of the country’s 77,000 bank workers were laid off in January-September 2000. The National Union of Bank Employees predicts that there will be as many as 20,000 more people will lose their jobs over the medium-term. Consolidation and liberalisation will also spur an improvement risk in management competencies. The economic crisis stemmed in no small measure from bank’s earlier profligacy as well as in the range and quality of products and services on offer. Hence, Bank Negara’s stated and assured that there will be further regulatory and changes makes in order to help to enhance the efficiency and competitiveness (Oxford, 2001).

2.1.4 Employees’ Performance

Employee performance in the organization is very important to determine company's success and profitability. According to Chien (2004) found that a successful organization require employees who are willing to do more than their usual job scope and contribute performance that is beyond goal's expectations. Furthermore, employees’ performance also important in undertaking of the flexible performance to be critical to organizational effectiveness in an increasingly competitive environment (Katz, 1964; Podsakoff, MacKenzie, Paine and Bachrach, 2000) as cited in (Aryee, Chen & Budhwar, 2004).

Nowadays, most of the companies will facing contemporary challenges and require put more attention on enhancing employees' performance (Bunhner, 2007) as cited in (Gruman & Saks, 2010). Therefore, company need to concern on recent trends in the organizational in order can create workers knowledge to facilitate in the desired advanced economies. Hence, to engage in effective performance, management needs to allow employees to have more authority to design their job and roles. Thus, at the end, employees will discover their job more fit between employees' skills, needs and values. Furthermore, organizational policies and daily practices need to interact well to builds prior standard in employees' performance (Gruman & Saks, 2010).

Some authors suggest that successful service firms such as banking will invest resources or maintaining the long term relationships in the programs in order to increase job satisfaction and employees’ performance (Kusluvan, 2003) as cited in (Karatepe, Uludag, Menevis, Hadzimehmedagic and Baddar, 2006).

Besides, nowadays frontline employees also play a critical role in the organization change, because they are the people who interact more frequent with the customers. Moreover, self-efficiency, trait competitiveness and effort are used to predict frontline employee performance. Meanwhile, self-efficiency can influence the motivational and emotional reactions of the employees; therefore this will increase their confident and make them more enjoy in their job.

This rapid change will indirectly affect performance of the employees and give stressful feelings among the employees and managers from the condition of changing environment (Gibbsons, 1998) as cited in (Tavakolia, 2010). These problems can lead to various behavioral and health issues were resulted in the organizational change (Lindstrom, 1990) as cited in (Tavakolia, 2010). In the recent year, many company start to reduced or eliminated raises of the bonuses because need to make changes to cope with the economic downturn (Krattenmaker, 2009).

According to Tavakolia (2010) states that employees' performance will decrease due to the reason of downsizing, innovations, restructuring and mergers in the organization. In addition, changing of the location, time, quality and quantity of the task and responsibilities might radically affected work life of the employees (Vecchio & Appelbaum, 1995) as cited in (Tavakolia, 2010). Furthermore, Levay (2010) suggests that creation of organization change will challenge the interests and values of the existing employees and build up crisis on the opposition to change.

Besides, according to (Hale, 1998) as cited in Ramlall (2004) found that low motivation will lead to reduction of employees' performance and other behaviours within organizations. Moreover, 86% of employers were experiencing difficulty to attract quality employees and 58% of the organizations are experiencing difficulty to retain high performance employees. Furthermore, organization change will decrease employees' performance by low pay, nature of the work, long working hours and contribute to high turnover (Chiang & Jang, 2008).

Other than that, organizational changes such as acquisition of the company will create variety of communication problems threatened not only employees' performance, but also the success of the communication from the top to bottom of the organizations (Pepper & Larson, 2006). According to Styhre (2009) shows that more recent form of the digital media or electronic systems such as computerized system and new machine system may require new forms of communication and well control in organization, in order to have a good adoption can good adoption of organizational change and link to increase employees' performance.

To overcome these problems, well communication about employees' appraisal system should implement to provide employees better understanding about their performance. Besides, it is also a great opportunity to alert the gap between the actual and desired performance in the organizational goals. Hence, when the performance appraisals are done correctly, company may weigh the costs versus benefits of the employees' performance. Thus, if measure correctly and consistently the benefits can be well worth the efforts (Krattenmaker, 2009).

A Human Resources specialist, Hargrave mentioned that employees also need to be given equal participants in the decision making process. Meanwhile, leadership role such as emphasis on coaching or counseling also is a critical point to inspire improvements of employees' performance. Companies are more interest in keeping good and expert people as those are able to contribute out their roles and responsibilities that are needed when in the organization change. Moreover, Oppenheim says, with employees who resistance to change, leader need to ensure that have good sense of the company's current changes needs and consistent observe how the employee views their own job.

Additionally, according to Aryee, Chen & Pawan (2004) states that while employee received rewards are perceived to be fairly allocated. Employees will be more willing to contribute their inputs (performance) because perceived they will receive fairly allocation of output (rewards). These allocation processes are perceptions of organizational justice, procedural justice can positively associated with organizational outcomes such as organizational commitment, job satisfaction and task performance. Hence, these all factors will increase employees' performance more effectively (Cohen-Charash and Spector, 2001; Dirks and Ferrin, 2002) as cited in (Hon and Lu, 2010).

Moreover, some authors suggest that, used of employee development can enhance self-monitoring and lead to improve of employees' performance while driven by the problems of downsizing, merger and re-organization activities (Blau, 2006; Cascio, 2002; Chadwick, Hunter, & Walston, 2004) as cited in (Blau, Andersson, Davis, Daymont, Hochner, Koziara, Portwood & Holladay, 2008). In addition, employees' development practices included coaching, service-related training and empowerment can best develop employee and organizational performance (Mathieu, 1991) as cited in (Blau et al., 2008).

According to Siddiqi and Sahaf (2009) found that Customer Orientation of Service Employees (COSE) exerts the direct impact on various employee outcomes as well as organization performance such as job satisfaction, employee service effort and commitment. The most powerful employee service effort will lead to higher employee motivation (Mohr and Bitner, 1995) as cited in (Siddiqi et al., 2009). Furthermore, the reasonable job satisfaction will increase the on the spot decision and also benefit to the customer by avoiding delay serving customers while need to wait management permission (Heskett, 1987) as cited in (Siddiqi et al., 2009).

Lee, Cheng, Yeung and Kee (2011) suggest that the current expectation outcome of the banking is based on the tailor-made solutions and quality services from the banking operations. In deep, today's banking operations performances are required outcomes from the employees and the teams, who are responsible for creating and delivering a service. Thus, the transformational leadership roles are effective tools to improve the employee performance in order to enhance bank's performance.

Other than that, according to Egger and Hahn (2010) states that the effects of horizontal mergers on profitability and productive efficiency as measured by the income per employee and the return on equity. Operating income per employee which to measure the labour performance and the impact of mergers on cost-income ratio on the banking profitability. These available data will lead to high confident and good enough to allow the present or future sufficiently analysis of the performance effects in mergers.

2.1.5 Communication

Communication is defined as transmission or exchange of information, knowledge, or ideas (Osif, 2010). Communication can be through speech, writing or electronic media. The communication skill is known as abilities that empower one to communicate effectively with other people. It is ability for conveying information and ideas with good listening and comprehension skills (Osif, 2010). According to Reinsch (1991) communication is defined as a consciously intentional, verbal exchange between individual human beings used through commonly held symbols and achieving partial success. Communication is a critical matter in any aspect of corporate life (Flock, 2006). Besides, Redding (n.d.) says that communication is behaviours of human beings or artefacts created by human beings which result in "messages" (meaning) that being received by one or more persons as cited in (Flock, 2006).

Communication takes many forms which includes communication climate, supervisor communication, media quality, horizontal communication, organizational integration, personal feedback, organizational perspective, top management communication, as well as subordinate communication. It is related to the communication satisfaction within the workplace and eventually to job performance (Wanguri, 1995).

Wang, Hsieh, Fan, and Menefee (2009) says that managerial communication can be categorized in terms of three kinds of speech acts which are those that reduce employee uncertainty and increase their knowledge, those that implicitly confirm the employee's sense of self-worth as a human being and those that facilitate the employee's construction of cognitive schemas and scripts, which will be used to guide the employee in his or her work.

According to Johlke et al. (2000) as cited in Carter and Gray (2007) communication is the key for the people within and between organizations transfer and disseminate information. Internal communication will be central to the alignment of the employee's attitude with the organizational goal (Groonroos, 1990) as cited in (Carter et al., 2007). Besides, it is shows that two way communication between the managers and the employees will result in the employee's performance and outcomes (Johlke and Duuhan, 2001) as cited in (Carter et al., 2007).

Communication plays an important role as it will help employees to have greater understanding into the relationship with supervisor and also will let supervisors satisfied with their performance. This understanding will let the employees have a better informed decision as well as they can modify their behaviours to improve the supervisor satisfaction in their performance. In addition, it also help supervisors and employing organization better focus training and communication efforts to enhance the effectiveness of the employer-supervisor relationships as well as the organizational effectiveness (Rich, 2008).

Communication with employees is important in order to minimize the employee's negative reactions when changes happen in organization. Management needs an effective communication to concerns the employees, in order to perceive the trustworthiness. In addition, a better communication is needed among the organization and employees so that it can increase the employee perceptions of the new management style and trustworthiness (Nikandrou, Papalexandris, Bourantas, 2000).

According to Islam (n.d.), communication will reduce the uncertainty, increase job security within organization. When organizational change happens, it requires encouragement for more participation of employees and addresses their concern in changes. Based on the research, Govindarajulu and Daily (2004) say that environmental programs, initiatives and goals of an organization should be communicated frequently so the employees know what is expected to accomplish the goals. There is study saying that employees are more prefer on a democratic and open style of communication when there is any issues on changes (Ramus, 2001; Ramus and Steger, 2000) as cited in (Govindarajulu et al., 2004).

According to Bordia et al. (2004) as cited in Johansson and Heide (2008) a systematic communication can ensure the possibilities to lessen employee uncertainty and increase their understanding of control and job satisfaction as well as the organization change. The employees will feel more in control of the result when they are being involved in the change process if they have a systematic communication.

When there is organizational change, effective communication is needed. The employees who are very career minded will put extra energy into the change communication which deals with the overall organizational change and making extra commitment to support organizational change effort (Arthur and Rousseau, 2001) as cited in Rashid and Zhao (2010).

According to Dahlberg (2007) managers can build relationships with their employees through communication. When organization has an open door policy, it can encourage employees to give input, goes through organizational changes. Communication plays important role in the ability to influence the bottom-line. There is a linkage between communication and productivity (Camden & Witt, 1983; Downs & Hain, 1982; Hellweg & Phillips, 1982; Jain, 1973; Lewis, Cummings, & Long, 1982; Papa &Tracy, 1987; Snyder & Morris, 1984) as cited in (Joseph & Patricia, 1989). Communication skill is the primary concern for Human Resource in doing their decisions regarding on hiring and performance (Joseph & Patricia, 1989).

Management should not only inform the changes procedures, they also should encourage the employees to express their feelings about what is happening (Lewis, 2006) as cited in Dahlberg (2007). In order to have efficient communications, it needs to have communicative resources such as language, gestures, and voice (Stohl, 1984) as cited in Paul (2008).

Howard (1996) as cited in Dahlberg (2007) says that face-to-face communication between management and subordinates is also very important especially when changes occur in organization. Based on the research, when leaders communicate effectively, the employees will receive the greater levels of satisfaction, especially when there is changes happen in organization (Paul, 2008).

According to Salacuse (2007) as cited in (Paul, 2008), it says that in order to persuade employee to follow their vision, there is a need in communicate effectively so that the employee will interested towards the changes. Besides, the supervisors must able to share and respond to information in a timely manner, actively listen to other points of view, communicate clearly to all levels of the organization, and utilize differing communication channels (Shaw, 2005) as cited in (Paul, 2008).

Although the external communication plays an important role in the organization, the internal communication is also one of the most critical factors contribute to enhance the organizational performance (Wamser, 2005) as cited in (Asmuß, 2008). Prominently, internal communication is used to be an effective tool in assisting to evaluate employee's performance and stimulate employee's development (Asmuß, 2008).

For the employees who are job experience and existing knowledge are diverse, they can create the new knowledge through communicating and sharing the important information and accumulated knowledge. This knowledge can become effective sources of information for organizational performance as they will be shared among the subordinates (Kang, Kim and Chang, 2008).

According to Johnson and Johnson (1995; 1999), higher level of task interdependence would bring more cooperation or mutual support among co-worker due to the fact more as cited in (Kang et al., 2008). In order to gain better communication, work and information sharing are needed compared to independent work. For example, the research shows that there is wide-spread sharing of knowledge among bank employees especially in the banking sector in Malaysia. Communication helps in this sharing of knowledge and it can helps among the bank achieve the desirable organizational competitiveness (Tan, Lye, Ng and Lim, 2010).

However, poor communication or communication breakdown will be the main factors lead to the sense creation of negative feelings among employees in an organization. In order to find out the reasons behind, employees will get sources rumours mill or local newspaper. This causes employees does not perform well as the changes happen with a poor communication. They will feel that senior management doesn't provide a clear vision and was not honest or open to talk about it (Proctor and Doukakis, 2003).

According to (Rouse, 2009; 2010) as cited in Contartesi (2010) there is relationship between effective communication from leader and employee's performance. It shows that when there is ineffective communication and relationship among employees and supervisors, it will generate a climate that reduces personal commitment impeding organizational change and growth (Darling & Beebe, 2007; Ericson-Lidman&Strandbert, 2007; Lau & Liden, 2008; Schuttler, 2010) as cited in (Contartesi, 2010). When there is poor communication during the changes, the employees will become demoralized and less productive which this will give the employers the opportunity to increase punitive consequences for non-performance (Ericson-Lidman&Strandberg, 2007; Zhang & Sapp, 2009) as cited in (Contartesi, 2010).

2.1.6 Leadership

Leadership styles are based on different initiatives that the leaders give to their Human Resource, development and training. According to Howell and Frost (1989) show that a person can be train to display various leadership behaviours, and the leadership styles can also be identify, separate, and distinguish from each other. Various leadership theories including claims signifying, “Effective leaders motivate” (Locke, 2005).

According to Stogdill (1974) states that leadership is a leader’s behaviour into guiding a group of people for the purpose of goal achievement. Hence, leader is play an important role in create organization’s vision, encourage the followers with self-confidence to suit them with organization’s vision, trough coordination and communication. In addition, there are further influences of activities if an organized group in its effort toward goal setting and goal achievement that reflect the employees shared purposes.

Leadership has a major influence on the employees, managers, and organizations performance. Leadership style plays an important role in motivating subordinates to achieve the higher goals (Wang et al., 2005). According to Denison, Hooijerg & Quinn (1995); Hart & Quinn (1993) as cited in (Wang et al., 2011) leaders who perform a multiple leadership roles will enjoy a high level of organizational effectiveness. In addition, the leadership can help to develop the organization in the future. Besides, there can be in terms of the managerial styles, marketing concept and ethics, service, skills of the people and technical management (Wahab et al, 2009).

The specific challenges that leader faced is include how to raise the salience of collective identity and value in follower’s self-concepts by linking the organizational mission to organization members and client’s identity and value. Besides, they also need to link the member’s job behaviours to their identity and value (Perry et al., 2009). Various past studies showed that impact of changing in leadership would affect employees’ performance in an organization. Walumbwa et al. (2008) found that the employees' performance will been affected by the leadership change. The researchers said that leaders who managing well in the risk would have direct effect of improvement of the employee's performance because the leader can manage well and lead his employees to overcome the problem effectively and efficiently.

According to (Politis, 2006) states that leadership as a process of managing employee behaviour, such as the resign rate, productivity, job performance and job satisfaction, to reach a vital goal in job involvement as well as commitment to companies. Therefore, leader is the one who are most directed toward people and social communication, and also directed toward the process of influencing people so that they will perform well for their tasks and achieve the goals of the organization. Most of the employees perceived a leader as a good leader when there are an effective communication channel exists between a leader and employees, and where the relationship is commonly influence and shared responsibility is reached (Skansi, 2000).

The organizational performance will improve if employees are likely to share their values and cooperate with each other's. The leader can also use the reward and punishment system to motivate the employee to do "more than they are expected to do" to accomplish the organizational goals (Yukl, 1989). It supported by Webb (2007) for the employees that have worse performance should be motivated by the leader in term of giving consideration, encouragement, support and motivate the employees toward tasks accomplishment, and by provide a contingent reward system also can rise up the employee's motivation level toward accomplishment of the tasks and increase the production from the employees.

According to Goleman (2000) as cited in (Vigoda, 2007) found that leaders who want the best result should not only rely on a single leadership style. In other words, no leadership styles are preferred in any situation in an organization. Hence, a combination or mix leadership style can improve and maintain an organization's process and increases employee's commitment and increases in the job performance. Different leadership style and behaviour may affect the employee performance towards the tasks accomplishment and job performance (Vigoda, 2007). Therefore, leadership style adopted by a leader is strongly related to employees' job performance.

Transformational leadership, the leader's ability to gather the employees, encourages and supports them to achieve the organization's goals. Transformational leaders setting a higher expectation and inspire followers to become part of larger goals, not only by changing their own belief systems, but also to be the problem solvers (Bass, 1985) as cited in (Yukl, 2002).

Transformational leaders make followers aware of the importance and values of the work by encourage them to think beyond self-interest (Yukl, 2002). A leader who have behave on this transformational leadership, will influence on building and maintained the social network in the workplace, and this will help to increase the employees levels of performance, which able to increase motivation towards extra effort because the leader is able to motivate employees to the higher levels of personal expectation and individual commitment (Yammarino & Bass, 1990).

Leaders that convert their followers' attitudes and commitment to the organization‘s mission usually show a positive and confidence characteristics or behaviour (Trottier et al., 2008). For example, transformational leaders motivate employees by clearly state out the organization mission and future. That is not enough for the transformational leader to create a vision, but also encourage and help their employees to work toward that vision.

Wright and Pandey (2008) found that employee's mission valence will increase when the organization‘s mission is clear, understandable and distinguishing. Thus, it is not surprised that the transformational leadership theory emphasize on the importance of clearly communicative an organization‘s goal as part of the process of inspiring and motivating the employees toward goal and tasks achievement.

Transactional leader or contingent reward transactional (CRT) leader are refers to the leader behaviours that emphasize on providing followers with material or psychological rewards contingent on the accomplishment of contractual requirements, and clarifying the role and task obligations (Bass, 1998) as cited in (Walumbwa et al., 2008). This leadership is best to motivate the employees, who seek to meet a certain expectations, perform a specific actions and behaviour in order to achieve a desire benefit or reward.

Transactional leadership is focused on clarify the effort-reward relationships and the exchanges that take place between a leader and his or her followers. It also oriented by demands, with main emphasis on basic and external satisfaction aligned with demands (Kim & Shim, 2001) as cited in (Trottier et al., 2008). Furthermore, they create the goal orientation through role clarification and tasks request as well as guide and encourage follower through these activities. It is correlated in transactional leadership style with employees' job performance (Politis, 2006).

Thus, the employees are more likely to be satisfied with their supervisor, remain committed to the organization, and display organizational citizenship behaviours. Hence, in order to increase the participation and motivation of the employees in job performance, supervisor who implements the reward program and policy must set a clear rule so that employees are clear on what is expected from them and the reward they will receive for satisfactory effort (Walumbwa et al, 2008).

With the research on transformational and transactional leadership, there is several recent studies show that both extrinsic rewards and mission or service based on motivation can autonomously increase employee job satisfaction and work motivation (Wright and Pandy, 2008). Nevertheless, these studies also found that mission-based motivation also have stronger effects on job performance. Leadership research has also found a strong positive relationship between leadership behaviours and follower performance (House 1988; Bass 1990) as cited in (Shea, 1999).

According to Erdogan & Enders (2007) states that employees with high quality relationship with their leader will practice a better job performance and satisfaction than those with low quality relationship. Hence, the supervisor support in the workplace is importance for the supervisor-employee relationship. It means that, if it has a high quality relationship, the employees will contribute to organizational effectiveness through the effect of those high-quality relationships. Besides, Borstorff & Marker (2007) also found that employees want a trustful supervisor or leader who know them, understand them and treat them fairly. An offensive leader will create conflicts in worker's attitude for job, life and organization. Therefore, recognize a fairness treatment has significant impact on employees' job performance, and a supervisor support will also help employees to be successful in the future.

Leader's behaviour has power to affect the employee's perception towards the job. Leader should observe the important information from employees by concerning day to day problems and reply quickly to their questions. Leaders also can use the formal meetings to obtain private information concerning an individual's work progress or to discuss the work problems facing by them or in a small group. This meeting can gather the general information and opinions that related to the problems that the employees faced. This will be the way suggested to help the employees to accomplish their work (Niehoff and Moorman, 1993).

In addition, according to Rhoades et al. (2001) states that the supervisors' useful management result in increased perceived organizational support from employees, which make the employees obligated to help the organization meet its goal and feel more committed, which result in increase in employee performance. For employees who feel esteem will aggressively take part in organization goals, and display a productive workplace behaviours, such as increase in job involvement, reduced absenteeism and have turnover rates. A leader can help to intervenes effect of stressful working conditions and job demands (Barak, Nissly and Levin, 2001).

According to Freyermuth (2007), a leader should be groom by an organization to build up the workplace where the employees may feel comfortable and willing to stay in the organization. Empower supervisors or leaders through training and mentoring may be a successful strategy to improve employees' commitment and retention. By providing with level of performance and opportunities can also enhance their potential and ability to work, which results in increased organizational citizenship behaviours and improved job performance (Otis and Pelletier, 2005). Supervisor support is the best indicator to determine the job satisfaction and job performance in reviewing the value of social relationship for competitive advantages. (Uhl-Bien et al., 2000) found that low quality relationship can have significant negative significances for the organization, which include the employee performance.

An employees' sovereignty and self-responsibility would be reduced by close supervision from the leader. If an employee have a need to feel competent and self-determining, a managerial behaviours that restricted their freedom, such as observing them at work or keep on checking on their work progress, could draw out "psychological reactance" (Brehm, 1972). Such reaction could bring of poor job attitudes, minimum levels of effort or both. An employee having such reactions would be unlikely to demonstrate discretionary behaviours will reflect efforts beyond and away from the norm (Niehoff and Moorman, 1993).

2.1.7 Procedural Justice

According to Vasset (2010) found that procedural justice, distributive justice and interactional justice is three of the perception of organizational justice. Under his in-depth study, he found that procedural justice is an application of procedures with concern of perceives fairness in organizations.

Besides, several researchers also describe that organizational or procedural justice as the employees' perception on determination of job distribution methods and the way how they treated fairly in their jobs performance

(Moorman, 1991) as cited in (Aryee, Chen and Pawan, 2004). Supported by Folger & Greenberg (1985) and Tyler & Lind (1992), they also agreed that procedural justice is a method of job allocation process in a fairness of procedures. Thus, most of the researchers committed that the importance of fairness will provide high motivational to employee on their work performance. Hence, such research implications enable organization to design their structures that produce fairness in employee-organization exchanges.

Furthermore, (Lind & Tyler, 1988; Tyler & Lind, 1992) as cited in Benson (2002) found that organization, division, and manager should perceive fair method, in order to improve employees' reactions towards the organizational commitment and organizational change. Thus, employees might perceive fairness in decision making which can direct effect managers and organizations as a whole. Hence, manager and organization should have ability to stimulate employees and this will bring significant of enhancing the commitment due to the largely treated fairness aspects of procedural justice (Benson, 2002).

Additionally, procedural justice is an organizational-related outcome which can associate with the organizational commitment, employees' performance and job satisfaction (Cohen-Charash and Spector, 2001; Dirks and Ferrin, 2002) as cited in (Hon & Lu, 2010). According to Hon & Lu (2010) states that these outcomes are form when employees' success accomplishes their expectation roles require in the job task. Therefore, the trust will occurs and represent the employees are confident that their leaders are able to guide and assist them in their task efforts and evaluate them in the fairly manner.

However, according to (Denisi 1996; Erdogan 2002) as cited in Vasset (2010) found that managers' will evaluate employees' performance on inaccurate or insufficient information. That means, managers will rewards employees based on their first impression. Even though employees' performance remains the same or poor standard, they still will receive high rewards (Holbrook, 2002) as cited in (Vasset, 2010). Holbrook (2002) indicates that, these problems will encourage employees have wrong perception such as build up good relationship with the managers will get high reward but not put effort or performance on their job. Thus, this will create low motivation and contribute less performance on their job by believes they are being treated unfairness in performance appraisal process.

Some authors suggest that, organization change in term of the new product or service development might needed collaboration of the expert employees in the decision making process. This indicates that fairness authority within the projects members is fully required, if not will bring bad significant or result towards the completion of the new project in the organization (Li, & Bingham, 2003).

Roberson's study (as cited in Vasset, 2010) suggests that perceptions of procedural justice have great effect on the employees and organization performance than distributive justice. Furthermore, there have two types of measurement on the procedural justices which are concern the performance appraisal process and feedback from all the organization level in order to accept or fulfilled the requirement of procedural justice (Murphy and Cleveland 1995) as cited in (Vasset, 2010).

In addition, performance appraisal training program also considered is a form of procedural justice. This is because it can provide chances for employees to judge and develop fair behaviour in their own careers' performance (Barnelt, Becher, Cork, 1987) as cited in (Vasset, 2010).

Other than that, procedural justice will lead to effective in cross-functional teams such as bring positive effect on improvements in team quality and their performance (McDonough, 2000; Holland et al., 2000) as cited in (Dayan, Benedetto, 2008). Furthermore, some authors suggested, teams with the high perceive of procedural justice will be done their work more in procedures fairness rather than teams with lower procedural justice levels (Korsgaard et al. 1995; Lindell and Brandt, 2000; Phillips, 2002; Chen and Tjosvold, 2002) as cited in (Dayan & Benedetto 2008).

According to (Rajagopolan et al., 1993) as cited in Li & Bingham (2003) states that to solve the problem in the decision making in the organization changes and link to high employee performance, that should needed fair considerable efforts of each project members in the level of collaboration of problem solving. Besides, increasing paying attention in the role of procedural justice in the strategic decision making will have great contribute to employees' performance. In addition, when the organization implement the strategic decision in fairness manner, there are more likely to obtain good achievement in cooperate towards new changes decisions by employee more able to contribute high quality of performance (Kim & Mauborgne, 1993, 1998; Korsgaard, Schweiger, & Sapienza, 1995) as cited (Li et al., 2003). This is because members perceive themselves is the part of the organization and more willingness to contribute efforts into their performance (Mowday, Steers & Porter, 1979).

According to Chebata, & Slusarczyk (2005) found that, in service industry such as bank, sometimes employees and customer will complaints from treated injustice and unbalanced. Hence, in order to increase the loyalty of employees and customers, organizational need to consider in terms of justice theory such as in employees' training towards effective in handling complaint. Furthermore, procedural justice can used to reach the outcome of exchange in the organization change. For example, new refund policies, number of organizational level will involve in the change process and the time efforts (Chebata, et al., 2005) as cited in (Lind and Tyler, 1988; Thibaut and Walker, 1975).

2.1.8 Employees Development

According to Swanson (2001) as cited in Hassan (2007) suggests that employees' development is a procedure of developing or let loose expertise via organization development, training and development for the intention of enhancing their performance. The basis trust of the employees' development is the organizations are the human-made units that depend on human capability for the sake of constituting and accomplishing their objectives and that professionals are advocated of person and group, work procedure and organizational trustworthiness (Hassan, 2007). In order to reinforce the organization's competitive advantages in their market, training promotes raised of employer investment in their employee knowledge and skills.

Employee development relies on speculation in human capital. The employees' development system needs to be a long-standing, organized and aim-oriented process, coordinated with the present and future demands of work. The aims of the employees' development system need to be connected to the repetitive expert, personal and working development of every employee. Apart from the optimization and aggiornamento of work procedures and courses, the development and allotment of employee's competency, insuring that they can construct their anticipated involving to the work process is important as well (Alexandru and Silviu, 2010).

According to Waterman et al. (1994) as cited in (Tzafrir, Harel, Baruch and Dolan, 2004) suggests that employees' development is looking forward to establish assurance, improve employability and trust in administration. With its constructive outcome, this investment raises employability for the employees themselves.

Besides, according to George and Brief's study (1992) as cited in (Pierce and Maurer, 2009) suggests that the employees develop their own regard as an important aspect of citizenship behaviour. This can be consist of finding out and making use of higher training courses, keeping up with the new developments personal field or learning other skills in the interest of enlarging the employees' proffer to their organizations.

According to Fewick and Cieri (2004) as cited in Hassan and Yaqub (2010) suggests that the employees' development in the world networks' performance is intervened via the capability to develop and keep up network hub and faith, and by offering appropriate career outcome to stimulate individual network participants for excellence performance. Investing in employees encourage the escalation of knowledge, skill and capabilities, and development of them in the individual level. It leads to increase the productivity and efficiency on the organization level. It also causes the higher educated and developed of employees in connection with more efficient organizations offer growth of culture, economy, enhance the well-being of society on the society level.

According to Holzer (1990); Lynch (1992); Bartel (1994); Pindus and Isbell (1997); Bloom and LaFleur (1999) suggest that the earlier researches judge that those employers who offer training will raises their worker's productivity as cited in (Horn and Fichtner, 2003). Bloom and LaFleur's study (1999) as cited in (Horn & Fichtner, 2003) suggests that the organizations that provide employee training will cause the improvement in products and services, decrease of production wastage, better employee retention and employee-management relations. In addition, the training can improve employees' capability which can enhance their performance and organization's satisfaction.

Schaufeli and Bakker's study (2008) as cited in (Sardar, Rehman, Yousaf and Aijaz, 2011) suggests that the performances of employees cause the organization towards customer satisfaction. Hence, it will lead the organization obtains profitability in the business. There is connection of employees' performance engagement with organizations' goods. According to Keaveney (1995) as cited in (Sardar, Rehman, Yousaf and Aijaz, 2011) suggest that there is essentially to establish training and developments although the service process may be had some mistakes or remain the situations. Training can enhances the services' error and it can affect service performance immediately and employees' engagement. Ohayun's study (2002) as cited in (Sardar et al., 2011) suggests that the purposes of training is want to develop the way of thinking, skills, analysis and resolve problems. Training is very important for the managers to obtain technologies, system based thinking and decision making capabilities. These kinds of capabilities can be gained from designing of training programs. The employees' engagement can be remained through training as well.

However, there are also drawbacks for ineffective employees' development. According to Cheng and Ho (n.d.) state that motivation can affect the trainees' performance and result as cited in Tabassi and Bakar (2009). Motivation can impact on the willingness of employees to present the particular programs, to put their effort on the program and employ the new skill and knowledge to their work. Hence, this is hard to benefit from the training if neglect the important of training motivation (Tabassi et al., 2009).

Most of the organizations such as banking and healthcare industries find that sale training is very important to a salesperson's performance. However, the main problem for the organization is to identify the effectiveness of sale training. Base on the 57% of analyser of sale training administrator, the extra research is required to identify the sale training effectiveness. The sale training must be lucrative which is the sum of benefits must be greater than the sum of costs. If the organizations do not assess the sale training, it is hard to estimate the proffer of the sale training. The problems of assessing the sales training are included managing views, evaluating obstacles, practical drawbacks and be short of empirical evidence (Attia, Honeycutt and Attia,2002).

According to Aran and Patel (2006) and Weeks (2004) state that the banking industry represents a high extent of internal coordination of consistent training and work exercitation, knowledge transmit, network systems and better interdependence bank's structures as cited in (Kahindi, 2011). Pond's study (2007) as cited in (Kahindi, 2011) suggest that the banking industry require a cautions course of arranging, managing and supervising its activities, since this industry manage their clients' and shareholders' investment fund.

According to Volmer, Werner and Zimmermann (2007) suggest that those banks that involve in international business will manage collaboration and consolidate observation of their businesses by designing the employees' development strategies and systems to fulfil their client's needs and improve competitiveness as cited in Kahindi (2011). The practices of employees' development can be used to improve the employee and organization performance Ellinger et al. (2008).

Besides, according to Zuurmond's study (2005) as cited in (Kahindi, 2011) suggest that the training chances are offered to bank representatives and back-office employees are dissimilar especially in skill and obligation. The employees that work in front-office are expert in their works; wider comprehend of different kind of tasks, more empowerment. These front-office employees do not administer routine tasks as back-office employees. The mobile human resource management training is adopted by banks, whereby the expatriates excurse the bank's branches to deliver on-site training. The training in communication is necessary to communicate efficiently with clients who do not comprehend the employees' tune-pattern (Kahindi, 2011). Moreover, the banks had invested in computer-based training from the year of 1990. Hence, most of the employees were shifting from green-screen system to a Windows environment (Kiser, 2002). Thus, some employees' development exercitation such as training, coaching and empowerment will impact on the employee and organization performance (Ellinger et al., 2008).

2.1.9 Tolerance to change

Tolerance to change is defined as a "willingness to accept a state of affairs capable of alternate situations or alternate outcomes, when faced with a complex social issue in which opposed principles are intermingled" (English and English, 1954) as cited in (Honey, 1988). According MacDonald (1970) describes a person tolerance of change as the one who actively seeks, enjoys and excels in the performance of ambiguous tasks as cited in (Phillips, Hellweg and Tubbs, n.d.). Besides, Budner (1962) defines tolerance to change as the "tendency to perceive ambiguous situations as desirable" as cited in (Phillips et al., nd).

Moreover, Jaballa, Allbaity and Shaiban (2009) states that tolerance to change refers to the way an individual or group recognizes and processes information about ambiguous situations or stimuli when confronted by a collection of unfamiliar, complex or incongruent clues.

Hardin's study as cited in (Nikandrou, Papalexandris and Bourantas, 2000) states that tolerance to change is a personal characteristic that clarify action that individual take in order to handle uncertainties and stress in a change situations. Besides, Calabrese (2000) stated that employee's tolerance to change comes from anticipated pain of learning new skill and knowledge that are not their best interest and adapting to new behaviours as cited in (Nikandrou et al., 2000).

Tolerance to change is a concept intuitively present in real social networks. By studying the causes and effects of tolerance in social network models, it can be consciously used in the development of new social interaction rules, rather than simply being a side effect of many rules with no determined caused (Lund and Zhang, n.d.).

In a situation, the way an employee deals with tolerance to change situations, may distorted the outcome of his desired result. This situation is very much a reality in organizations because a person's degree of tolerance to change interacts in any given situation in which there is too little, too much or seemingly contradictory information (Norton, 1975) as cited in (Phillips et al., n.d.).

According to the research by Sahm (2008) as sited in Jaballa, Allbaity and Shaiban, 2009) the result shows that much of the systematic variation in measured risk tolerance is associated with time constant. It also shows there is modest decline in risk tolerance with age, and an improvement in macroeconomic conditions is associated with an increase in risk tolerance. A person with high tolerance of change perceives changes situations as desirable, challenging and interesting. They neither deny nor distort their complexity of incongruity (Jaballa et al., 2009).

According to McCaskill (2010), tolerance to change is important as it allows employees to seek for the changes of time, space and understanding to find the best way to achieve the production of organization as cited in (Kotter and Schelesinger, 1979). There is ability to look into other human being perspective and the ability to control their behaviour with the dignity and rights.

The tolerance to change research states that individual who are creative and attracted to changes are also more likely to be risk and sensation seeking (Johanson 2000; Judge et.al 1999; Yurtsever 2001; and McLain 1993) as cited in Phillips et al., n.d.). One practical implication is that job that depend upon a traditional attitude toward risk may be best assigned to low tolerance change individuals, while jobs that require very high levels of creativity may be best completed by individuals with high tolerance change individuals.

Employees who have high tolerance to change could maintain their productive relationship which flawed with their values, thinking and attitude or behaviour. Research found that the employees who have high tolerance to change will be more creative, flexible and effective in the way they handling difficulties (McCaskill, 2010) as cited in (Kotter et al., 1979).

However, there is also drawback for tolerance to change. Low tolerance to change is defined as the fear that one will not be able to develop new skills and behaviours that are required in a new work setting. According to Kotter et al. (1979), if an employee has a low tolerance to change, the increased changes that arise as a result of having to perform their job differently would likely cause a resistance to the new way of doing things as cited in Saeed (n.d) as cited in (Lund, n.d.).

Peter (n.d.) as cited in (Kotter et al., 2008) argued that the major obstacle to organization growth is manager's inability to change their attitudes and behaviours as rapidly as their organizations required. Though the manager intellectually understands there is need for changes in the way they operate, sometimes they are emotionally unable to make the transition. This is because of people's limited tolerance to change that individuals sometimes resist a change even when they realize it is a good one.

Human beings are limited in their ability to change, with some people much more limited than others. Organizational change can unconsciously change too much and too quickly (Kotter et al., 2008). Hence, people will have the low tolerance to change because they fear they will not able to develop the new skills and behavior that will be required of them.

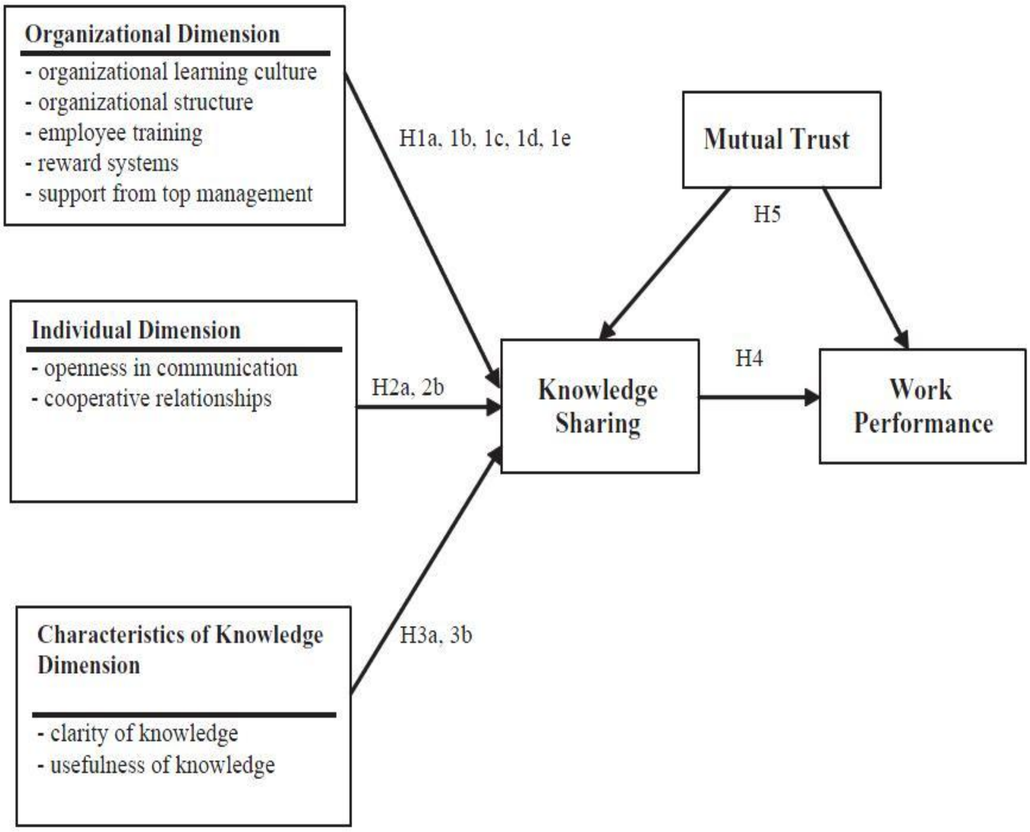
Besides, people with a low tolerance to change are tend to fight hard to maintain the status quo, often without being able to articulate their reasons for so doing (Peter, 1988). The person with low tolerance of ambiguity experiences stress, react prematurely and avoid ambiguous stimuli (Jaballa, Allbaity and Shaiban, 2009).

Lamberton, Fedorowicz and Roohani (2005) investigated the relationship between tolerance to change and the relative interest of accountants and accounting technology professionals in information technology. They found that tolerance to change is an important factor in explaining the effect on the interest of IT among accounting professionals in banking. The results indicated that accountants with high tolerance for change have higher interest in it (Jaballa et al., 2009).

According to Hamid et al., (2007), employees of bank will have different levels of tolerance of change for innovation and organizational changes. This is because they are lack of diffusion capability and the lack of investment in training for internal employees. In emerging economies in Asia, branded or co-branded banks are actually separate legal entities and have unique country requirements. For example, the requirements of language and cultural norms such as customer tolerance for waiting times. Therefore, you can’t easily do cross-training or rotate staff between banks (Watkins and Wiley, 2009).

2.2 Review of Relevant Theoretical models

Figure 2.1: Knowledge Sharing and Work Performance



Source: Kang, Kim and Chang, 2008, p.1551

The above model is developed by Kang, Kim and Chang (2008) which is developed to study the impact of knowledge sharing on work performance by analyzing perceptions of public employees in Sounth Korea. This analytical model is obtained from reviewing of literature on knowledge management and sharing. There are nine exogenous variables are recognized as antecedents of knowledge sharing that affect work performance.

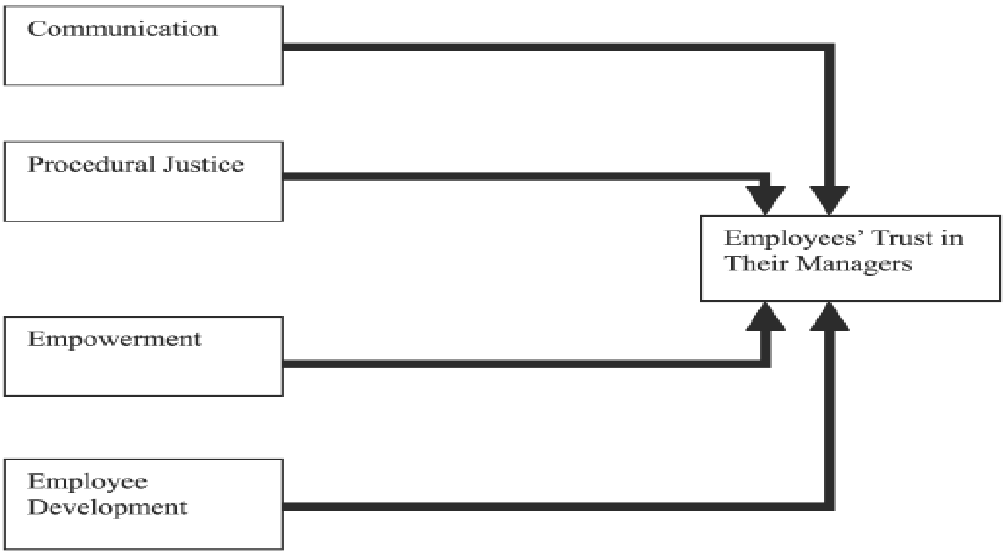
Knowledge sharing is a new managerial practice in the organization Willem and Buelens (2007). According to Grover and Davenport (2001) states that the organization can uses policy to push the employee's collaborate and upcoming to share their knowledge as cited in (Willem et al., 2007).

According to Amabile et al. (n.d.) as cited in (Liao, 2006) suggests that the changes in organization are defined as the triumphant execution of innovative ideas within the organization. The changes in organization intervenes obtain, allocation and use of new knowledge as cited in Willem and Buelens (2007).

According to Reychay and Weisberg (2009) as cited in (Iqbal, Toulson and Tweed, 2010) state that employees benefit via knowledge sharing in the aspect of enhancing their own knowledge, absorption, learning ability in order to perform better in the organization. According to Cross, Rice, & Parker (2001); Holste and Fields (2010); Tsai and Ghoshal (1998) as cited in (Iqbal et al., 2010) suggest that trust can help to create knowledge effectively via eliminating knowledge-sharing obstacles in an organization. According to Nonaka (1994) as cited in (Iqbal et al., 2010) suggests that trust can establish good circumstances for knowledge sharing and it acts as a moderator as well.

The results show that the employee training, reward systems, support from the top management, and openess in communication are apparent to have a positive impact on employees' knowledge sharing, which, in turn, enhanced work performance of employees. The trustworthiness implicate in knowledge sharing is positive impact on both knowledge sharing and work performance. These results mean that work performance can be relied on the use of knowledge sharing. It must be noticed for those exogenous variables that positively impact on knowledge sharing. This is because the knowledge sharing looks like a major determinant of enhancing work performance. As a result, the researcher adopts the tested model in applying those relevant variables to examine employees' performance in banking industry.

Figure 2.2: The Consequences of Emerging Human Resouce Management (HRM) practices for employees' trust in their managers



Source: Tzafrir et al., 2004, p.636

The model is developed by Tzafrir et al. (2004) and the purpose of this study is to examine the consequences os emerging human resource management (HRM) practices for employee' trust in their managers. The thoretical support for this framework can be concluded from the theory of exchange and resource-base perspective (Tzafrir et al., 2004). According to Barney (1986) and Whitener et al. (1998) suggest that these theories make clear the reasons about the organization require intangible resouces to attain and maintain competive advantage as cited in (Tzafrir et al., 2004). The four varibles are categoried as independent varibles which consists of communication, prosedural justice, empowerment and employee development whereas the dependent variable is employees' trust in their managers.

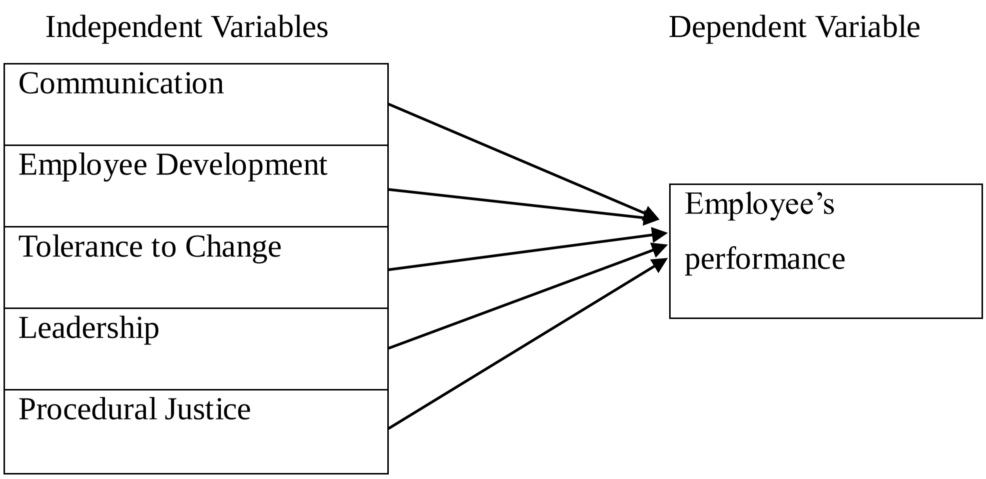
Acoording to McAllister (1995) as cited in (Paul and McDaniel, 2004) state that interpersonal trust has relationship between performance. The result of the relationship between performance and trust is accorded with McAllister (1995) as cited in (Paul et al., 2004).

Acoording to Franco et al. (2004), Gould-Williams (2003) and Podsakoff, MacKenzie and Bommer (1996) suggest that the workplace trust can be associated to performance factors for instant job satisfaction, motivation and organization performance as cited in (Gilson, Palmer and Schneider, 2005). According to Boersma, Buckley and Ghauri (2003) and Mo¨llering (2003) as cited in (Silva, Bradley and Sousa, 2011), it state that there are positive relationship between trust and performance.

The results of this study show that empowerment, communication and prosedural justice are apparent to have a significant and positive impact on employees' trust in their managers. Besides, the prosedural justice mediate the influence of employees' development on their trust in their manager by employing structural equation analysis. Hence, the reseacher adpot the tested model in applying those relevant variables to study employees' performance in the banking industry.

2.3 Proposed Theoretical/ Conceptual Framework

Figure 2.3: Proposed Theoretical/ Conceptual Framework



The above proposed theoretical framework for this study is developed base on several research framework conducted by Kang, Kim and Chang (2008) and Tzafrir et al. (2004) to accommodate to our research objectives. This model is operated as the basis in this research. The purpose of conducting this research is to investigate the relationship among six variables which include communication, employee development, tolerance to change, leadership, procedural justice and employees' performance in Malaysia banking industry.

There are five independent variables which consist of communication, employees' development, tolerance to change, leadership and procedural justice. At the meantime, the dependent variable is employees' performance in this study. Through this model, it helps to develop hypotheses to test the relationship between organizational changes and employees' performance.

This proposed model is developed base on the two theoretical models from Kang, Kim and Chang (2008) and Tzafrir et al. (2004). The variables that can base on those models are consisted of communication, employees' development, leadership and prosedural justice. In order to strengthen this proposed model, tolerance to change is added in this proposed model. According to Hartmann (2005) as cited in (Jaballa, Allbaity and Shaiban, 2009), tolerance to change is important because it has indirect effect on manager's opinion through the interaction with task and environmental uncertainty. Lamberton, Fedorowicz and Roohani (2005) found that tolerance to change is important in explaining the effect on the interest of IT among accounting professionals as cited in (Jaballa et al., 2009). According to Lund and Zhang (n.d.), tolerance to change is important because it is a concept that intuitively present in real social networks. By studying the causes and effects of the tolerance to change in the models, it can help to use for development of the new social interaction rules, in order to not having simply side effect of many rules with no determined cause.

2.4 Hypotheses Development

According to Zikmund (2003), hypotheses are an unproven proposition or supposition which tentatively explains certain facts or phenomena. It is consist of null hypothesis and alternative hypothesis. Null hypothesis concerns a population parameter (Hair, Money, Samouel, Page, 2007). The null hypothesis is a statement which means there is no difference exists between the parameter and the statistic that being compared to it (Cooper and Schindler, 2008). In contrast, alternative hypothesis is the logical opposite of the null hypothesis (Cooper et al., 2008). In this research study, there are five hypotheses being formulated to study the impact of organization changes towards employees' performance in banking industry.

2.4.1 The relationship between communication and employees' performance

According to Rouse (2009, 2010) as cited in Contartesi (2010), there is positive relationship between leader communication and employee performance. It shows that when there is ineffective communication and relationship among employees and supervisors, it will generate a climate that reduces personal commitment impeding organizational change and growth (Darling & Beebe, 2007; Ericson-Lidman&Strandbert, 2007; Lau & Liden,2008; Schuttler, 2010) as cited in (Contartesi, 2010). When there is poor communication during the changes, the employees will become demoralized and less productive which this will give the employers the opportunity to increase punitive consequences for non-performance (Ericson-Lidman&Strandberg, 2007; Zhang & Sapp, 2009) as cited in (Contartesi, 2010).

$H1_0$: There is negative significant relationship between communication and employees' performance.

$H1_1$: There is positive significant relationship between communication and employees' performance.

2.4.2 The relationship between leadership and employees' performance

According to (Bass, 1997; Mullins, 1999) as cited in (Liu, 2010), effective leadership will lead to greater participation of the whole workforce, which also influences both individual and organizational performance. Organization that has good leadership will understand what will motivate the employees and the strength and weaknesses that would influence the decisions, actions and relationships. From research, there is study saying leadership has a positive influence on employees' performance as well as organizational performance (Bass and Avolio, 1994; Ristow, 1998) as cited in (Liu, 2010).

$H2_0$: There is negative significant relationship between leadership and employees' performance.

$H2_1$: There is positive significant relationship between leadership and employees' performance.

2.4.3 The relationship between procedural justice and employees' performance

According to Klendauer, Deller (2009) found that the purpose of interaction with procedural justice in organizational change is to increase the effective commitment of employees in the organization. Besides, result shows that perceptions of procedural justice have great effect on the employees and organization than distributive justice (Vasset, 2010) as cited in (Benson, 2002). Imberman (2009) state there is positive relationship between procedural justice perceptions and employees' performance. Besides, it also bring impact on organizational commitment, change-oriented organizational citizen behaviour and attitude toward future change.

$H3_0$: There is negative significant relationship between procedural justice and employees' performance.

$H3_1$: There is positive significant relationship between procedural justice and employees' performance

2.4.4 The relationship between employees' development and employees' performance

According to Proctor and Doukakis (2003), there is positive relationship between the employees' development and employees' performance. Anne (2002) says that during the time of organizational change, management attention normally diverted by the day-to-day demands which employee development gets forced into a subordinate position as cited in (Proctor et al., 2003). According to Hameed and Wahid (2011) employee development defined as develop the abilities of an individual employee and organization as a whole. Therefore, employee development consist overall growth of the employee which means when employees of the organization would develop the organization, organization would be more flourished and the employee performance would increase (Bowman, 1996). Hence, there is a direct positive relationship between employee development and employee performance (Hameed et al., 2011). This means that when employees would be more developed, they would be more satisfied with the job, more committed with the job and the employees' performance would be increased (Bowman, 2006).

$H4_0$: There is negative significant relationship between employees' development and employees' performance.

$H4_1$: There is positive significant relationship between employees' development and employees' performance.

2.4.5 The relationship between tolerance to change and employees' performance

According to Nicolaidis and Katsaros (2011), there is positive relationship between tolerance to change and employees' performance. Tolerance change is to maintain the status quo. According to Dulger (2009), the extent of the tolerance and commitment toward change has important implications for employees' performance and organization.

$H5_0$: There is negative significant relationship between tolerance to change and employees' performance.

$H5_1$: There is positive significant relationship between tolerance to change and employees' performance.

2.5 Conclusion

In chapter 2, there are some relevant issues and review of literature background has been covered for the purpose in order to have better understanding of the current research. The topics that have been covered include organization changes, banking industry, communication, leadership, procedural justice, employees' development and tolerance to change. Besides that, in this chapter, it also covered the proposed conceptual framework and hypotheses formulation. In the next chapter, chapter 3, there will be detail discussion of research method of this study.

CHAPTER 3: RESEARCH METHODOLOGY

3.0 Introduction

This chapter discusses the method and procedure to collect the data in order to achieve the aims and objectives of this study. The topic to be discussed in this chapter includes the research design, data collection methods, questionnaire development, sampling design, operational definitions of constructs, measurement scale, methods of data processing and data analysis.

3.1 Research Design

According to Hair, Money, Samouel and Page (2007), research design provides the basic directions or “recipe” for carrying out the project. Following the principle of parsimony, the design of relevant information on the research questions should choose by researcher so that it can complete the job most proficiently. Besides, research design is a master plan specifying the methods and procedures for collecting and analyzing the needed information (Zikmund, 2003). Additionally, research design is a basic plan which guides the data analysis and collection phases of the project. It is a framework or blueprint for conducting the research project and the procedures is necessary for acquiring information needed for solving any research problems in the best possible way. The descriptive and quantitative researches have been used in this study.

The quantitative research usually involves statistical analysis. It relies on numerical evidence to test hypotheses and draw conclusion in meaningful way (Ticehurst and Veal, 2000). According to Hair et al. (2007), quantitative data are dimensions in which numbers are assigning uses to represent phenomena or characteristics of something. However, qualitative research is not concerned with this sort of statistical analysis. The data that are not characterized by numbers but rather than are textual, visual or oral (Ticehurst et al., 2000). According to Ghauri and Gronhaug (2010), the findings of qualitative research are not arrived at by statistical methods or other procedures of qualification. It is a mixture of the rational, intuitive and explorative, where the skills and experience of the researcher play an important role in the analysis of data.

The reason used quantitative techniques for this research project is because this method can provide a wide coverage of the range of situation and it is fast and economical. According to Ticehurst and Veal's study (2000), data collecting through a questionnaire surveys, observation or secondary data the results will be more reliability and the data is necessary collect from a huge numbers of people or organisations and to use computers to analyse the data. Besides, for quantitative research, the data can be analyzed and collected in quick way when the survey involves a convenience sample. In addition, the results from the sample can be comprehensive to the total population if the response rate is high enough when the survey involves a statistically valid random sample. It is useful when use to predict employees' performance, behaviour, customer attitude or determine market size.

There have three types of business research can be classifying research on the basis of technique or purpose, it broken into three categories: descriptive research, exploratory research and causal research. According to Zikmund (2003), the major purpose of descriptive research is to describe characteristics of a population or phenomenon. It seeks to determine the answers to who, what, when, where and how.

Unlike exploratory research, descriptive studies are based on some previous understanding of the nature of the research problem. Besides, descriptive research is designed to obtain data that describes the characteristics of the topic of interest in the research (Hair, Money et al., 2007).

Exploratory research is conducted to clarify ambiguous situations or discover ideas that may be potential business opportunities. It is not intended to provide conclusive evidence from which to determine a particular course of action. In this sense, it is not an end unto itself and researchers usually undertake this form of research with full expectation that more research will be needed to provide more conclusive evidence (Zikmund, 2003). According to Hair et al. (2007), exploratory research is used when the researcher has little information and it is appropriate when the researcher knows little about the problem. Thus, it is not planned to investigation specific research hypotheses.

Causal research tests whether or not the event causes one another. It accomplishes this goal through laboratory and field experiments. According Zikmund (2003), causal research seeks to find cause and affect relationships among variables. It attempts to establish that when we do one thing, another thing will follow. It is usually follows by exploratory and descriptive research. Therefore, the researchers are quite knowledgeable about the research subject. Besides, causal research can take a long time to implement and often involves complicated designs that can be very expensive. Exploratory and descriptive research usually precedes causal research. Additionally, researchers in causal studies typically have a good understanding of the phenomena being studied and can make an educated prediction about the cause and effect relationships that will be tested (Sekaran and Bougie, 2010).

The purpose used descriptive research for this research project is because it can obtain a lot of information through description. It does not establish any relationships among variables a it is used to do description and not to make any conclusions. Thus, it is easier to start the research using this descriptive analysis. Besides, it is rearing search and experiences may include many variables, data can collect from ample geographical area and it can identify further area of research like investigated through other means. The people being studied are unconscious as they just act naturally for what they do in everyday situation. Additionally, descriptive research is less expensive and time consuming than exploratory research and causal research.

3.2 Data Collection Methods

Data collection is an important aspect of any type of research study. Accurate and inaccurate data collection can impact the results of a study. Data can be obtained from primary or secondary sources. Primary data consists of information directly gathered from first-hand experience by the researcher who is doing the specific purpose of the research. It can also define as the data which has not yet been published and must therefore be found by field research. For example, data from such sources as historical documents, literary texts, experiments, surveys, observations, interviews, focus groups and panels of respondents specifically set up. Furthermore, secondary data refer to the information is simply second-hand which have already been gathered and analyzed by researchers or existing sources. For example, the data has been collected through internet, journals, references books, websites, observation surveys, government publications, and media publications from electronic library database.

3.2.1 Primary Data

The focus of this study is based on primary data collection. According to Hair, Babib, Money and Samouel (2003), primary data refer to new information collected as purpose of completing the research project. Hence, this research will involve in every part to turn the data into information or knowledge. Besides, primary data is important for all areas of research because it has obvious information about the results of an experiment or observation. The result is gathered by the researcher particularly to meet up the research objective of the existing project and it is completely tailor-made.

As part of the success of this research, survey questionnaires play as a prominent role. Generally, primary data can obtain from few popular ways like interviews, survey questionnaires, observations are been used to ask them about their feeling or perception. In this research project, primary sources if data had been collected by using survey questionnaires method. The questionnaires were distributed to the employees who working in banking industry at Kuala Lumpur, Penang, Johor Bahru and Selangor. It is gathered based on communication with a representative sample of individuals (Zikmund, 2003).

According to Ghauri and Gronhaug's study (2010), through primary data researchers able to collect the data they are more consistent with the research questions and research objectives. For example, researcher can know the specific demographic information about the consumer such as education, income, personality and lifestyle. All this information might not be available collect from secondary data. Furthermore, researchers also able to know about the intentions, people's attitude and buying behaviour for a particular product and reason behind consumer behaviour, management decision or problems faced in internalization efforts.

Survey questionnaires is the relatively cheap and quick way to collect data and information compare to other methods such as experiment, telephone surveys, literary texts, focus groups and so forth. Moreover, it is less time consuming in obtaining the data from respondents because they will answer the questionnaires respectively instead of take time in explaining questions one by one to the respondents and it can include a large population and wide geographical coverage.

In order to avoid the probabilities of respondents giving unreliable and inaccuracy information, the question in the survey questionnaires were created in a simple and easy manner format. Therefore, using 5-point Likert scale with anchor of (1) "strongly disagree" to (5) "strongly agree" is easy to administer and can reduce variability in the results that may be differences and improves reliability of the responses. Besides, it also simplifies the researchers to collecting the data, coding it, checking for error, analyze and interpreting the data.

3.2.2 Secondary Data

According to Ticehurst and Veal (2000), secondary data refer to the data that are already exist and recorded by someone else for some other primary purpose but still can be used for second time in the current project of the researcher. It plays a variety of roles in a research project, from being the whole source of the research to being an essential or secondary point of comparison. Besides, secondary data can also define as the data used for the research that are not collected directly and purposefully for the project under consideration (Hair, Money, Samouel & Page, 2007).

In addition, secondary data which is usually historical, already gathered and do not require access to respondents. It also provides the imprecise information because the information is simply second-hand and it might be outdated which the result is not significant to the current circumstances like economic crisis. This will due to the information does not meet the needs of the researcher (Zikmund, 2003). Furthermore, using secondary data is greater, faster and enormous savings in time and money compare to primary data. Meanwhile, the verification process is more rapid and the reliability of the information and conclusions is greatly improved (Ghauri et al., 2010).

For this research project, most of the secondary data are collected from various Internet Online journals, case study, online articles is to ensure it can support the research questions. These secondary data can obtained from business research studies text books, e-library or online database to use as references that enhance the reliability and quality of this research.

Journals related to the construction disputes and alternative dispute resolutions will be extracted from online database via UTAR online database such as Emerald, ProQuest, Science Direct, EBSCOHost and others online resources. Besides, GOOGLE search engine also plays an important role in collecting information. These all types of information will help in developing the literature review and questionnaire to gain the knowledge and information of respondents.

3.3 Sampling Design

Sample is defined as a subset of a bigger population chosen for conducting a study. If the research is aim to greater comprehend the larger population, the sample is supposed to similar to the larger population. The statisticians employ the word “representative” to point out the similarity of a sample to the particular population. If a sample is not representative, this is hard to allege that the characteristics of the sample are denotative of the characteristics of the particular population (Wolverton, 2009).

3.3.1 Target Population

Before the sampling process, the target population must be specified in order to get the appropriate information from which the data are to be gathered can be recognized. The target population can be defined as respond the question which is regarding to the crucial characteristics of the population (Zikmund et al., 2010). According to Malaysia Labor Force Survey Quarterly Report 2010, Financial and insurance/ takaful activities have 315,300 employees.

3.3.2 Sampling Frame and Sampling Location

Sampling frame is defined as a catalogue of all people and items in the appropriate population (Wolverton, 2009). Penang is chosen as sampling location for this research because of its centricity for Economical and Industrial activities and become a silicon valley which needs active banking transactions (Lo et al., 2010).

Furthermore, Kuala Lumpur is being chosen for conducting this research. This is because the national commercial control of Kuala Lumpur is drawn-out with the expansion of the service sector (Bunnell, Barter and Morshidi, 2002). According to Lee (1996), Morshidi (1998; 2000), Lee (1996) and Morshidi (1998; 2000), the producer services which are included merchant banking are overwhelmingly gathered in the national capital as cited in (Bunnell et al., 2002).

Johor Bahru is the second largest metropolitan area in Malaysia (Rizzo and Glasson, 2011). This area is an industrial and commercial hotspot in the region and consists of many important industrial brands that have a branch (Rizzo et al., 2011). Hence, this region is chosen for this study as well.

Due to largest population in Selangor, this region is selected for the research. According to Basic Population Characteristics by Administrative Districts Report 2010, the population in Selangor is 5102600. The largest population is meant that there are largest of clients involve in banking transaction. Hence, there are more accurate employees' performances from which the data are to be collected can be identified.

3.3.3 Sampling Elements

The respondents that are selected for our research populations consist of the employees from the above stated areas. To ensure sample size would be able to collect sufficiently in the banking industry, whereby equal number questionnaires were distributed to each represented bank.

The targeted sample size for this research project was 200 respondents, therefore questionnaires will be distributed to the employees those works in the middle and lower level management. Middle level management in banking industry included executives, general director or managers, bank officers and so on. On another hand, for the lower level of workers in banking consists of supervisors, bank officers, general clerk.

There are several reasons to distribute questionnaires in such way. One of it is because it can gather more information and increase commitment from different perspective in the organization. Furthermore, this commitment would prevent the occurrence of biasness in research results and also increase the reliability of the research.

3.3.4 Sampling Technique

Basically there are two major types of sampling techniques which are probability and non-probability. In probability samples, when the elements in the population being selected is known chance and usually equal for all cases (Saunders, Lewis & Thornhill, 2009). Probability sampling can be either simple random sampling or complex probability sampling. Normally, the researchers will choose simple random sampling because has the least chance of bias. However, this sampling technique process could be expensive and the population updated listing may not always be available (Cavana, Delahaye & Sekaran, 2001).

On the other hand, for non-probability samples, the probability of each element in the population being chosen is unknown (Saunders et al., 2009). Non-probability provides advantages to researchers such as obtaining preliminary information in a quickly and less expensive way. Furthermore, non-probability sampling technique fit into two categories which are convenience sampling and purposive sampling. According to (Cavana et al., 2001), convenience sampling defined as collecting information from members of the population who are available to provide it. Research teams more prefer use convenience sampling is because of the best way of collecting information in efficiently, able to obtain a large number of completed questionnaires quickly and economically (Zikmund, Babin, Carr & Griffin 2010). Due to the problem of limited budget and time consuming, therefore non-probability sampling technique will be chosen in our research project in order can easily accessible to the respondents in banking industry.

3.3.5 Sampling Size

The sample size could determine the level of variability in the population itself and precision in population parameters. In order to avoid systematic errors, this could cause the result less accurate in collecting larger sample size (Zikmund, 2003). Thus, that is possible for researcher to gather data from the whole banking industry to ensure a good and accurate result could be generated in greatly simplified manner. Hence, samples of 200 respondents are taken into the study, will represent the all population of the industry.

According to rules of thumb, Roscoe (1975) as cited in (Cavana, Delahaye and Sekaran, 2001) suggest that sample size which is more than 30 and less than 500 are appropriate for the research. For this research, 200 respondents will be selected to fill in the questionnaires from banking industry. Before the actual survey, a pilot test has been conducted contains of 20 respondents in order to test on the accuracy and significant of the study.

3.4 Research Instruments

Under this research, the instruments in data collection that being used is close-ended questionnaire. In the early stage, there are several research questions that have been defined in order to come out with the questions that could help us in gaining information. It includes demographic characteristics (gender, age, ethnic, education, working experience and income) of the target respondents, relationship between communication and employees' performance, relationship between leadership and employees' performance, relationship between procedural justice and employees' performance, relationship between employees' development and employees' performance and relationship between tolerance to change and employees' performance.

The questionnaires in this research are in close-ended format, with Likert scale format. This Likert scale format is a choice from strongly disagree to strongly agree of the statement. It is a pleasant simple way in order to get the specific opinion as well as easy to construct the multiple-item measures (John, 2010). In addition, it is also quick, easy and efficient to obtain the information from the respondents.

3.4.1 Distribution Methods

Questionnaire will be one of the best and convenient tools in order to obtain information from respondents. Hence, intensity questions were designed so that the quantitative data that will be collected are more reliable and related.

Besides, for this survey, non-probability sampling has been used. It means the selections of the respondents are not choosing with the aim of being statistically representatives of the population (Hair, Money, Samouel and Page, 2007).

For this non-probability sampling, convenience sampling has been chosen as the distribution methods. This is because by using convenience sampling, it helps to complete a large number of interviews quickly and also cost effectively (Hair et al., 2007).

In order to collect all the data from the respondents, physically visiting to bank door-by-door have been practice. Researchers distribute the questionnaires to the respondents by meeting them face to face. The overall process of the distribution and collecting back all the questionnaires has taken two week time.

3.4.2 Questionnaire Design

The questionnaires consist 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 question involves consist of gender, age, ethnic, education, working experiences and income level. For Section B, it will be related to the independent variables of the research which are communication, leadership, procedural justice, employees' development and tolerance to change as well as the dependent variables which is employees' performance. This Section B is designed specifically to examine how the employees' performance in organizational changes will be affected by the five factors.

3.4.3 Advantages of Questionnaire

According to Milne (n.d.), there are several advantages of using questionnaires. One of it is the response are gathered in a standardized way which means the questionnaires are more objectives.

Besides, it is relatively quick to obtain the information as the surveys can be carried out at anywhere and anytime. In addition, it is potentially to collect information from a large portion of respondents with the least cost (Milne, n.d).

Sekaran (2003) states that questionnaires method can ensure confidentiality of the respondents as well as gather the data in non-threatening ways which the respondents will more comfortable in answering the question compare to interviews. Moreover, questionnaire will reduce the interviewer bias and it is easier to record and analyze the data compared with interview. Nevertheless, it is also easier to track the opinion by administering the same questionnaire to different but similar participant groups at regular interval (Sekaran, 2003).

3.4.4 Pilot Test

Pilot studies are small-scale "trial runs" of a larger survey (Ticehurst and Veal, 2000). According to Zikmund (2003), pilot test is defined as any small scale exploratory research project that uses sampling but does not apply rigorous standards. It is a process of assembling data from the ultimate subjects of the research paper to serve as guidance for the study (Chan et al., 2011).

According to Black (2008), the purpose to conduct pilot test is to determine the respondent question clarification, appropriateness of question clarity, adequacy of instruction and also effectiveness of data capture. Ticehurst and Veal (2000) stated that the reasons to conduct pilot studies gain the familiarity with respondents, testing fieldwork arrangements, estimating response rate. In addition, pilot test is conducted to detect the weaknesses in designing questionnaires and to provide proxy data for targeted samples (Cooper and Schindler, 2008).

Pilot test usually use to test the effectiveness of the questionnaire. Hence, for this research, before conducting the big scale of study, pilot testing has been used for the questionnaire design. It helps to make any improvement such as questionnaire accuracy and minimize the error in order to collect the primary data.

For instance, 20 sets of questionnaires have been randomly distributed to the lecturer and the banking employee who are involved in this construction study to identify for the errors. Through the feedback from the 20 sets of questionnaires, overall of the questionnaires are suitable which are quite easy for the respondents to understand. However, there are some comments such as some grammar mistakes and typing errors in the questionnaire. Thus, amendments have been make according to the mistakes that been pointed out through the pilot testing.

Table 3.1: Cronbach's Alpha Reliability Analysis

No.	Dimensions	Number of Items	Cronbach's Alpha
1.	Communication	5	0.874
2.	Leadership	5	0.811
3.	Procedural Justice	5	0.830
4.	Employee Development	5	0.824
5.	Tolerance to Change	5	0.841
6.	Employee Performance	5	0.894

From the table above, this result is obtaining from SPSS software version 16. It shows that all the items are good as it is under the acceptable level of reliability. The highest Cronbach's Alpha of reliability is employee performance, 0.894 while the lowest Cronbach's Alpha of reliability is leadership, 0.811. Hence, it can be conclude that the independent variables are acceptable, which all the questions will be remain and a big scale of study will be conducted using the questionnaire.

3.5 Constructs Measurement

A scale is a measurement tool that can be used to measure a question with a predetermined number of outcomes (Hair, Money, Page and Samouel, 2007). According to Sekaran (2004), a scale is used to distinguish the variables of interest to the study. There are four levels of measurement are represented by different types of scales which are nominal, ordinal, interval and ratio. Variables measured at the nominal or ordinal level are discrete and referred to as either categorical or nonmetric. Variables measured at the interval or ratio level are continuous and referred to as either quantitative or metric (Hair et al., 2007).

3.5.1 Nominal Scale

The nominal scales represent the most unrestricted assignments of numerals. It is a primitive form (Stevens, 1946). A nominal scale uses numbers as labels to identify and classify objects, individuals or events (Hair et al., 2007). The numbers are being used for observations (Ghauri and Gronhaug, 2010). Nominal scales helps to collect information on a variable that naturally or by design that can be grouped into two or more categories which are mutually exclusive and collectively exhaustive (Cooper and Schindler, 2008).

Initially, the groups can be assigned code numbers with 1 and 2, to identify an individual’s gender or ethnicity. The numbers served as simple and convenient category with no intrinsic value (Sekaran, 2003). The lowest level of measurement is nominal scale (Ghauri et al., 2010). According to Cooper et al. (2008), nominal scales do not have order or distance relationship and have no arithmetic origin. Hence, for this research, nominal scale has been applied in Section A for the demographic profile.

3.5.2 Ordinal Scale

An ordinal scale is a ranking scale. It places objects into a predetermined category that is rank ordered according to some criterion such as preferences, age and income group. It helps to determine if an object has more or less of a characteristic than some other subject (Hair et al., 2007). The use of an ordinal scales implies a statement of "greater than" or "less than" without stating how much greater or less (Cooper et al., 2008). Ordinal scale would use non-parametric statistics which include median, mode, spearman rank order correlation and non-parametric analysis of variance (Hair et al., 2007). In this research, ordinal scale also has been applied in Section A.

3.5.3 Interval Scale

Interval scales being used when the exact distance between each of the observations is known and the distance is constant. It means that the differences can be compared (Ghauri et al., 2010). They incorporate the concept of equality of interval which means the scaled distance between 1 and 2 equals to the distance between 2 and 3 (Cooper et al., 2008). An interval scale has all the qualities of nominal and ordinal scales, plus the differences between the scale points is considered to be equal. In addition, the interval scale is able to compute the means and standard deviations of the responses on the variables (Sekaran, 2003). The location of the zero point is not fixed with an interval scale. Both the zero point and the units of measurement are arbitrary (Hair et al., 2007).

Besides, according to Hair et al. (2007) in this interval scale, it uses Likert's Scale which is based on five point scales where 1 equals to Strongly Disagree and 5 equals to Strongly Agree. Thus, in this research, interval scale is being used under Section B to get information about employee's performance towards the changes in an organization in banking industry.

3.5.4 Ratio Scale

A ratio scale provides the highest level of measurement. It possesses a unique origin or zero point, which makes it possible to compute ratios of point on the scale (Hair et al., 2007). The absolute zero represents a point on the scale where there is an absence of the given attribute (Zikmund, 2003). The ratio data represent the actual amounts of a variable (Cooper et al., 2008). Hence, by using a ratio scale, the comparison of absolute magnitude of numbers is legitimate.

In addition, with ratio scale, it able to compare intervals and rank objects according to magnitude or by using numbers to identify the objects (Ghauri et al., 2010). Ratio scales has been applied in Section A in this research to determine the number of years or respondent working in banking industry.

3.5.5 Likert Scales (Summated rating scales)

Summated rating scales comprise of statements that express either a favourable or an unfavourable attitude toward the object of interest (Cooper et al., 2008). It often use a five-point or seven-point scale to access the strength of agreement about a group of statements (Hair et al., 2007). Respondents is required to answer from strongly disagree to strongly agree for each statement (Cooper et al., 2008). In this research, five-point Likert Scales has been used in Section B. The respondents is being ask from 1 (strongly disagree) to 5 (strongly agree) for each statement in order to acquire information of impacts of organization changes towards employee's performance in banking industry.

3.5.6 Summary of the Questionnaire

Table 3.2 Summary of the Questionnaire

Variables	Number of Items	Items
Part A –Demographic		
Gender	1	Part A – Item 1
Age	1	Part A – Item 2
Ethnic	1	Part A – Item 3
Education	1	Part A – Item 4
Working Experiences	1	Part A – Item 5
Income Level	1	Part A – Item 6
Part B		
Communication	5	Part B – Item 1-5
Leadership	5	Part B – Item 6-10
Procedural Justice	5	Part B – Item 11-15
Employees' Development	5	Part B – Item 16-20
Tolerance to Change	5	Part B – Item 21-25
Employees' Performance	5	Part B – Item 26-30

3.6 Data processing

The data-preparation process begins with questionnaire checking, editing, coding, transcribing, and data-cleaning, statistically adjusting the data and selecting a data-analysis strategy (Malhotra, 2004).

3.6.1 Checking

Step 1: Questionnaire Checking

In this step, it involves checking of all the questionnaires for completeness and interviewing quality. A framework of questions is prepared and checked thoroughly to ensure everything is done correctly. Pilot test is performed to check the validity and reliability of the questionnaire. Hence, any error can be detected and correction can be made before the subsequent set of questionnaires is distributed to all respondents (Malhotra, 2004).

3.6.2 Editing

Step 2: Data Editing

The completed questionnaire is reviewed to increase the accuracy and precision. Some of the questionnaires collected may be incomplete or left unanswered by respondents. The screen questionnaires must be identifying illegible, inconsistent, incomplete, or ambiguous responses. In data entry, the researcher are requires to key in all the data into the SPSS software to get the efficient and accurate information (Malhotra, 2007). A pre-test is involve to conduct dry run of the survey on a small, representative set of respondents on order to reveal questionnaire errors before the survey is launched (Burns and Bush, 2006).

3.6.3 Coding

Step 3: Data Coding

This step is data coding which represent a specific response to a specific questionnaire along with the data record and column position that code will occupy. After all the questionnaires are collected, coding only can be done. According to Malhotra (2004), coding is the assignment of a code, that usually a number for each possible response to each question. For this study, SPSS is used for data coding. All the responses need to be identified and answered it accordingly base on the SPSS data editor. In coding phase, all the relevant data are grouped into categories and number were assigned to each of the question. It involves transferring a code and representing certain response to certain question. For example, for the part of ethnic group for the Section A of the questionnaire, we will assign the number “1”, “2”, and “3” into it. The number “1” is representing Malay, “2” representing Chinese and “3” representing India. Hence, it help the data entry to be more efficient and effectively.

3.6.4 Transcribing

Step 4: Data Transcription

Once the checking and editing of data are done, data transcribing is performed. Data transcription is a process that transferring the coded data from the questionnaires or coding sheet on disks or magnetic tapes or directly key in to the computers. After that, it needs to analyse by using Statistical Package for Social Science (SPSS) version 16.0 (Malhotra, 2004).

3.6.5 Data Cleaning

Step 5: Data Cleaning

Data cleaning involves consistency checking of treatment of non- responses, to ensure that the data have correctly inputted from the data collection form. After data checking and data editing, data cleaning was the final procedure that the data has to go through before it is finally considered "prepared" for analysis (Malhotra, 2004).

3.7 Data Analysis

Data analysis is a body of methods that help to describe facts, detect patterns, develop explanations, and test hypotheses. It involves review conceptual framework and relationship for each variable to be studied, prepare data for analysis and determine if research involves descriptive analysis or hypothesis testing. They offer a simple and quick look at the data, and used in all of the sciences, in business, in administration, and in policy (Joseph and Rosemary, 2003).

The data analysis will be converting, transform and process all the raw data into useful and valuable information using appropriate technique. Statistical Package for the Social Science (SPSS) Version 16 and Microsoft Excel 2007 software were suitable to use for data analysis. Data analysis stages consist of interreland procedures which will be carried out to summarize and transform the data into useful information (Zikmund, 2003).

The collected data from the survey questionnaire will be transformed into useful information by SPSS, which used to test the Reliability Test, Pearson Correlation Coefficient Analysis and Multiple Regression Analysis. Tables and figures will be used to give a clearer picture of the data collected. Explanation will be placed at the bottom of each table and figure. There are three major statistical techniques that use to apply on this research, which are descriptive analysis, scale measurement and inferential analysis.

3.7.1 Descriptive Analysis

Descriptive analysis describes conditions, populations, and phenomena as they are. Contrast with this is experimental analysis in which researchers place controls on conditions and administer different treatments or interventions to experimental and control group. The most common descriptive techniques that been use is include the measures of central tendency, such as mean and median. Others descriptive statistics are measure of dispersion, such as variance and standard deviation. The researchers may use the image tools of descriptive analysis, such as pie charts, line charts and bar graphs (Hall, 2011).

3.7.2 Scale Measurement

There are four types of scale measurement which are nominal, ordinal, interval and ratio. The reliability and validity of the independent variables and dependent variable will be tested. A reliability test is to show how consistency a measuring instrument measures a particular concept (Zikmund, 2003).

3.7.2.1 Reliability Test

Reliability test analysis used to ensure that the measure is free from error and have consistent result occur (Zikmund, 2003). It is the general term for reliability determination tests and reliability compliance tests. These tests play an important role in improving reliability by analyzing failures which occur during tests and clarifying these mechanisms. It will provide the greatest effects when statistic and failure physics function equally, but it is impossible to calculate the exactly reliability (Cherry, 2011). Reliability test is concerned with the consistency of research finding. Hence, in order to test the reliability, Cronbach's Alpha has been use in this study. The SPSS software is one of the ways used to calculate the Cronbach's Alpha for communication, leadership, procedural justice, employee's development and tolerance to change.

Below is the table of the rule of thumb about Cronbach's Alpha Coefficient Size (Hair, Money, Page and Samouel, 2007).

Table 3.3 Cronbach's Alpha Coefficient

Coefficient Range	**Strength of Association**
<0.60	Poor
0.60 to <0.70	Moderate
0.70 to < 0.80	Good
0.80 to < 0.90	Very good
≥ 0.90	Excellent

According to George and Mallery (2003), state that Cronbach's Alpha Reliability Coefficient normally ranges between 0 and 1. If the coefficient value is more than 0.7, it is good and reliable result. If the alpha is 0.6 and below, it means that the result is poor. The rule of thumb has mentioned that there will be more reliability coefficient when the figure of Cronbach's Alpha is more nearest to 1.0.

3.7.2.2 Validity Test

Validity is the strength of our conclusions, inferences or propositions. It define as the "best available approximation to the truth or falsity of a given inference, proposition or conclusion." Validity is to claims the measure by using test measures, and is vital for a test to be valid for the accurate results and interpreted. It can't be only determined by a single statistic, but by a research that demonstrates the relationship between the test and the behaviour (Cherry, 2011).

3.7.3 Inferential analysis

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. Inferential analysis is a group of statistical techniques and procedures used in confirmatory data to draw conclusions about a population from quantitative data collected from a sample.

3.7.3.1 T-test

T-test is a hypothesis test using the t-distribution rather than the z-distribution. It is used when the population standard deviation is unknown and the sample size is small. T-test is typically used when a researcher wants to compare the mean differences on the dependent variables between two groups. According to Saunders et al., (2007), t- statistic with a probability less than 0.05 means statistically significant. For example, the researcher used t-test to test whether the communication has influence on the employee's performance.

3.7.3.2 One way test of analysis of variances (ANOVA)

One way test of analysis of variances ANOVA is a statistical method for testing the null hypothesis (H_o) that means of several populations are equal. According to Zikmund (2003), it is used to test the means of the more than two groups or populations are to be compared. One way ANOVA also enable researchers to examine the research problems that involved several independent variables. The dependent variable is metric and the independent variables in non-metric. This technique is an extension of T-test. If the test significant is ($p>0.05$), accept null hypothesis (H0) whereas alternatives hypothesis (H_1) will be accepted if ($p<0.01$) or ($p<0.05$). For example, this test is appropriated to test whether the stated variables which leadership have substantial impact towards employees' performance in banking industry.

3.7.3.3 Pearson Correlation Coefficient Analysis

Pearson Correlation Analysis is a statistical measure of the co-variation, or linear association between two variables (Zikmund, 2003). It is used to analyze the nature, direction, and significance of the bi-variant relationship of the variables used in the study, which is the relationship between any two variables. Each individual or case may have quantitative variables.

Pearson's correlation coefficient (r) is used to measure the strength of the association between the two variables. The main result of a correlation is called correlation coefficient (or 'r'). It ranges from -1.0 to + 1.0 and the closer r is to +1 or -1, the more closely the two variables are related. There is a perfect positive linear relationship if the r is 1.0, and there will be a perfect negative linear relationship if the r is -1.0. If r is close to 0, it means that there is no relationship between the variables (Zikmund, 2003). If r is positive, it means that as one variable get larger, the other variable will get larger. If r is negative it means that as one variable get larger, the other variable will get smaller (often call an "inverse" correlation). This mean that the larger the correlation coefficient, the stronger the linkage or level of association between two variables.

This test was done at 5% significant level, which means the higher correlation coefficient; the association level will be stronger between two variables. The correlation coefficient can be either positive or negative, is depending on the direction of the relationship between two variables (Hair, Money, Page and Samouel, 2007). Pearson Correlation analysis is been chose because the correlation can be compared without regarding the amount of variation exhibited by each variable separately. In this study, researcher used this technique to test the communication, leadership, procedural justice, employee's development and tolerance to change toward employee performance. Below is the table of rule of thumb for interpreting the size of Correlation Coefficient.

Table 3.4 Rules of thumb about correlation coefficient size

Coefficient Range	**Strength of association**
± 0.91 to ± 1.00	Very strong
± 0.71 to ± 0.90	Strong
± 0.41 to ± 0.70	Moderate
± 0.21 to ± 0.40	Small but definite relationship
0.00 to ± 0.20	Slight, almost negligible

*Assumes correlation coefficient is statically significant (Hair et al, 2007).

3.7.3.4 Multiple Regression Analysis

According to Zikmund (2003), multiple regression analysis is an analysis of association in which the effect of two or more independent variables on as single, interval-scaled or ration-scaled dependent variable is investigated simultaneously. It is a technique that allows additional factors to enter the analysis separately, so the effect of each can be estimated. Hence, it used to decide which among the independent variables that influence the dependent variable the most. If two variables are correlated, it means that the variable can be used to predict the other variables through the equation as follow:

Y= a + b1X1 + b2X2 + …..+ baXa

The multiple regression analyze for the five independent variables that significantly in contributing toward employee performance. Below is an equation that measured these variables:

EP= a + b1 C+ b2 L+ b3 PJ + b4 ED +b5 TC

EP= employees' performance

C = communication

L = leadership

PJ = procedural justice

ED = employees' development

TC= tolerance to change

This equation enable the researchers to have better understanding toward which variables have a great impact on dependent variable, which is employee performance. Beside, multiple regression result are used to analyse the significance of the overall model by using the F-test result, the individual parameter estimates the overall model (R^2).

Multiple regression analysis is been chose because it have the advantages of a common scale, make them more equivalent from model to model and variable to variable (Zikmund, 2003).

3.8 Conclusion

In Chapter 3, it can be conclude that the research methodology that being used for this research are research design, data collection method that includes primary and secondary data, sampling design, research instruments, construct measurement, data processing and data analysis. In the following chapter which is Chapter 4, it will describe the finding and analyses of the research result which had been obtained from the respondents.

CHAPTER 4: RESEARCH RESULTS

4.0 Introduction

In this chapter, the results of 200 sets questionnaires were being analyzed. The objective of this chapter is to analyzed and interprets the data collected in the research. Those data that obtained from respondents which comes from various bank employees will be analyzed with the aid of Statistical Package of the Social Sciences (SPSS) and all the results will be evaluated based on the analysis of the hypothesis and presented accordingly. This chapter will presents the quantitative research findings of the research investigating the impact of communication, leadership, procedural justice, employee development and tolerance to change towards the employees' performance.

Under this chapter, it will be divided to several parts in analyzing the results obtained. It includes the analysis of demographic analysis, reliability test, Pearson Correlation Coefficient and Multiple Regressions. The demographic analysis include gender, age, education level, ethnic, working experience and monthly income were discuss under this chapter. The reliability test will be used to examine the relevancy of statements in each variable towards the surveys. For the Pearson Correlation Coefficient, it is used to examine the relationship between the five independent variables with employees' performance. Nevertheless, multiple regression analysis is being used to investigate the effect of two or more independent variables on single interval skill dependent variables. Other than that, tables, pie chart and bar charts were used to present the result with purpose of provide clearer information to the readers.

4.1 Descriptive Analysis

4.1.1 Respondent Demographic Profile

4.1.1.1 Gender

Statistics

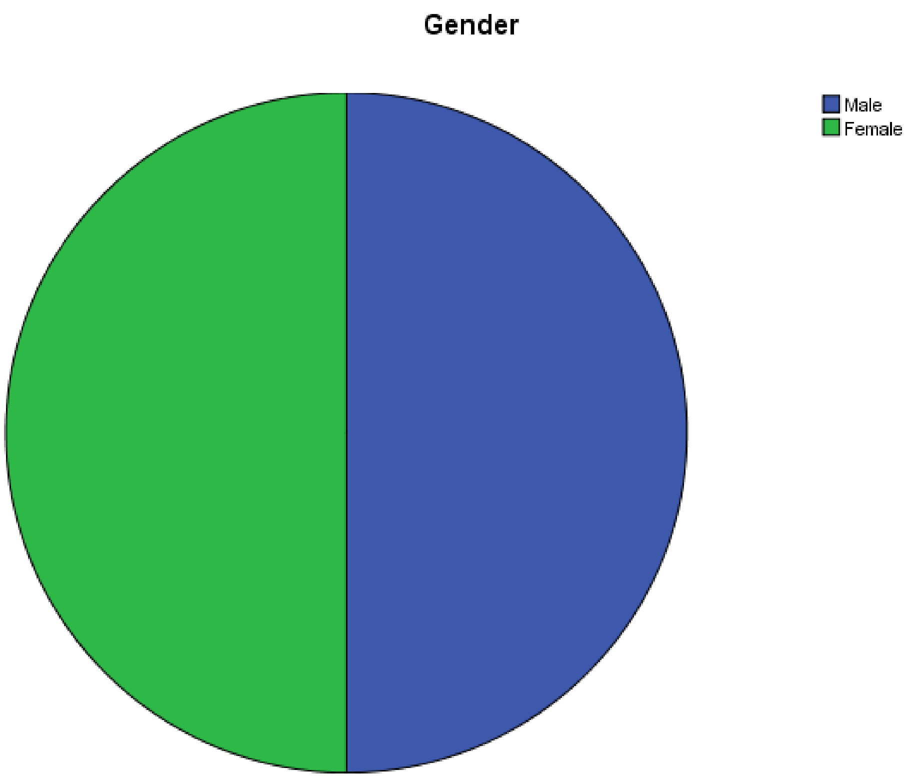
N	Valid	200
	Missing	0
Mean		1.50
Median		1.50
Mode		1[a]
Std. Deviation		.501
Variance		.251
Range		1
Minimum		1
Maximum		2
Percentiles	25	1.00
	50	1.50
	75	2.00

Table 4.1 Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	100	50.0	50.0	50.0
	Female	100	50.0	50.0	100.0
	Total	200	100.0	100.0	

Source: Developed for the research

Figure 4.1 Gender



Source: Developed for the research

Table 4.1 indicates the percentage and the number of respondents according to the gender involved in this survey. From the survey, it shows that the gender is comprised of respectively 50% (100 respondents) for both male and female respondents that have involved in this survey.

4.1.1.2 Age

Statistics

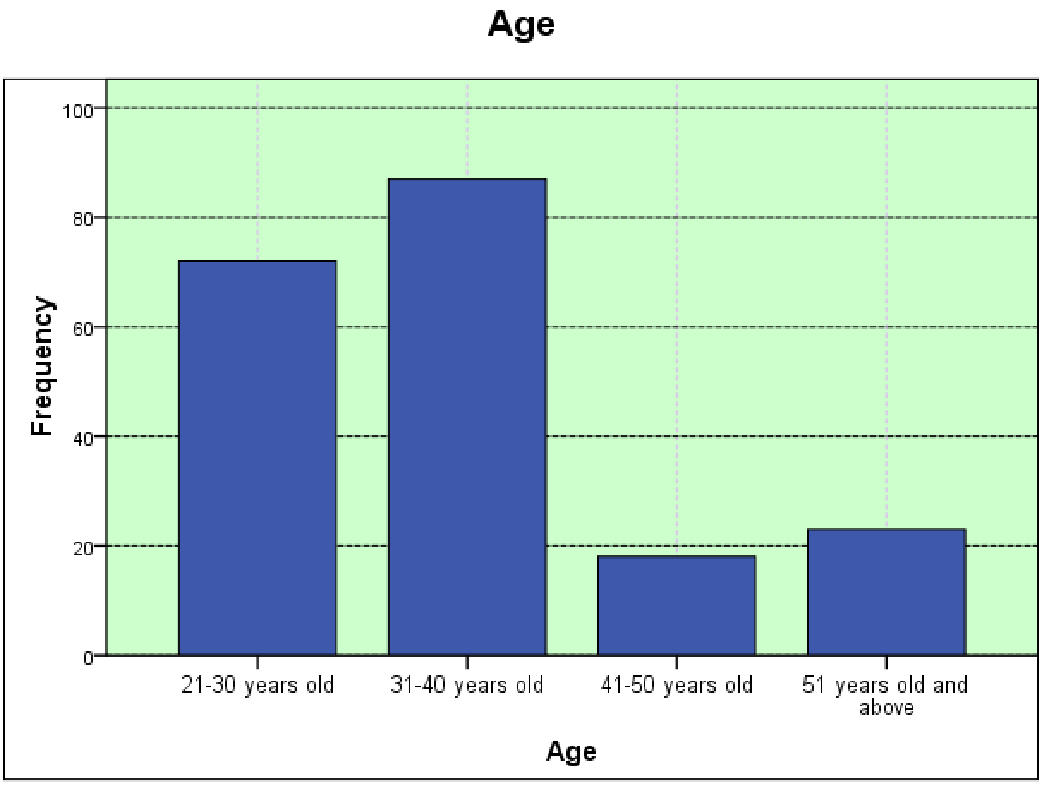
N	Valid	200
	Missing	0
Mean		2.96
Median		3.00
Mode		3
Std. Deviation		.955
Variance		.913
Range		3
Minimum		2
Maximum		5
Percentiles	25	2.00
	50	3.00
	75	3.00

Table 4.2 Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-30 years old	72	36.0	36.0	36.0
	31-40 years old	87	43.5	43.5	79.5
	41-50 years old	18	9.0	9.0	88.5
	51 years old and above	23	11.5	11.5	100.0
	Total	200	100.0	100.0	

Source: Developed for the research

Figure 4.2 Age



Source: Developed for the research

Based on the table above, the age range gains the highest percentage is between 31-40 years old which is 43.5% of respondents. In contrast, the age range between 41-50 years old gains the lowest percentage which is only 9.0 %. From the data shown that for the age range between 21-30 years old get the second highest which is 36% of the respondents and it follow by the age range of 51 years old and above which is 11.5%.

4.1.1.3 Ethnic

Statistics

Ethnic

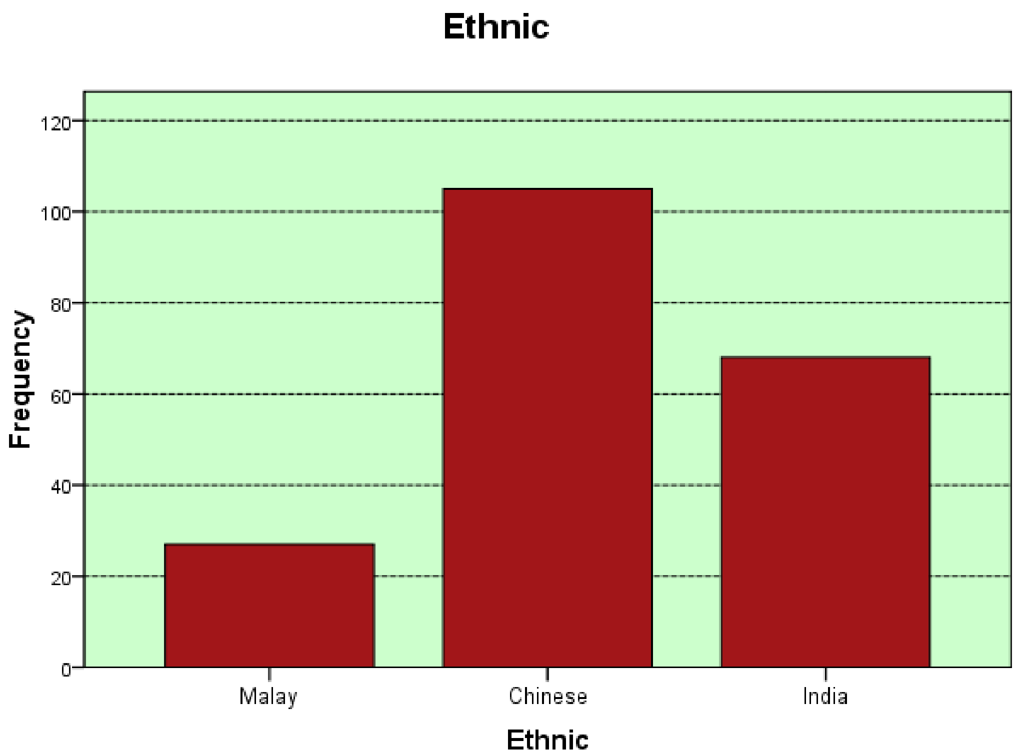
N	Valid	200
	Missing	0
Mean		2.20
Median		2.00
Mode		2
Std. Deviation		.660
Variance		.435
Range		2
Minimum		1
Maximum		3
Percentiles	25	2.00
	50	2.00
	75	3.00

Table 4.3 Ethnic

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Malay	27	13.5	13.5	13.5
	Chinese	105	52.5	52.5	66.0
	India	68	34.0	34.0	100.0
	Total	200	100.0	100.0	

Source: Developed for the research

Figure 4.3 Ethnic



Source: Developed for the research

According to the table above, it shows that most of the respondents are from Chinese race, which is cover up 52.5%, 105 respondents. This have been follow by the India race which cover up 34%, 68 respondents. From the statistic shown, the Malay race contributes the least respondents which is just 13.5%, 27 respondents.

4.1.1.4 Education Level

Statistics

Education

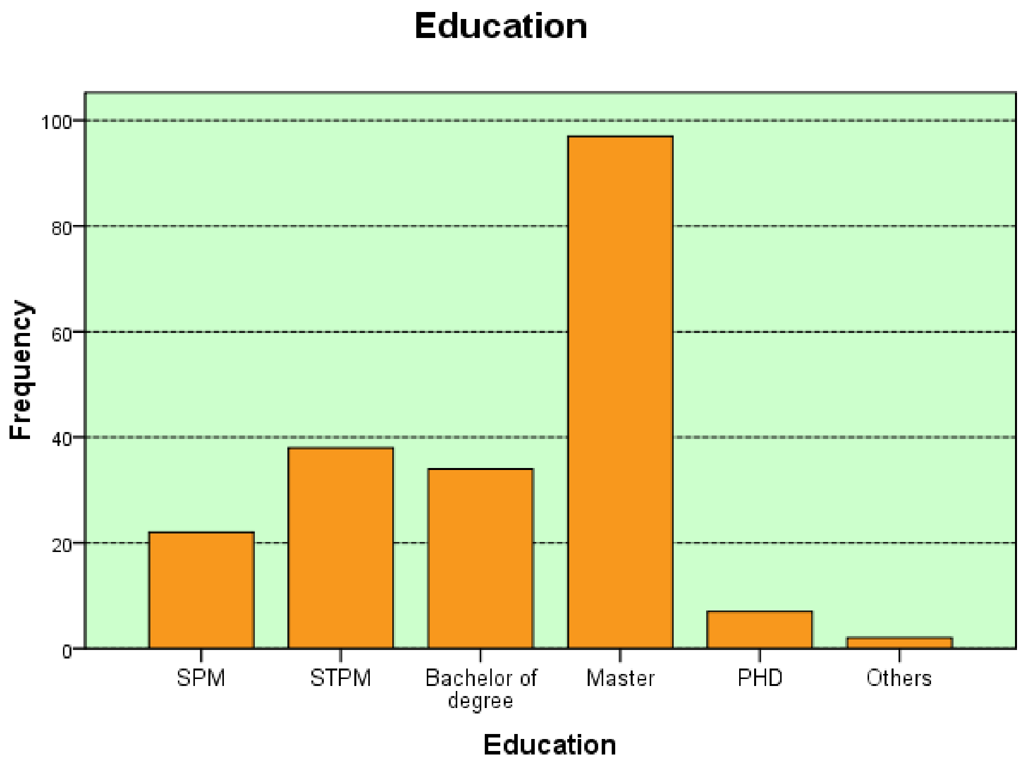
N	Valid	200
	Missing	0
Mean		3.18
Median		4.00
Mode		4
Std. Deviation		1.149
Variance		1.321
Range		5
Minimum		1
Maximum		6
Percentiles	25	2.00
	50	4.00
	75	4.00

Table 4.4 Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SPM	22	11.0	11.0	11.0
	STPM	38	19.0	19.0	30.0
	Bachelor of degree	34	17.0	17.0	47.0
	Master	97	48.5	48.5	95.5
	PHD	7	3.5	3.5	99.0
	Others	2	1.0	1.0	100.0
	Total	200	100.0	100.0	

Source: Developed for the research

Figure 4.4 Education Level



Source: Developed for the research

Through the data shown as above, for educational level, the highest percentage of respondents comes under master level which is 48.5%. In comparison, the lowest percentage comes from the others educational level which it comprise of only 1.0% of the respondents. The STPM educational level gains the second highest respond from the respondents which are 19.0%; follow by bachelor of degree with 17.0%, SPM with 11% and PHD with only 3.5%.

4.1.1.5 Working Duration

Statistics

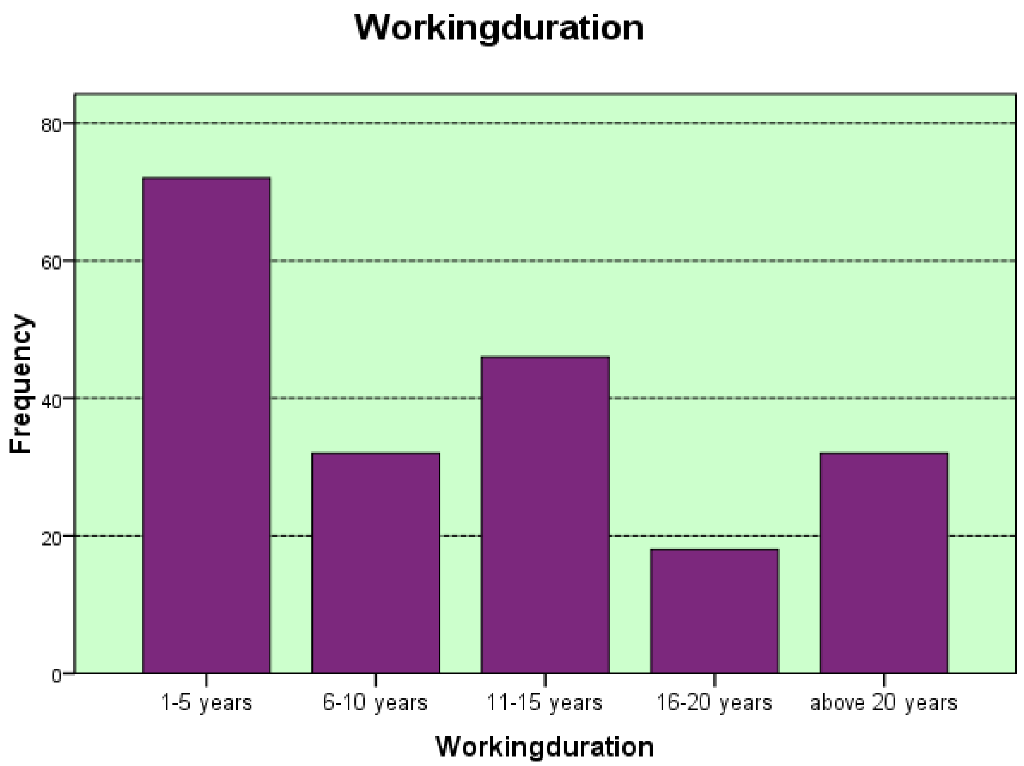
N	Valid	200
	Missing	0
Mean		3.53
Median		3.00
Mode		2
Std. Deviation		1.456
Variance		2.120
Range		4
Minimum		2
Maximum		6
Percentiles	25	2.00
	50	3.00
	75	4.75

Table 4.5 Working Duration

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5 years	72	36.0	36.0	36.0
	6-10 years	32	16.0	16.0	52.0
	11-15 years	46	23.0	23.0	75.0
	16-20 years	18	9.0	9.0	84.0
	above 20 years	32	16.0	16.0	100.0
	Total	200	100.0	100.0	

Source: Developed for the research

Figure 4.5 Working Duration



Source: Developed for the research

The table shows that the figure year of working duration of the respondents. Through the data that been collected, it shows that 36% or 72 respondents have work more than 1-5 years. It has been follow by the respondents that work for 11-15 years which 46% or 23 respondents. Next, there are 16% or 32 respondents that experienced working duration for both 6-10 years and above 20 years. Nevertheless, there is the least working duration experienced by the respondents which is 9% or 18 respondents.

4.1.1.6 Income Level

Statistics

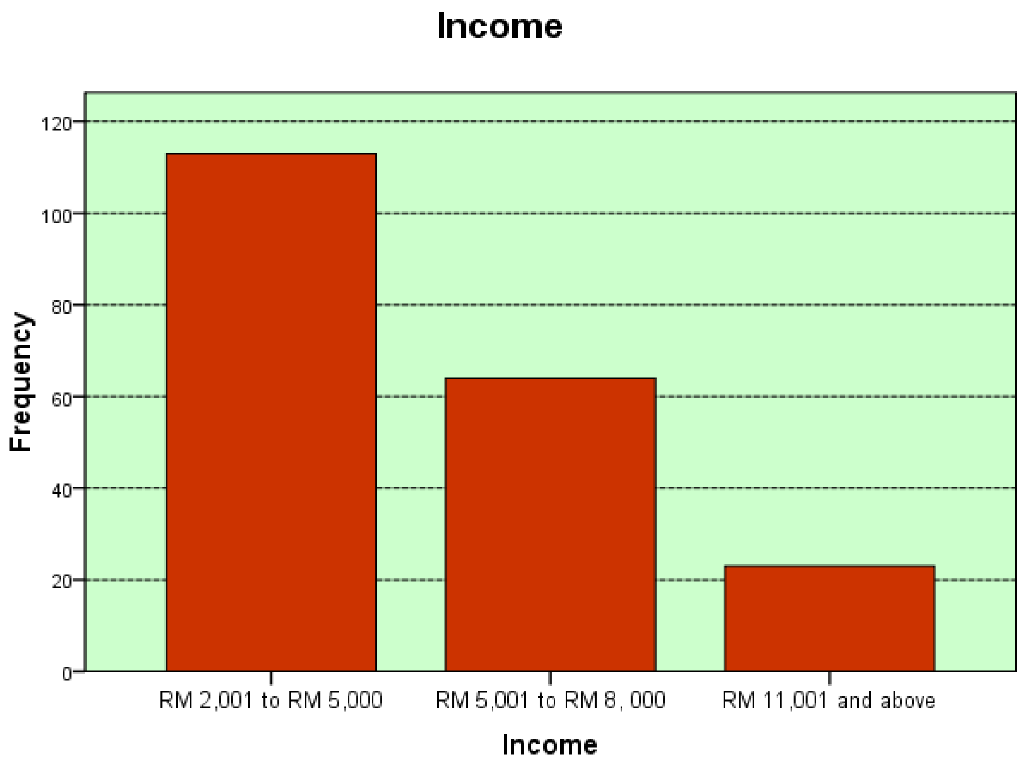
N	Valid	200
	Missing	0
Mean		2.66
Median		2.00
Mode		2
Std. Deviation		.958
Variance		.917
Range		3
Minimum		2
Maximum		5
Percentiles	25	2.00
	50	2.00
	75	3.00

Table 4.6: Income Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	RM 2,001 to RM 5,000	113	56.5	56.5	56.5
	RM 5,001 to RM 8, 000	64	32.0	32.0	88.5
	RM 11,001 and above	23	11.5	11.5	100.0
	Total	200	100.0	100.0	

Source: Developed for the research

Figure 4.6 Income level of respondents



Source: Developed for the research

Table 4.6 presents the different income levels of respondents. Based on the statistic, it shows that most of the income level of the respondents comes from the range of RM 2,001 to RM 5,000 which contributes 56.5 %, 113 respondents. It been follow by the income level in the range of RM 5, 001 to RM 8,000 which contributes 32%, 64 respondents. The least earning income level that earns by the respondents in a month will be RM 11,001 and above which contributes 11.5%, 23 respondents.

4.1.2 Central Tendencies Measurement of Constructs

Table 4.7 Descriptive Statistics

	Mean	Std. Deviation	N
Leadership	4.0820	.50413	200
Communication	3.8180	.50173	200
Procedural justice	4.0730	.55354	200
Employee development	3.7450	.56495	200
Tolerance to change	3.4710	.61600	200
Employee performance	3.5350	.61862	200

Source: Developed for the research

Based on the Table 4.6 above, the average and standard deviation for each of the predictor variables are as follows: Leadership (μ=4.08, sd=0.50), Communication (μ=3.82, sd=0.50), Procedural Justice (μ=4.07, sd=0.55), Employee's Development (μ=3.75, sd=0.56), Tolerance to change (μ=3.47, sd=0.61). Besides, the criterion variable (employee's performance) demonstrates a mean of 3.54 and a standard deviation of 0.62.

4.2 Scale Measurement

In this research, the measurement scale that being used to design the questionnaire was nominal scale and summated rating scales (Likert). In this questionnaire designation, under Section A, it is the requirement of getting the respondents demographic profile. The questionnaire under Section A is using nominal scale which inquiring the gender, age, ethnic, education, working duration and income. In contrast, for Section B, the questionnaire designs are using Likert Scale as a measurement to investigate the impact of organization change towards employee's performance in banking industry. The Likert Scale in Section B is using five-point scale which comprise of strongly disagree, disagree, neutral, agree and strongly agree.

4.2.1 Reliability Analysis

According to Zikmund (2003), reliability is the degree to which measures are free from errors and hence yield consistent result. The reliability analysis that being used by this SPSS software is to evaluate the independent variable of communication, leadership, procedural justice, employee development and tolerance to change. For this research, the reliability analysis consists of 200 respondents.

Table 4.8 Reliability Statistic

No.	Dimensions	Number of Items	Cronbach's Alpha
1.	Communication	5	0.874
2.	Leadership	5	0.808
3.	Procedural Justice	5	0.736
4.	Employee Development	5	0.740
5.	Tolerance to Change	5	0.739
6.	Employee Performance	5	0.823

Source: Developed for the research

From the table above, it shows that all the independent variables are reliable. This is because all the scored that being obtain has exceed the minimum alpha value which all of it achieve above 0.7. According to the rules of thumb about Cronbach's Alpha coefficient size, the higher the Cronbach's Alpha means the higher the reliability coefficient. Based on the result, the independent variables for procedural justice, employee development and tolerance to change are considering good reliability because it is fall under the Cronbach's Alpha range of 0.7-0.8. On the other hand, the other independent variables such as communication, leadership and dependent variable of employee performance is categorized under very good reliable as they fall under the range of 0.8-0.9. Thus, it can be conclude that all the five independent variables are reliable.

4.3 Inferential Analyses

4.3.1 Person Coefficient Correlation

4.3.1.1 Communication

H_0: There is a negative significant relationship on communication towards employees' performance in banking industry.

H_1: There is a positive significant relationship on communication towards employees' performance in banking industry.

Table 4.9: Correlation between Communication and Employee Performance

Correlations

		Communication	Employee Performance
Communication	Pearson Correlation	1	.124
	Sig. (2-tailed)		.081
	N	200	200
Employee Performance	Pearson Correlation	.124	1
	Sig. (2-tailed)	.081	
	N	200	200

Source: Developed for the research

Table 4.8 shows that the p-value is 0.81 which is more than the significant level of 0.05, ($p>0.05$). Therefore, H_0 will be accepted and H_1 is rejected since there is a negative significant relationship on communication towards employee's performance in banking industry.
The result indicates that Person Correlation (r-value) is 0.124, 12.4%, this represent that there is a positive relationship between communication and employees' performance. Thus, when increasing in communication will lead to increase in employees' performance.

The value of this correlation coefficient 0.124 is fall under coefficient range from $\pm$ 0.00 to $\pm$ 0.20. Therefore, the relationship between communication and employee performance is slight or almost negligible.

4.3.1.2 Leadership

H_0: There is a negative significant relationship on leadership style towards employees' performance in banking industry.

H_1: There is a positive significant relationship on leadership style towards employees' performance in banking industry.

Table 4.10: Correlation between Leadership and employees' performance

Correlations

		Leadership	Employee Performance
Leadership	Pearson Correlation	1	-.090
	Sig. (2-tailed)		.206
	N	200	200
Employee Performance	Pearson Correlation	-.090	1
	Sig. (2-tailed)	.206	
	N	200	200

Source: Developed for the research

According to the analysis, p-value is 0.206 which is more than the significant level of 0.05, ($p>0.05$). Therefore, accept H_0 and reject H_1. Thus, there is a negative significant relationship on leadership towards employees' performance in banking industry.

From the result, the Pearson Correlation (r-value) between leadership and employees' performance is -0.90, -90%. This means there is a negative relationship between both variables. Whereby, the declining in leadership will lead to increase in employees' performance.

The value of this correlation coefficient -0.90 is fall under coefficient range from $\pm$ 0.71 to $\pm$ 0.90. Therefore, the relationship between leadership and employee performance is high.

4.3.1.3 Procedural Justice

H_0: There is a negative significant relationship on procedural justice towards employees’ performance in banking industry.

H_1: There is a positive significant relationship on procedural justice towards employees’ performance in banking industry.

Table 4.11: Correlation between Procedural Justice and Employee Performance.

Correlations

		Procedural Justice	Employee Performance
Procedural Justice	Pearson Correlation	1	.388**
	Sig. (2-tailed)		.000
	N	200	200
Employee Performance	Pearson Correlation	.388**	1
	Sig. (2-tailed)	.000	
	N	200	200

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

Source: Developed for the research

Table 4.10 shows that the p-value is 0.000 which is less than the significant level of 0.01, ($p<0.01$). Therefore, H_0 will be rejected and H_1 is accepted since there is a positive significant relationship on procedural justice and employees’ performance.

Based on the result, the Pearson Correlation (r-value) is 0.388, 38.8%; this indicates that there is a positive value between procedural justice and employees’ performance. In the other words, when procedural justice is increasing, employees’ performance will increased simultaneously.

The value of this correlation coefficient 0.388 is fall under coefficient range from ± 0.21 to ± 0.40. Therefore, the relationship between procedural justice and employee performance is small but definite relationship.

4.3.1.4 Employees' Development

H_0: There is a negative significant relationship on employees' development towards employees' performance in banking industry.

H_1: There is a positive significant relationship on employees' development towards employees' performance in banking industry.

Table 4.12: Correlation between Employee Development and Employee Performance

Correlations

		Employee Development	Employee Performance
Employee Development	Pearson Correlation	1	.375**
	Sig. (2-tailed)		.000
	N	200	200
Employee Performance	Pearson Correlation	.375**	1
	Sig. (2-tailed)	.000	
	N	200	200

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

Source: Developed for the research

From the analysis, p-value is 0.000, which is less than the significant level of 0.01, ($p<0.01$). Therefore, reject H_0 and accept H_1. In other words, there is a positive significant relationship on employees' development towards employees' performance.

Based on the result indicates that there is positive relationship between employees' development and employees' performance because of the positive value for the correlation coefficient which is 0.375, 37.5%. Whereby, the increasing in employees' development will lead to increase in employees' performance.

The value of this correlation coefficient 0.375 is fall under coefficient range from $\pm$ 0.21 to $\pm$ 0.40. Therefore, the relationship between employee development and employee performance is small but definite relationship.

4.3.1.5 Tolerance to Change

H_0: There is a negative significant relationship on tolerance to change towards employees' performance in banking industry.

H_1: There is a positive significant relationship on tolerance to change towards employees' performance in banking industry.

Table: 4.13 Correlation between Tolerance to Change and Employee Performance

Correlations

		Tolerance to Change	Employee Performance
Tolerance to Change	Pearson Correlation	1	.343**
	Sig. (2-tailed)		.000
	N	200	200
Employee Performance	Pearson Correlation	.343**	1
	Sig. (2-tailed)	.000	
	N	200	200

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

Source: Developed for the research

Table 4.12 indicates that the p-value is equal to 0.000 which is less than 0.01, ($p<0.01$). Therefore, reject H_0 and accept H_1. Hence, there is a positive significant relationship on tolerance to change towards employees' performance in banking industry.

From the result, Correlation is 0.343, 34.3% shows that there is positive relationship between tolerance to change and employees' performance because of the positive value for correlation coefficient. Thus, when increasing in tolerance to change, employees' performance will getting higher.

The value of this correlation coefficient 0.343 is fall under coefficient range from $\pm$ 0.21 to $\pm$ 0.40. Therefore, the relationship between tolerance to change and employee performance is small but definite relationship.

4.3.1.6 Summary of organizational change factors on employees' performance

Based on the table 4.13, we found that the correlation between communication and employee performance is 0.124; with leadership is -0.90; with procedural justice is 0.388; with employee development is 0.375; and tolerance to change is 0.343. As an overall, this all figures show that there are four variables have positive relationships towards employee performance. Nevertheless, there has negative relationship between one variable toward employee performance.

Table 4.14 Overall correlations between Organizational Change Factors and Employee Performance

Correlations

		Communication	Leadership	Procedural Justice	Employee Development	Tolerance to Change	Employee Performance
Communication	Pearson Correlation	1	.100	.022	-.023	.005	.124
	Sig. (2-tailed)		.160	.757	.749	.945	.081
	N	200	200	200	200	200	200
Leadership	Pearson Correlation	.100	1	-.047	-.017	.183**	-.090
	Sig. (2-tailed)	.160		.504	.816	.009	.206
	N	200	200	200	200	200	200
Procedural Justice	Pearson Correlation	.022	-.047	1	.521**	.328**	.388**
	Sig. (2-tailed)	.757	.504		.000	.000	.000
	N	200	200	200	200	200	200
Employee Development	Pearson Correlation	-.023	-.017	.521**	1	.387**	.375**
	Sig. (2-tailed)	.749	.816	.000		.000	.000
	N	200	200	200	200	200	200
Tolerance to Change	Pearson Correlation	.005	.183**	.328**	.387**	1	.343**
	Sig. (2-tailed)	.945	.009	.000	.000		.000
	N	200	200	200	200	200	200
Employee Performance	Pearson Correlation	.124	-.090	.388**	.375**	.343**	1
	Sig. (2-tailed)	.081	.206	.000	.000	.000	
	N	200	200	200	200	200	200

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

4.3.2 Multiple Regression Analysis

Table 4.15 Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.505[a]	.255	.236	.54066

Source: Developed for the research

a. Predictors: (Constant), tolerance to change, communication, leadership, procedural justice, employees' development

b. Dependent Variable: employees' performance

Table 4.16 ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	19.446	5	3.889	13.305	.000[a]
	Residual	56.709	194	.292		
	Total	76.155	199			

Source: Developed for the research

a. Predictors:(Constant), tolerance to change, communication, leadership, procedural justice, employees' development

b. Dependent Variable: employees' performance

Table 4.17 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.076	.519		2.073	.040
	Communication	.167	.077	.135	2.166	.032
	Leadership	-.162	.078	-.132	-2.069	.040
	Procedural justice	.236	.083	.211	2.859	.005
	Employee development	.194	.083	.178	2.353	.020
	Tolerance to change	.229	.070	.228	3.274	.001

Source: Developed for the research

a. Dependent Variable: employee performance

The elements of independent variables are the factors influence employees' performance. This can be determined by the following equation method as below:-

$Y= a + b1X_1 + b2X_2 + b3X_3 + b4X_4 + b5X_5 + e$
Y= employees' performance
a = constant
X_1 = communication
X_2 = leadership
X_3 = procedural justice
X_4 = employees' development
X_5 = tolerance to change

b = regression of coefficient of X_i,

$i = 1, 2, 3, 4, 5$

e = an error term, normally distributed of mean 0 (usually e is assumed to be 0)

Y (employees' performance) = 1.076 + 0.167 (communication) – 0.162 (leadership) + 0.236 (procedural justice) + 0.194 (employees' development) + 0.229 (tolerance to change)

In the previous chapter, this regression equation has been established. Under this regression equation, it illustrates the relationship between the communication, leadership, procedural justice, employees' development and tolerance to change towards employees' performance.

Based on the Model Summary table, the five independent variables which are communication, leadership, procedural justice, employees' development and tolerance to change are slightly correlated with the dependent variable employees' performance. This is because the correlation (R) for this research is 0.505 whereas the coefficient of determination (R^2) is 0.255 for the examined regression model. From the analysis, it means the regression line could significant account for 25.50% of the total variations in employees' performance. In contrast, it shows that there is 74.50% of the variation of employees' performance could not be presented by the equation. This means there are other additional variables that are also important in explaining employee's performance does not been cover in this studies. Hence, the results show that 25.50% of the variances in the employees' performance have been slightly significantly explained by the five independent variables.

In general, R^2 value is a statistic that will gave information regarding the goodness of fit of the model. It will increase when there are more independent variables add into the multiple regression models. However, for this situation, analysts should use adjusted R^2 so that it will be easy to compare the explanatory power of regression models with the different numbers of independent variables (Hair, Money, Samouel, Page, 2007). The adjusted R^2

will bring more accurate results for this situation because it is adjusted according to the number of independent variables in the model. In addition, the adjusted- R square can avoid overestimating the impact of adding an independent variable into the multiple regression model. From the table 4.16, it shows that the adjusted R^2 is 0.236 which indicates only a slight overestimate in this model.

In the ANOVA table, it shows that the F value of 13.305 is significant at the 0.05 level. This is because the p-value is 0.00 which is less than 0.05 ($p < 0.05$). In overall, the regression model with those five independent variables of communication, leadership, procedural justice, employees' development and tolerance to change was suitable in explaining the variation in employees' performance.

Based on the Coefficient table, communication have the significant positive influence towards employees' performance since the t= 2.166, p= 0.032, b_1= 0.167. This means that for every one unit increase in communication, employees' performance will increase by 0.167 units.

Besides, for leadership, it also shows significant negative influence towards employees' performance. From the results gain, t= -2.069, p= 0.040, b_2 = -0.162. Thus, it shows that for every one unit increase in leadership, employees' performance will decrease by 0.162.

In addition, there is also positive significant influence towards employees' performance for procedural justice. The results shown was t=2.859, p=0.005, b_3=0.236. Hence, this shows that for every one unit increase in procedural justice, employees' performance will be increased by 0.236.

Furthermore, from the table, it shows that employees' development also have the significant positive influence towards employees' performance since the t= 2.353, p=0.020, b_4 = 0.194. This indicates that for every one unit increase in employees' development, it will increase the employees' performance by 0.194.

Nevertheless, tolerance to change also shows the significant positive influence towards employees' development due to t= 3.274, p= 0.001, b_5= 0.229. Hence, it can be said that for every one unit increase in tolerance to change, it shows the increase of employees' performance by 0.229.

According to the result, it shows that tolerance to change has higher beta value (b= 0.229) compare with communication (b= 0.167), leadership (b= -0.162), procedural justice (b= 0.236), employees' development (b= 0.194). Thus, it can be conclude that tolerance to change has the strongest influence on employees' performance. Tolerance to change plays the most important predictor compare to communication, leadership, procedural justice and employees' development.

4.4 Conclusion

Overall, under this chapter, all the respondent's profile and behaviours of each the respondents towards banking industry have been analyzed using descriptive analysis. All the data were measured under central tendencies and dispersion on all six constructs. All of it was being examined by the internal reliability test. In addition, they were also being tested by inferential analyses which are Pearson Correlation analysis and Multiple Regression Analysis. The association between the six constructs where analyze using Pearson Correlation analysis whereas Multiple Regression Analysis being used to examined the relationship between several independent variables and a dependent variable. From the next chapter which is Chapter 5 there will be providing more discussions of the finding and study.

CHAPTER 5: DISCUSSION AND CONCLUSION

5.0 Introduction

In this final chapter of the research study, the results presented in chapter four will be further discussed. The discussions included the summary of statistical analyses, discussions of major findings and implications of the study. Then, recommendations based on the study's findings along with the limitations of the present study as well as some pointers for future researchers will also be discussed before we end the chapter with the conclusion of our research.

5.1 Summary of Statistical Analyses

5.1.1 Descriptive Analyses

From the previous chapter, demographic analysis is used to draw an illustration of respondents' characteristics. From the demographic information, within the sample of 200 respondents, the percentages for gender is remain equally for both male respondents and female respondents which are 50% (100 respondents). Most of the respondents were from age group between 31-40 years old (43.5%). The least respondents were from age group 51 and 50 and above years old (11.5%). Moreover, the result shows that the most respondents is from the Chinese race, which is up to 52.5% (105 respondents), the least respondents which are only 13.5% (27 respondents) is from Malay race. Besides, data result showed the qualification of respondents mostly is under master level which is 48.5%, and there is only 1% of the respondents from others educational level. From the result, the most working duration experienced by the respondents is from who are work for the duration of 1-5 years, which is 36% (72 respondents), and the least working duration experienced by the respondents is from who are work for the duration of 16-20 years, which is 9% (18 respondents). Furthermore, most of the respondents have salary range between RM 2,001 to RM 5,000 which is 56.5% (113 respondents), and the least respondents' salary is between RM 11,001 and above which is 11.5% (23 respondents).

5.1.2 Inferential Analyses

5.1.2.1 Pearson Correlation

According to the internal analysis, the five independent variables which are communication, leadership, procedural justice, employee's development and tolerance to change are used to examine their relationship with the employee's performance by using Pearson correlation analysis.

From table 4.13, the result shows that the correlation between communication and employee's performance is 0.124; with leadership is -0.90; with procedural justice is 0.388; with employee's development is 0.375; and tolerance to change is 0.343. As an overall, this all figures show that there are four variables have positive relationships towards employee's performance while there has negative relationship between one of the variable toward employee's performance.

5.1.2.2 Scale Measurement

In this study, we used Cronbach's Alpha to examine the internal reliability of the 6 construct. The six constructs included communication, leadership, procedural justice, employee's development, tolerance to change and employee's performance.

Communication has the highest alpha coefficient, which is 0.874. It is followed by employee's performance with 0.823, leadership with 0.808, employee's development, with 0.740, next is the tolerance to change with 0.739, and lastly for procedural justice with 0.736.

5.1.2.3 Multiple Regression Analysis

Referring table 4.16, procedural justice has the strongest beta coefficient with employee's performance, which is 0.236. Secondly, is followed by tolerance to change, which is 0.229. Thirdly, it is followed by employee's performance, which is 0.194. Next, is followed by communication, which is 0.167. The lowest beta correlation with employee's performance is leadership, which is -0.162. The result show that there are four independent variables (communication, procedural justice, employee's development and tolerance to change) that have significant relationship with the dependent variables (employee's performance), while one of the independent variable (leadership) have negative significant relationship with the dependent variable (employee's performance).

The correlation coefficient of the five independent variables which is communication, leadership, procedural justice, employee's development and tolerance to change with the dependent variables of employee's performance is 0.505. The regression line will possibly significantly explain 50.5% of the total variations of employee's performance.

Besides, the coefficient of determination (R^2) is 0.255 which means 25.5% of the variances in employee's performance have been significantly explained by the communication, leadership, procedural justice, employee development and tolerance to change. The ANOVA table indicates that F value of 13 is significant at the level of 0.05.

EP= 1.076 + 0.167 (C) + -0.162 (L) + 0.236 (PJ) + 0.194 (ED) + 0.229 (TC)

5.2 Discussions of Major Findings

5.2.1 Relationship between Communication and Employee's Performance

Hypothesis 1

H_0: There is a negative significant relationship on communication towards employees' performance in banking industry.

According to SPSS result, the result had shown a negative significant relationship between communications toward employee's performance in banking industry, with p-value= 0.81, which is more than significant level of 0.05 ($p>0.05$). Therefore, H_0 will be accepted. This hypothesis supported with various studies and research finding.

Employee's perceived importance of communication is differently in both organizations. Therefore, there are a lot of studies have been done to support that communication has negative significant relationship with employee performance.

According to Dale (1965), he found that self-disclosure problem usually occur among Asians, because they found that it is difficult to talk honestly about themselves for fear of being recognized too forward or rude, especially for most of the Asians, who put a high premium on face-saving.

In addition, the conflict will occur when top manager know about the changes that will occur, but they are often unwilling or unable to discuss the changes with employees for a number of reasons. Apart from the causes, any failures to communicate leave employees unsure about their future and the ambiguity about the change which is stressful for the employees. This may affect the employees seek for other resources for reducing the uncertainty, such as reliance on gossips and other informal communications (Napier et al, 1989).

Some previous study has also suggested that management should avoid communicating realistically with employees during mergers and acquisitions. It says that the communication might aware by the competitors or cause employees to leave an organization rather than tolerate toward the changes (Schweiger and Denisi, 1991).

Feedback is inconsistency among peoples. People have a general sense that feedback from the manager is good to give and receive. Therefore, immediate feedback is critical when we are learning, especially when we do not know what is happening. It is also equally important for the attitude of the sender and recipient and the individual providing the critique (Hunt and Hargie, 2000).

A recent Meta analytic review on feedback demonstrates that feedback interventions do not consistently improve performance, but it lower performance (Kluger and Denisi, 1996). A low self-efficacy employee who experienced dissatisfaction from negative feedback and committed to a goal may respond one of two ways. They may not improve performance because negative feedback decreased their goal commitment. Finally, the employees who experienced dissatisfaction from negative feedback and lack with goal commitment will lower down their goal or giving up trying for a goal (Renn, 2003) Furthermore, a negative tasks feedback from manager may lower the employee’s self-efficacy, personal goal, and goal commitment, which in turn may result in lower performance (Herold and Parsons, 1985) as cited in (Renn, 2003). An excessive feedback may be risky if the information is overload, and may create an excessive interruptions or an unreasonable amount of pressure (Alder, 2007).

5.2.2 Relationship between Leadership and Employee's Performance

Hypothesis 2

H_0: There is a negative significant relationship on leadership style towards employees' performance in banking industry.

According to SPSS result, the result had shown a negative significant relationship between leadership toward employee's performance in banking industry, with p-value= 0.206, which is more than significant level of 0.05 ($p>0.05$). Therefore, H_0 will be accepted. This hypothesis is supported with various studies and research finding.

Performance monitoring is a key component of organizational control systems and has long been targeted for change by human relations and organizational development experts (Flamholtz, 1979). However, close supervision may reduce employee's autonomy and self-responsibility.

If an employee have a self-determining, and feel to compete with others, then the managerial behaviours will limit their freedom, such as observing them at work or keep on checking on their work progress. These can elicit the "psychological reactance" (Brehm, 1972). It will bring the effect of poor job attitudes, minimum the level of effort or both. Employee that has this reaction would be unlikely to show out their flexible behaviours that reflecting efforts over and away from the norm (Niehoff and Moorman, 1993).

As every organization has its own culture and leadership style, employees' expectations, behaviour and performance may be different as various national cultures have different culture and leadership style will have different perception (Redding, 1990) as cited in (Lok and Crawford, 2004). The concerns of leader towards employees will also different and will affect the trust of employees to their leader and organization because leader's concern towards employees is a key to increase the job performance.

Some employees feel unappreciated and unrewarding by their managers as they receive worthless performance appraisal and have little chance of promotion to increases their salary and other promotions that they feel they may deserve. In fact, it will lead them viewing their work as "just a job" with no job security, and feeling distant and uncommitted to their job and organization (Kathcher, 2007)

According Vigoda (2007), he found that there are negative relationship between transactional leadership and performance (in-role performance and OCB). Employees are closely monitored to reach a very high performance level, both formally and informally. This continuous demand for excellent performance is supported by the unique relationships between the leader and employees, and it could bring pressured to the employees for achieve the goal or tasks. Thus, in this system a strong transactional leadership may not result in the best performance level.

There is also a disagreement for a negative relationship between leader monitoring and OCB. Generally, managers monitor employees' progress toward task accomplishment. However, OCB does not directly contribute to tasks accomplishment. Thus, employees who are being monitored may tend to focus on the emphasized in-role behaviors (Podsakoff, 2000) as cited in (Vigoda, 2007).

5.2.3 Relationship between Procedural Justice and Employee's Performance

Hypothesis 3

H_1: There is a positive significant relationship on procedural justice towards employees' performance in banking industry.

According to SPSS result, the result had shown a positive significant relationship between procedural justice toward employee's performance in banking industry, with p-value= 0.000, which is less than significant level of 0.05 ($p>0.05$). Therefore, H_1 will be accepted. This hypothesis supported with various studies and research finding.

Procedural justice is not place in all organizations as the main factors that influence employee's performance towards organization change. However, a lot of studies have been done to support that procedural justice has significant relationship with employee's performance. According to Klendauer and Deller (2009), they found that the purpose of interaction with procedural justice in organizational change is to increase the affective commitment of employees in the organization. Procedural justice is also refers to the perceived fairness or equity of the procedures used in making decision regarding the distribution of rewards (Lemon & Jones, 2001).

The importance of fairness will provide high motivational to employee on their work performance. Thus, this allows organization to design their structures that produce fairness in employee-organization exchanges (Aryee, et al., 2004) as cited in (Folger and Greenberg, 1985; Tyler and Lind, 1992). Moreover, the fair treatment to employees can also create trust because it shows that organization respects the rights and self-esteem of employees. It also suggested that the positive individual views of process and procedural justice have linked to higher level of trust in the organization and supervisors. However, if lack of procedural fairness, it will lead to lower the job satisfaction and performance (Cobb and Frey, 1991) as cited in (Niehoff and Moorman, 1993).

According to Leventhal et al. (1980), fair procedures are defined in terms of six procedural rules: the consistency rule, the bias suppression rule, the accuracy rule, the correct ability rule, the representativeness rule, and the ethicality rule. If the procedures help to satisfy even one of these rules, an employee will consider it fair. Folger and Konovsky (1989) found that procedural justice was related to job performance and job attitudes, which including organizational commitment and trust in management.

Manager and organization should have ability to stimulate employees and this will bring significant of enhancing the commitment due to the largely treated fairness aspects of procedural justice (Benson, 2002). Procedural justice will lead to effective in cross-functional such as bring positive effect on team quality and performance (McDonough, 2000; Holland et al., 2000) as cited in (Dayan, Benedetto, 2008).

According to Rajagopolan et al. (1993) as cited in (Li & Bingham, 2003) resulted, to solve the problem in the decision making in the organization changes should needed fair considerable efforts of each project members in the level of collaboration of problem solving. Zweig and Webster (2002) suggested that monitoring control is consistent with the procedural justice criterion of decision control, and it should improve the perceptions of fairness. Results of their study specify that a significant relationship between control over when awareness information is made and recognized by a privacy invasion.

The monitoring technology helps to remove the control changes relationships, and drive people to question their own and others' behaviours, and generate a strong negative reaction. Hence, it also provided monitored individuals with a sense of control by allow them to turn off monitoring with a control switch. They found that providing workers with this type of control over monitoring conditions will reduced the negative outcomes associated with monitoring (Aiello & Svec, 1993).

5.2.4 Relationship between Employee's Development and Employee's Performance

Hypothesis 4

H_1: There is a positive significant relationship on employees' development towards employees' performance in banking industry.

According to SPSS result, the result had shown a positive significant relationship between employees' development toward employee's performance in banking industry, with p-value= 0.000, which is less than significant level of 0.05 ($p>0.05$). Therefore, H_1 will be accepted. This hypothesis supported with various studies and research finding.

The finding is consistent with the previous study which is carry out by Waterman (1994) as cited in (Tzafrir et al, 2004) which stated that employee's development is expected to create a sense of certainty, enhance employability and faith in management. According to Ellinger (2004), self-development can be more self-initiated, self-funded, and completed outside of an employee's regular workday. Self-development is also associated with other positive outcomes, such as employee job satisfaction and organizational commitment (Blau et al, 2008) as cited in (Orvis and Leffler, 2011). Besides, there is positive relationship between employee's development and job performance.

The employee’s development systems need to be related to the repetitive expert, personal and working development of every employee. Apart from the optimization and aggiornamento of work procedures and courses, the development and allotment of employee’s competency, insuring that they can construct their anticipated involving to the work process is important as well (Alexandru and Silviu, 2010). Employee’s development provides employability for their individual employee and leads to increase the mutual trust between the employer and the employee. As a result, employee will be more commit and loyalty to their organization.

Investing in employees encourage the growth of knowledge, skill and capabilities, and development of them in the individual level. It leads to increase the productivity and efficiency on the organization level. It also causes the higher educated and developed of employees in connection with more efficient organizations offer growth of culture, economy, enhance the well-being of society on the society level (Fewick and Cieri, 2004) as cited in (Hassan and Yaqub, 2010). According to Noe and Wik (1993), they also stated that employee’ beliefs about the development activity will bring favourable outcomes to them, and it will influence their motivation to participate in the development activities. Thus, it was a mediator between personal and work characteristics and development activity.

According to Bloom and LaFleur’s study (1999) as cited in (Horn and Fichtner, 2003), they suggests that the organizations that provide employee training will cause the improvement in products and services, decrease of production wastage, better employee retention and employee-management relations. Wallace (1993) support it by suggested that training employees lead to increase employee satisfaction, conveniences the update of skills, lead to an increase of the benefit, increase employee commitment to the organization, and strengthen the organization competitiveness.

5.2.5 Relationship between Tolerance to Change and employee's Performance

<u>Hypothesis 5</u>

H_1: There is a positive significant relationship on tolerance to change towards employees' performance in banking industry.

According to SPSS result, the result had shown a positive significant relationship between tolerance to change toward employee's performance in banking industry, with p-value= 0.000, which is less than significant level of 0.05 ($p>0.05$). Therefore, H_1 will be accepted. This hypothesis supported with various studies and research finding.

The finding is significant with the previous studies. Employee with high tolerance to change levels will experienced less uncertainty with the changes and will have positive perceptions of the new management's trustworthiness (Nikandrou et al, 2000). According to Calabrese (2000), stated that employee's tolerance to change comes from anticipated pain of learning new skill and knowledge that are not their best interest and adapting to new behaviours.

A person with high tolerance of change perceives changes situations as desirable, challenging and interesting. They tend to think creatively, approaches changes and problems from innovative perspectives, and they will neither deny nor distort their complexity of incongruity (Jaballa, Allbaity and Shaiban, 2009). According to McCaskill (2010), tolerance to change is important as it allows employees to seek for the changes of time, space and understanding to find the best way to achieve the production of organization as cited in (Kotter and Schelesinger, 1979). There is ability to look into other human being perspective and the ability to control their behaviour with the dignity and rights.

Employees who have high tolerance to change could maintain their productive relationship which flawed with their values, thinking and attitude or behaviour. Research found that the employees who have high tolerance to change will be more creative, flexible and effective in the way they handling difficulties (McCaskill, 2010) as cited in (Kotter and Schelesinger, 1979).

Positive emotions may contribute to be more effective behaviour during change. It helps employees to set a higher and more challenging personal goals toward achieve the goals and tasks (Locke and Latham, 1990). Job satisfaction and performance play a significant role in change tolerance and has significant effects on managerial and organizational performance (Brooks, 2000) as cited in (Nicolaidis and Katsaros, 2011).

In organizational level, research findings suggest that job satisfaction may predict firm’s profitability and it will direct to positive financial outcomes, and thus will contribute to long term return (Koys, 2001) as cited in (Nicolaidis and Katsaros, 2011). Overall, the positive emotional attitudes (e.g. satisfaction, encouragement, authority) in the workplace may affect individuals’ level of job satisfaction and performance, and help managers; and firms’ performance during change. Therefore, job satisfaction is positively related to ambiguity tolerance (Wittenburg and Norcross, 2001).

Employees should try to increase their emotional competences and abilities through their self-efficacy or competence improvement. Employees who have a strong sense of self-efficacy can distinguish uncertain and risky incidents. Hence, they can positively influence the goal attainment and manage the uncertain situations effectively (Locke and Latham, 1990).

5.3 Implications of the study

5.3.1 Managerial Implications

After research conducted, researcher have found that three independent variables , procedural justice, employee's development and tolerance to change were positively affecting employee's performance in banking industry and two independent variable whereas leadership and communication was shows negative relationship towards employee's performance in banking industry. Therefore, there is many ways to be recommended in order to improve the impacts of organizational change towards employee's performance in banking industry.

5.3.1.1 Tolerance to Change

Base on the outcomes of the research, the highest beta value among the variable is tolerance to change. Result shown in correlation coefficient, there is a positive significant relationship between tolerances to change toward employee's performance in banking industry. This illustrates that company should concern more on the level of tolerance that employee possess to improve their willingness to change. According to Hardin's study as cited in (Nikandrou, Papalexandris and Bourantas, 2000) states that tolerance to change is a personal characteristic that clarify the action that individual will take in order to handle the uncertainties and stresses which involved in a change environment.

Besides, studies show that people have low tolerance to change due to worry that not able to develop new skills and behaviours that are required in a new work setting which will indirectly increase the risk of personal loss. However, if the employees have high tolerance to change, then they will be more creative, flexible and effective in the way they handling difficulties

(McCaskill, 2010) as cited in (Kotter and Schelesinger, 1979). Therefore, managers should determine the employee's tolerance to change either is high or low. By understanding the employee's willingness of tolerance, managers can help to adjust the individuals in order to adapt the changes in the organization.

As a result, learning is very important to improve the employee's performance during the change because they need new knowledge and skill to fit into the new requirement. When organization provides learning and training to employees, they tend to feel they are ready to accept the change and hence increase the level of employee's performance (McShane and Glinow, 2008). Nevertheless, according to Robbins and Judge (2009) when employee's fear and anxiety is high, it will lead to high risk of tolerance to change. Thus, new skills training, short paid leave of absence and employee's counseling may help the adjustment.

Furthermore, organizational change is a stressful experience, and it threatens self-esteem and creates uncertainties (McShane et al, 2008). In order to potentially increase the employee's motivation and adapt to the change process, organization need to establish stress management practice to help employees cope with the changes. When employees feel that organization concern for their future, employees will more likely to be high tolerance to change and increase their change level.

5.3.1.2 Procedural Justice

Procedural justice was the second highest beta value among the variable. Based on the result in correlation coefficient, there is a positive significant relationship between procedural justices toward employee’s performance in banking industry. This indicates that manager and organization should have ability to stimulate employees and this will bring significant of enhancing the commitment due to the largely treated fairness aspects of procedural justice (Benson, 2002). Employees perceived the fairness in the organization will determine the organization change towards their performance.

According to Heslin and Vande (2009) as cited in (Colquitt et al., 2001) states that perceptions of procedural unfairness can adversely affect employee’s organizational commitment job satisfaction, trust in management and performance. Therefore, manager is advisable to make more effort to communicate and participate with employees in decision making process.

Besides, there are several ways to improve the employee’s perception of fairness in their performance towards the organization change. Employees are encouraged to become more involved in key decision making while managers should make their decision in neutrally and consistently to avoid misunderstanding between employees (Dayan and Benedetto, 2008). Thus, employees will feel they are more treated by respect and sincerity. Moreover, top management can improve employee’s performance in an organization by give adequate explanations to employees of their fault or mistakes (Saunders, Lewis and Thornhill, 2007).

5.3.1.3 Employees' Development

The third highest beta value among the variables is employee's development. Based on the result in this research, employee's development has positive significant relationship toward employee's performance in banking industry. According to Dahlberg (2007), she says that that the change is not only for products and services that they provide, it also includes making changes at the organizational level such as continual equipment update, retraining employees, mergers and acquisition. Therefore, employee development is very important because it is a procedure of developing or let loose expertise via organization development, training and development for the intention of enhancing their performance (Swanson, 2001) as cited in (Hassan, 2007).

Employees are suggested to join some training and development program such as skill enhancement programs that provide employees with learning and counseling. It can help to improve worker's productivity, decrease of production wastage, better employee retention and employee-management relations. Besides, according to Bloom and LaFleur's study (1999) as cited in (Horn & Fichtner, 2003) state that training can improve employees' capability which can enhance their performance and organization's satisfaction.

Apart of that, organizations also need to use 360-degree feedback or multi-rate performance appraisal to facilitate the employee performance. 360-degree feedback is a system in which employees receive confidential, anonymous feedback from the people who work around them. This typically includes the employee's supervisors, colleagues, suppliers, subordinates and peers. According to Zingheim and Schuster (1995)'s study, multi-rate performance can help to provide multiple performance inputs, reinforces team formation, expands learning opportunities and helps employees accept change.

By using 360-degree feedback, individual may have a better guide for his or her career development because the feedback receives will increase his or her self-awareness. It is an initial step in the career development process (McCarthy and Garavan, 2001).

5.3.1.4 Communication

The fourth highest beta value among the variables is communication. Result shown in correlation coefficient, there is negative significant relationship between leadership toward employee's performance in banking industry. According to Wanguri (1995) says that communication takes many forms which include communication climate, supervisor communication, horizontal communication, personal feedback, top management communication, as well as subordinate communication. It is related to the communication satisfaction within the workplace and eventually to job performance.

Based on the result, it shows that employee don't like direct communication such as openness communication, face-to-face communication and internal communication. It is because immediate feedback is critical when we are learning, especially when we do not know what we do not know (Hunt & Hargie, 2000). Besides, negative feedback will create negative feelings among employees in an organization and decrease employees goal commitment and performance.

In order to improve the employee's performance, managers are suggested to use indirect communication such as through email or telephone. Indirect communication is a form of respecting another person. It can help to avoid awkward situations and the potential for hurt. Employee can use email communicate with the manager, when the manager found that the employee is do thing wrong, they can give comment or feedback through the email. Thus, it can avoid the employee being hurt and have negative feelings.

5.3.1.5 Leadership

Last but not least, the final beta value to develop employee’s performance is leadership. Based on the research, leadership shown a negative significant relationship between leadership toward employee’s performance in banking industry. According to Yukl (1989), leader can use the reward and punishment system to motivate the employee to do “more than they are expected to do” to accomplish the organizational goals.

Leadership style is changing nowadays. Command and control leadership are extremely inefficient in the current fast-changing world. Many employees don’t like too control by their manager such as observing them at work or keep on checking on their work progress. Besides, employees also unsatisfied to just follow the order given by the manager. This could make the employee has a poor job attitudes and minimum the level of effort.

In order to improve the employee’s performance in organization, laissez-faire leadership styles are an effective style to use. In this leadership style, managers are totally trust the employees can perform the job themselves. Managers are offering no or very little guidance to the subordinates and try to achieve through less obvious means. They give employees as much freedom as possible. Moreover, managers also given all the authority or power to the employees to make the decision, determine goals and resolve problems on their own.

Additionally, democratic or participative leadership style can also use to improve employee’s performance. Employee are encourages to express their ideas, experience and make suggestions rather than just follow the order given by the manager. The advantages of this leadership style are it leads to satisfied, motivated and more skilled employees.

5.4 Limitations of the Study

During the research process that researches had carried out, there are some limitations of study that impede the progress for the research. Hence, the limitations of the research will be explained to meet the quality of the research.

The sample size of this study is one of the limitations. There is limited sample size and lack of geographical coverage to seek for wider range of data as the data is only obtained from Penang, Kuala Lumpur, Johor Bahru and Selangor. Hence, this sample size might not accurately represent all the employees in banking industry in Malaysia.

Furthermore, the researchers encountered problem when they key in data into the SPSS. This is because there are some respondents were not seriously in answering the questions from the questionnaire. As a result, the data might not have strong relationship between the dependent and independent variables.

The research on factors that affect employees’ performance in banking industry in Malaysia can consider as fresh topic in Malaysia even though the organization change towards employees’ performance in not a new topic to study. Therefore, this is lack of academic research focus on organization change towards employees’ performance in banking industry in Malaysia is carried out. Due to this problem, there is limited information can obtain from Malaysia and some of the information that obtained by the researchers maybe out-dated. Thus, most of the studies were adopted from other countries to use as a reference in this study.

Besides, some of the employees who work in the bank are not willing to fill in the questionnaire. As a result, the researchers spend few weeks and travel many places in Penang, Kuala Lumpur, Johor Bahru and Selangor in order to obtain 200 copies questionnaires feedback.

Moreover, the questionnaire has limited criteria in this study. If there are more criteria added, there will be a more better and reliable questionnaire. This is because the more criteria added can cause to more validity for the result of this research. Thus, it can enhance the quality of this research.

In addition, due to the time, financial, and facilities' limitation in supporting the researchers to carry out this research, this indirectly will influence the comprehension of this research.

However, this is not affecting the overall run of this study even though there are many limitations. The limitations can lay a background for potential future study to better comprehend the factors of organization changes towards the employees' performance in banking industry in Malaysia.

5.5 Recommendations for Future Research

In this research, the data are collected from Penang, Kuala Lumpur, Johor Bahru and Selangor. Hence, the future research should be done by opening the survey to more locations in order to reduce the bias of result and improve the reliability and accuracy of data. Thus, it is recommended to conduct the research to other states in Malaysia.

In addition, since there are only 200 copies of questionnaire were collected in this research; the number of respondent can be increased to cover all state in Malaysia for future research in order to be more representative. Thus, the increase of respondents can be done by sending the questionnaires through internet. This is because the internet is common using by many people in Malaysia. Therefore it can be easier and faster way to send the questionnaires for them. The researchers can collect the questionnaire by using computer with lower cost and time saving.

The employees' performance due to the organization change is critical to succeed for all organizations in all industries. However, this research and findings emphasize only in the banking industry in Malaysia. Hence, this is recommended to have further study in different industry such as auto mobile industry, telecommunication industry, and food industry and so on in order to make comparison.

Moreover, the main factors in this research are communication, employees' development, tolerance to change, leadership and procedural justice that affect employees' performance after organization change. Thus, this is a limitation in this study because the other factors that affect the employees' performance due to the organization change have not been covered. Hence, this is recommended that the future research can be done to focus on other related factors.

Besides, this is recommended to examine in other antecedents such as job position and individual based factors which is included gender, marriage and education. This is believed that different demographic characteristic will have different perception on organization change which will impact their job's performance.

Furthermore, this is recommended to conduct longitudinal research methods which are consisted of three types such as trend, cohort, and panel study for the future research. This is because this research can use to analyse of data collected at different points of time. Thus, the researchers can look at the changes of research and finding over time and make comparison.

5.6 Conclusion

As a conclusion, this research project had been done on investigation of employees' performance in banking industry after organizational change. However, this study explored on the relationship of employee's performance in banking industry and several factors such communication, leadership, procedural justice, employee's development and tolerance to change.

In fact, there are more factors that impacts of organizational change towards employees' performance in banking industry. Therefore, a deeply study and investigation can be carried out for the research study when all the related factors are identified and explore more understanding in employees' performance.

The strongest influence factor that impacts of organizational change towards employees' performance in banking industry is tolerance to change. Based on this research, tolerance to change is important as it allows employees to seek for the changes of time, space and understanding to find the best way to achieve the production of organization. There is ability to look into other human being perspective and the ability to control their behaviour with the rights and dignity.

The second influential factor is procedural justice. The fair treatment will provide high motivational to employee on their work performance and improve employee's reactions towards the organizational change. Besides, employees' development is the third influential factor as it is also influence the employee's performance in banking industry. Employees' development can look forward to establish reassurance, trust in administration and improve employability. Through the positive outcome, this investment raises employability for the employees themselves.

Furthermore, the fourth factor is communication. Through communication, employee can exchange of information, knowledge or ideas. In order to minimize the employee's negative reactions when changes happen, communication is very important in an organization. Last but not least, the least significant factor between the employee's performances in banking industry is leadership. Leaders play an important role in motivating and influencing employees to achieve the organizational goals and they are the direct people that understand employee's needs.

In consequence, with the understanding of all factors that affect employee's performance, it can help organization to improve employee's performance. Thus, organization will be able to discover employee's needs and wants and know what exactly the right ways to improve their performance. However, the world is keep changing over the time, so studies must be made accordingly with the changes to fit different situation.

Therefore, new factors will be identified in the future that will impact of organizational change towards employee's performance. In conclusion, organization changes will be able to improve the overall performance and become more efficiently and effectively.

References

About the bank. (2011, May). Retrieved Jun 1, 2011, from http://www.bnm.gov.my/index.php?ch=7&pg=735&ac=641

Aiello, J. R., & Svec, C. M. (1993). Computer monitoring of work performance: Extending the social facilitation framework to electronic presence. *Journal of Applied Social Psychology*, 23, 537−548.

Alder, G. S. (2007). Examining the relationship between feedback and performance in a monitored environment: A clarification and extension of feedback intervention theory. *Journal of High Technology Management Research*, 17, 157-174.

Alexandru., & Silviu, T. (2010). Influence of human resources investments upon public administration. *Young Economists Journal, 8*(14), 75-82.

Anderson, R. L., College, B., & Terborg, J. R. (1988). Employee beliefs and support for a work redesign intervention. *Journal of Management, 14(3)*, 493-503.

Appelbaum, S. (1998). Strategic organizational change: The role of leadership, learning, motivation and productivity. *Journal of Management, 5*(36), 289-301.

Attia, A. M., Honeycutt, E. D., & Attia, M. M. (2002).The difficulties of evaluating sales training. *Industrial Marketing Management, 31*(3), 253-259.

Armenakis, A. A., & Bedeian, A. G. (1999). Organizational change: a review of theory and research in the 1990s. *Journal of Management, 25(3)*, 1-15.

Aryee, S., Chen, Z. H., & Budhwar, P. S. (2004). Exchange fairness and employee performance: An examination of the relationship between organizational politics and procedural justice. *Organizational Behavior and Human Decision Processes*, *94*(1), 1-14.

Asmuß, B. (2008). Performance appraisal interviews. *Journal of Business Communication, 45(4)*, 408-429.

Avey, J., Wernsing, T., & Luthans , F. (2008). Can positive employees help positive organizational change? Impact of psychological capital and emotions on relavant attitudes and behaviours. *Journal of Applied Behavioral Science, 1*(44), 48-70.

Bai, X. J., & Zhou, F. (n.d.). The employee's performance management in view of psychological boundaries. *Journal of Economic and Management*, 355-359.

Barak, M. E., Nissly, J. A., & Levin, A. (2001). Antecedents to retention and turnover among child welfare, social work, and other human service employees: What can we learn from part research? A review and meta-analysis. *Social Service Review, 75*(4), 625-661.

Bartel, A. P., Freeman, R. B., Ichniowski, C., & Kleiner, M.M. (2011). Can a workplace have an attitude problem? Workplace effects on employee attitudes and organizational performance. *Labour Economics*, *18*(4), 411-423.

Basic Population Characteristics by Administrative Districts Report. (2010, Jun). Retrived Jan 20, 2011, from http://www.statistics.gov.my/ portal/ download_Population/files/BPD/ad_2010.pdf

Blau, G., Andersson, L., Davis, K., Daymont, T., Hochner, A., Koziara, K., Portwood, J., & Holladay, B. (2008), The relation between employee organizational and professional development activities. *Journal of Vocational Behavior, 72*(1), 123-142.

Benson, C. A. (2002). Procedural justice, effective leadership, and organizational commitment amidst organizational change. *University of California, Santa Cruz*, 1-14.

Borstorff, P., & Marker, M. (2007). Turnover drivers and retention factors affecting hourly workers: What is important? *Management Review: An International Journal*, *2*(1), 14-27.

Bowman, A. (1996). The relationship between organizational work practices and employee development. 1-51.

Bunnell, T., Barter, P. A., & Morshidi, S. (2002). Kuala Lumpur metropolitan area: A globalizing city-region. *Cities*, *19*(5), 357-370.

Burns, A. C., & Bush, R. F. (2006). Marketing Research: Online research applications (5th ed.) New Jersey: Prentice Hall.

Brehm, J. (1972). Responses to loss of freedom: A theory of psychological reactance. New York: General Learning Press.

Carter, L., & Gray, D. (2007). Relational competence, internal market orientation and employee performance1. *The Marketing Review, 7(4)*, 385-400.

Cavana, Y. R., Delahaye, L. B., & Sekaran, U. (2001). A*pplied business research: qualitative and quantitative methods*. Milton, Qld: John Wiley & Sons.

Chan, S. W., Heng, Y. P., Khor, S. C., Tan, W., & Yeoh, S. T. (2011). *A study of employee retention in Malaysia: bank industry*. Unpublished degree's thesis, University of TunkuAbdul Rahman, Kampar, Perak, Malaysia.

Chebat, J., & Slusarczyk, W. (2005). How emotions mediate the effects of perceived justice on loyalty in service recovery situatios: An empirical study. *Journal of Business Research, 58*(5), 664-673.

Cherry, K. (2011). What is validity? Retrieved June 13, 2011, from http://psychology.about.com/od/researchmethods/f/validity.htm

Contartesi, R. A. (2010). School climate: A correlational analysis of superintendent leadership communication and employee performance. *University of Phoenix*, 1-8.

Chen, A. S.-Y., Hou, Y.-H., & Fan, K.-T. (2009). The effect of organizational change on team creativity, job satisfaction, organizational commitment, and work performance. *Proceedings of ASBBS, 16(1)*, 1-5.

Chiang, C.-F., & Jang, S. C. (2008). An expectancy theory model for hotel employee motivation. *International Journal of Hospitality Management, 27*(2), 313-322.

Chien, M.-H. (2004). An investigation of the relationship of organizational structure, employee's personality and organizational citizenship behaviors. *Journal of American of Business. 5*(1/2), 428-431.

Cripe, E. (n.d.). Gaining Employee Commitment To Organizational Change. 1-6.

Dale, E. (1965). Personal factors affecting the quality of communication. *Management Theory and Practice*, 87.

Dahlberg, L. C. (2007). Supervisor-Subordinate communication during organizational change: The effects in employee trust and morale. *Queens University of Charlotte*, 1-13.

Dayan, M., & Benedetto, A. D. (2008). Procedural and interactional justice perceptions and teamwoprk quality. *The Journal of business & Industrial Marketing, 23(8)*, 566-576.

Devos, G., Vanderheyden, K., & Broeck, H. (2002). A framework for assessing commitment to change. Process and context variables of organizational change. *Journal of Management,* 2-34.

Dogan, E., & Fausten, D. K. (2005). Productivity and technical change in Malaysian Banking: 1989–1998. *Asia-Pacific Financial Markets, 10,* 205-237.

Dulger, M. (2009). Human side of change: A conceptual model. *Journal of Economics*, 1-28.

Egger, P., & Hahn, F. R. (2010). Endogenous bank mergers and their impact on banking performance: Some evidence from Austria. *International Journal of Industrial Organization*, *28*(2), 155-166.

Ellinger, A. D. (2004). The concept of self-directed learning and its implications for human resource development. *Advances in Developing Human Resources*, 6, 158–177.

Ellinger, A. E., Ketchen, D. J., Hult, G. T. M., Elmadag, A. B., & Richery, R. G. (2008). Market orientation, employee development practices, and performance in logistics service provider firms. *Industrial Marketing Management*, *37*(4), 351-366.

Erdogan, B., & Enders, J. (2007). Support from the top supervisors' perceived organizational support as a moderator of leader-member exchange to satisfaction and performance relationships. *Journal of Applied Psychology, 92*(2), 321-330.

Erwin, D. (2009). Changing organizational performance: examining the change process.*Hospital Topics* , *87* (3), 28-40.

Flamholtz, E. (1979). Organizational control systems as a managerial tool. *California Management Review*, *22*(2), 50-59.

Flock, K. (2006). Communication in organizational change. 1-7.

Fodchuk, K. M., & Sherman, H. D. (2008). Procedural justice and French and American performance evaluations. *Cross Cultural Management: An International Journal*, *15*(3), 285-299.

Folger, R., & Konovsky, M. A. (1989). Effect of procedural and distributive justice on reactions to pay raise decisions. *Academy of Management Journal*, 32, 115-130.

Fugate, M., Kinicki, A. J., & Prussia, G. E. (2008). Employee coping with organizational change: An examination of alternative theoretical perspectives and models. *Personnel Psychology. Durham: Spring, 61(1)*, 1-62.

Freyermuth. (2007). Retaining employees in a tightening labor market, RSM McGladrey. Retrieved 30 May, 2011, from: www.cfo.com/whitepapers/index.cfm/displaywhitepaper/10308654?topicid=10240327-22k-

George, D., & Mallery, P. (2003). SPSS for Windows step by step: A simple guide and reference. 11.0 update (4th ed.). Boston: Allyn & Bacon.

Ghuslan, M. I. B., Muhammad, J., & Abidin, S. Z. (2010). Factors affecting commercial bank lending practices in the malaysian farm sector . *Journal of Public Finance* , *8*(4), 39-57.

Gilson, L., Palmer, N., & Schneider, H. (2005). Trust and health worker performance: Exploring a conceptual framework using South African evidence. *Social Science & Medicine, 61*(7), 1418-1429.

Gill, D. R. (2011). Using storytelling to maintain employee loyalty during change . *International Journal of Business and Social Science, 2(15)*, 23-32.

Govindarajulu, N., & Daily, B. F. (2004). Motivating employees for environmental improvement. *Industrial Management + Data Systems, (3-4)*, 364-372.

Ghauri, P., & Gronhaug, K. (2010). *Research methods in business studies: a Practical guide (4thed).* Upper Saddle River, New Jersey: Prentice Hall.

Gliem, A. J., & Gliem, R. R. (2003). Calculating, interpreting and reporting Cronbach's Alpha reliability coefficient for likert type scales. Retrieved 15 July, 2011 from http://www.alumni-osu.org/midwest/midwest%20papers/Gliem%20&%20Gliem--Done.pdf

Gruman, J. A., & Saks, A. M. (2011). Performance management and employee engagement. *Human Resource Management Review, 21*(2), 123-136.

Hair, J., Babin, B., Money, A., & Samuel, P. (2003). *Essentials of business research methods.* Hoboken, NJ: John Wiley & Sons, Inc.

Hair, J. F., Money, A. H., Samouel, P., & Page, M. (2007). Research method of business West Sussex, England: John Wiley & Sons.

Hall, S. (2011). Are descriptive & statistical analysis the same? Retrieved June 1, 2011,from http://www.ehow.com/about_5124141_descriptive-statistical-analysis-same.html

Hameed, A., & Waheed, A. (2011). Employee development and its affect on employee performance. *International Journal of Business and Social Science, 2*(13), 224-229.

Hamid, M., Amin, H., & Lada, S. (2007). A comparative analysis of internet banking in Malaysia and Thailand. *Journal of Internet Business,* 4, 1-19.

Hassan, A. (2007). Human resource development and organizational values. *Journal of European Industrial Training, 31*(6), 435-448.

Hassan, M. U., & Yaqub, M. Z. (2010). Strategic role of human resource development as boundary spanner. *European Journal of Economics, Finance & Administrative Sciences,* 19, 146-154.

Hasun, F. M., Makhbul, Z. M., & Rahid, M. R. (2011). What made they go? *Journal of Global Management, 1*(1), 13-22.

Herzberg, F. W., & Snyderman, B. (1957). The motivation to work. Wiley, New York.

Heslin, P. A., & VandeWalle, D. (2009). Performance appraisal procedural justice: The role of a manager's implicit Person Theory. *Journal of management*, 1-25.

Heskett, J. (1986). Managing in the Service Economy, Harvard Business School Press. Boston.

Hon, H. Y., & Lu, L. (2010). The mediating role of trust between expatriate procedural justice and employee outcomes in Chinese hotel industry. *International Journal of Hospitality Management*, *29*(4), 669-676.

Horn, C. E. V., & Fichtner, A. R. (2003). An evaluation of state-subsidized, firm-based training: the workforce development partnership program. *International Journal of Manpower, 24*(1), 97-110.

Honey, P. (1988). The management of change. *Management Services, 32(12)*, 14-16.

Howell, J. M., & Frost, P. J. (1989). A laboratory study of charismatic leadership. *Organizational Behavior and Human Decision Processes*, 43, 243-69.

Hunt, O., Tourish, D., & Hargie, O. D. W. (2000). The communication experience of education managers: Identifying strength, weaknesses and critical incidents. *The International Journal of Educational Management, 14*(3), 120-129.

Huselid, M. (1995). The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of Management Journal*, 38, 635-672.

Imberman, M. D. (2009). Organizational change and organizational justice: Assessing the impact on organizational commitment, change-oriented organizational citizenship behavior, and attitude toward future change. *Alliant International University, Los Angeles*, 1-10.

Iqbal, S., Toulson, P., & Tweed, D. M. (2010). The impact of HRM practices on organizational capability mediated by knowledge sharing: A conceptual model. *Proceedings of the International Conference on Intellectual Capital, Knowledge Management & Organizational Learning*, 575-583.

Islam, M. Z. (n.d.). Does Ob Matter On Organizational Change? Evidence from Depz, Bangladesh. *Field of Research: Management, Organizational Behavior*, 1-15.

Jaballa, A., Allbaity, M., & Shaiban, M. (2009). The impact of tolerance for ambiguity and the moderating effect of attitude towards change on the adoption of performance-based budgeting system. *Jounal of Maksi, 9*(2), 1-21.

Johansson, C., & Heide, M. (2008). Speaking of change: Three communication approaches in studies of organizational change. *Corporate Communications: An international Journal, 13(3)*, 288-305.

Jones, R. A., Jimmieson, N. L., & Griffiths, A. (2005). The impact of organizational culture and reshaping capabilities on change implementation success: The mediating role of readiness for change. *Journal of Management Studies, 42(2)*.

Hair, J., Money, A., Samouel, P., & Page, M. (2007). *Research methods for business.* John Wiley & Sons, Ltd.

Joseph, N. S., & Patricia, J. G. (1989). Communication competencies as discriminators of superiors ratings of employee performance. *The Journal of Business Communication, 26(3)*, 217-229.

Kang, Y.-J., Kim, S.-E., & Chang, G.-W. (2008). The impact of knowledge sharing on work performance: An empirical analysis of the public employees' perceptions in south Korea. *Intl Journal of Public Administration, 31*, 1548-1568.

Kahindi, A. N. (2011). Human resource strategies for managing back-office employees in subsidiary operation; The case of two investment multinational banks in Tanzania. *Journal of World Business, 46*(1), 13-21.

Kang, Y. J., Kim, S. E., & Chang, G. W. (2008). The impact of knowledge sharing on work performance: An empirical analysis of the public employees' perceptions in South Korea. *International Journal of Public Administration, 31*(14), 1548-1568.

Kassim, A. W., Tahajuddin, S. B., Shahzad, A., Isa, E. V., & Mat, N. (2010). Preliminary insights into the role of space in organizational change. *The Journal of International Management Studies, 5(2)*, 50-58.

Karatepe, O. M., Uludag, O., Menevis, I., Hadzimehmedagic, L., & Baddar, L. (2006). The effects of selected individual characteristics on frontline employee performance and job satisfaction. *Tourism Management, 27*(4), 547-560.

Katcher, L. B. (2007). 30 reasons employees hate their managers. Published by AMACOM, the publishing arm of the American Management Association. http://www.discoverysurveys.com/store/0005a.html

Kiser, K. (2002). Taking it to the bank. *3*(7), 32-36.

Kong, W., & Ayuppa, K. (2010). The impact of task and outcome interdependence and self-efficacy on employees' work motivation: An analysis of the Malaysian retail industry. *Asia Pacific Business Review, 16(1-2),* 123-142.

Kotter, J., & Schlesinger, L. (2008). Choosing strategies for change. *Harvard Business Review,* 130-138.

Klendauer, R., & Deller, J. (2009). Organizational justice and managerial commitment in corporate mergers. *Journal of Managerial Psychology*, *24*(1), 29-45.

Kluger, A. N., & Denisi, A. (1996). The effects of feedback interventions on performance: A historical review, a meta-analysis, and a preliminary feedback intervention theory. *Psychological Bulletin,* 119, 254–284.

Krattenmaker, T. (2009). Appraising employee performance in a downsized organization. *Havard Management Updated, 14*(5), 3-5.

Lee, K. C., Cheng, T. C., Yeung, C. L., Lai, K.-H. (2011). An empirical study of transformational leadership, team performance and service quality in retail banks. *Omega*, *39*(6), 690-701.

Lemons, M, A., & Jones, C, A. (2001). Procedural justice in promotion decision: Using perceptions of fairness to build employee commitment. *Journal of Managerial Psychology, 16*(4), 268-280.

Levay, C. (2010). Charismatic leadership in resistance to change. *The Leadership Quarterly, 21*(1), 127-143.

Leventhal, G. S., Karuza, J., & Fry, W. R. (1980). Beyond fairness: A theory of allocation preferences. In G. Mikula (ed.), Justice and social interaction: 167-218. New York: Springer Verlag.

Li, H., & Bingham, J. (2003). Collaborative problem solving and decision justice in new product development. *Academy of Management Proceedings*, pEE1-EE6, 6p.

Liu, Y. (2010). When change leadership impacts commitment to change and when it doesn't a multi-level multi-dimensional investigation. *Georgia Institute of Technology*, 1-114.

Lo, L. K., Muhamad, O., Ramayah, T., & Mosahab, R. (2010). The impact of service quality on customer loyalty: A study of banks in Penang, Malaysia. *International Journal of Marketing Studies, 2*(2), 57-66.

Locke, E. A. (2005). Why emotional intelligence is an invalid concept. *Journal of Organizational Behavior, 26*(4), 425-432.

Locke, E. A., & Latham, G. P. (1990). A Theory of goal setting and task performance, Prentice-Hall, Englewood Cliffs, NJ.

Lok, P., & Crawford, J. (2004). The effect of organizational culture and leadership style on job satisfaction and organizational commitment: A cross-national comparison. *Journal of Management Development, 23*(4), 321-338.

Lund, K., & Zhang, Y. (n.d.). The Observation of Tolerance in Social Network Models.

Mackenzie, M. L. (2010). Manager communication and workplace trust: Understanding manager and employee perceptions in the e-world. *International Journal of Information Management*, *30*(6), 529-541.

Madlock, P. E. (2008). The link between leadership style, communicator competence, and employee satisfaction. *Journal of Business Communication, 45(1),* 61-78.

Madsen, S. R. (2003). Wellness in the workplace: Preparing employees for change. *Organization Development Journal; Spring, 21(1)*, 46-55.

Malaysia labor force survey quarterly report. (2010, December). Retrieved Jan 20, 2011, from http://www.statistics.gov.my/portal/download_Labour/files/BPTMS/report_ptb_q32010.pdf

Malhotra, N. K. (2004). Marketing research: An applied orientation (4th Ed.). Upper Saddle River: Pearson Education.

Malhotra, N. K. (2007). Marketing Research (5th ed.). Pearson Education International.

Marketing orientation, employee development practices, and performance in logistics service provider firms. *Industrial Marketing Management, 37*(4), 351-366.

Malik, M. I., Ahmad, A., & Hussain, S. (2010). How downsizing affects the job satisfaction and life satisfaction of layoff survivors. *African Journal of Business Management, 4(16),* 3564-3570.

McCarthy, A. M., & Garavan, T. N. (2001). 360° feedback process: Performance, improvement and employee career development. *Journal of European Industrial Training, 25(1),* 5-32.

McNamara, C. (n.d.). *Organizational change and development (Managing change and change management)*. Retrieved April 20, 2011, from Free Management Library: http://managementhelp.org/organizationalchange/index.htm

McShane, S., & Glinow, M. V. (2008). *Organizational behavior (4thed).* New York: McGraw-Hill/Irwin.

Masciandaro, D., Nieto, M. J., & Quintyn, M. (2011). Exploring governance of the new European banking authority—A case for harmonization? *Journal of Financial Stability,* 1-11.

Mowat, J. (2002). Managing organizational change. *The Herridge Group,* 1-20.

Napier, N. K., Simmons, G., & Stratton, K. (1989). Communication during a merger: Experience of two banks. *Human resource planning, 12*(2), 105-122.

Nelissen, P., & Selm, M. V. (2008). Surviving organizational change: How management communication helps balance mixed feelings. *Corporate Communications: An International Journal, 13(3)*, 306-318.

Nicolaidis, C., & Katsaros, K. (2007). Emotions towards change :"A case of Northern Greek ICT Industry". *7th Global Conference on Business & Economics,* 1-30.

Nicolaidis, C., & Katsaros, K. (2011). Tolerance to change of ambiguity and emotional attitudes in a changing business environment: A case of Greek IT CEOs. *Journal of Strategy and Management, 4*(1), 44-61.

Niehoff, P. B., & Moorman, H. R. (1993). Justice as a mediator of the relationship between methods of monitoring and organizational citizenship behavior. *Academy of Management Journal, 36*(3), 527-556.

Nikandrou, I., Papalexandris, N., & Bourantas, D. (2000). Gaining employee trust after acquisition: Implications for managerial action. *Employee Relations, 22(4)*, 334-355.

Noe, R. A., & Wilk, S. L. (1993). Investigation of the factors that influence employees' participation in development activities. *Journal of Applied Psychology*, 78, 291-302.

Okuda, H., & Hashimoto, H. (2004). BIBLIOGRAPHY Estimating cost functions of malaysian commercial banks: The differential effects of size, location, and ownership. *Asian Economic Journal*, *18*(3), 233-259.

Orvis,A. K., & Leffler, P. G. (2011). Individual and contextual factors: An interactionist approach to understanding employee self-development. *Personality and individual differences*, 51, 172-177.

Osif, B. A. (2010). Communication. *Library Leadership & Management, 24(1),* 38-44.

Otis, N., & Pelletier, L. G. (2005). A motivational model of daily hassles, physical symptoms, and future work intentions among police officers. *Journal of Applied Social Psychology, 35*(10), 2193-2214.

Paul, D. L., & McDaniel, R. R. (2004). A field study of the effect of interpersonal trust on virtual collaborative relationship performance. *MIS Quarterly, 28*(2), 183-227.

Papmehl, A. (2002). Employee development in a changing organization. *CMA Management, 75(10)*, 12-15.

Pierce, L. (2003). Does organizational structure affect firm strategy and performance? *Job Talk Paper*, 2-40.

Pierce, H. R., & Maurer, T. J. (2009). Linking employee development activity, social. exchange and organizational citizenship behavior. *International Journal of Training & Development, 13*(3), 139-147

Pepper, G., & Larson, G. S. (2006). Overcoming information communication technology problems in a post-acquisition organization. *Organizational Dynamics, 35*(2), 160-169.

Perry, J. L., Engber, T., & Jun, S.Y. (2009). Back to the Future? Performance-Related pay, Empirical research, and the Perlis of persistence. *Public Administration Review, 69*(1), 1-31.

Politis, D. J. (2006). Self-leadership behavioral-focused strategies and team performance: The mediating influence of job satisfaction. *Leadership & Organization Development Journal*, *27*(3), 203-216.

Proctor, T., & Doukakis, I. (2003). Change management: The role of internal communication and employee development. *Corporate Communications: An international Journal, 8(4)*, 268-277.

Phillips, S., Hellweg, S., & Tubbs, S. (1983). Employee network propensity as a function of perceived job satisfaction, ambiguity tolerance, and locus of control. *Academy of Management Proceedings*, 3, 209-214.

Qian, Y. (2007). A communication model of employee cynicism toward organizational change. *Journal of Communication*, 1-149.

Ramlall, S. (2004). A review of employee motivation theories and their implications for employee retention within organizations. *Journal of American Academy of Business, 5*(1/2), 52-63.

Rashid, M. (2004). The influence of organizational culture on attitudes towards organizational change. *Journal of Leadership and Organizational Development, 25*(2), 161-179.

Rashid, H., & Zhao, L. (2010). The significance of career commitment in generating commitment to organizational change among information technology personnel. *Academy of Information and Management Sciences Journal, 13(1)*, 111-131.

Reinsch, L. (1991). Editorial: What is business communication. *The Journal of Business Communication, 28(4)*, 305-310.

Renn, W. R. (2003). Moderation by goal commitment of the feedback-performance relationship: Theoretical explanation and preliminary study. *Human resource management review*, 13, 561-580.

Rich, T. A. (2008). Becoming the boss whisperer: An examination of the relationship between employee follower behaviors and supervisor satisfaction with employee performance. *Capella University*, 1-10.

Rizzo, A., & Proof, C. (2011). Iskandar Malaysia. *Article in Press*, 1-11.

Robbins, S. P., & Judge, T. A. (2010). *Organizational behavior, 14/E.* San Diego State University: Prentice Hall.

Rhoades, L., Eisenberger, R., & Armeli, S. (2001). Affective commitment to the organization: The contribution of perceived organizational support. *Journal of Applied Psychology*, 86, 825-836.

Roberts, G. (1997). Recruitment & Selection: A competency approach, Institute of Personnel and Development. London

Roger, L. A., & James, R. T. (1988). Employee beliefs and support for a work redesign intervention. *Journal of Management, 14(3)*, 493-503.

Sachm, C. (2008). How much does risk tolerance change? *Finance and Economics Discussion Series*, 2-42.

Sardar, S., Rehman, C. A., Yousaf, U., & Aijaz, A. (2011). Impact of HR practices on employee engagement in banking sectors of Pakistan. *Interdisciplinary Journal of Contemporary Research in Business, 2*(9), 378-389.

Saunders, M., Lewis, P., & Thornhill, A. (2007). *Research methods for business students.* Financial Times/Prentice Hall.

Saunders, M., Lewis, P., & Thornhill, A. (2009). *Research methods for business students* (5th ed.). Harlow, England: Prentice Hall.

SAP. (2005). Banking though leadership series: Building a high performance workforce.

Sekaran, U. (2003). Research method of business: A skill Building Approach (4th ed.). New York: John Willey & Sons, Inc.

Sekaran, U., & Bougie, R. (2010). *Research methods for business: A skill building approach (5thed.).* Chichester, West Sussex: John Wiley & Sons, Inc.

Schweiger, M. D., & Denisi, S. A. (1991). Communication with employees following a merger: A longitudinal field experiment. *The Academy of Management Journal*, 34(1), 110-135.

Siddiqi, M. A., & Sahaf, M. A. (2009). Customer orientation of service employees and organizational performance: Empirical evidence from Indian banking. *Decision (0304-0941), 36*(2), 133-153.

Silva, C. S., Bradley, F., & Sousa, C. M. P. (2011). Empirical test of the trust-performance link in an international alliances context. *International Business Review*, 1-14.

Shah, N., & Irani, Z. (2010). Examining employee attitudes and behaviours towards organisational change using supervisor and peer relations. *European, Mediterranian & Middle Eastern*, 1-15.

Shea, M. C. (1999). The effect of leadership style on performance improvement on a manufacturing. *Journal of Business, 72*(3), 407-422.

Skansi, D. (2000). Relation of managerial efficiency and leadership style: Empirical study in Hrvatska Elektropivreda D.d. *Management, 5*(2), 51-67.

Sparrow, P., & Hilltop, J. (1994). European human resource management in Transition. New York, Prentice Hall.

Stevens, S. (1946). On the theory of scales of measurement. *Science, New Series*, 103, 677-680.

Stogdill, R. (1974). Handbook of Leadership: A survey of theory and research, free press, New York, NY.

Styhre, A. (2009). The cinematic mode of organizing: Media and the problem of attention in organization theory. *Information and Organization, 19*(1), 47-58.

Swart, J., & Purcell, J. (2003). People and performance in knowledge intensive firms CIPD London.

Tabassi, A. A., & Bakar, A. H. A. (2009). Training, motivation, and performance: The case of human resource management in construction projects in Mashhad,Iran. *International Journal of Project Management, 27*(5), 471-480.

Tan, N. L., Lye, Y. H., Ng, T. H., & Lim, Y. S. (2010). Motivational factors in influencing knowledge sharing among banks in Malaysia. *International Research Journal of Finance and Economics, 44*, 187-196.

Ticehurst, B., & Veal, A. (2000). *Research methods : A managerial approach.* Ticehurst, Gregory William, 1943: Longman.

Tavakoli, M. (2010). A positive approach to stress, resistance, and organizational change. *Social and Behavioral Sciences*, 5, 1794-1798.

Trottier, T., Wart, M. V., & Wang, X. (2008). Examining the nature and significanc of leadership in government organizations. *Public Administration Review, 68*(2), 319-333.

Tzafrir, S. S., Harel, H. G., Baruch, Y., & Dolan, L. S. (2004). The consequences of emerging HRM practices for employees' trust in their managers. *Personnel Review, 33*(6), 628-647.

Uh,-B. M., Graen, G., & Scandura, T. (2000). Implications of leader-member exchange (LMX) for strategies human resource management systems. *Personnel and Human Resource Management*, 18, 137-185.

Vakola, M., Tsaousis, I., & Nikolaou, I. (2004). The role of emotional intelligence and personality variables on attitudes toward organisational change. *Journal of Managerial Psychology, 19*(2), 88-110.

Vandenberghe, P., Keyser, P., Vlerick, P., & D'hoore, P. (n.d.). Organizational changes, employee stress, and customer satisfaction: Emergence of the flexihealth concept. *FlexiHealth*, 2-131.

Vasset, F., Marnburg, E., & Furunes, T. (2010). Employees' perceptions of justice in performance appraisals. *Nursing Management*, *17*(2), 30-34.

Vicente, J. A. Z., Sabate, J. M. D. L. F., & Gonzalez, I. S. (2005). Facilitating and inhibiting factors behind strategic change: Evidence in the Spanish private banking industry, 1983-1997. *Scandinavian Journal of Management, 21*(3), 235-265.

Vigoda,-G. E. (2007). Leadership style, organizational politics, and employees' performance: An empirical examination of two competing models. *Personnel Review, 36*(5), 661-683.

Wahab, S., Noor, N., & Ali, J. (2009). Technology Trust and E-Banking Adoption: The meditating effect of customer relationship management performance. T*he Asian Journal of Technology Management, 2*(2), 178-180.

Wallace, J. E. (1993). Professional and organizational commitment: Compatible or incompatible? *Journal of Vocational Behavior*, 42, 333-349.

Wang, H., Law, K. S., Hackett, R. D., Wang, D., & Chen, Z. X. (2005). Leader-member exchange as a mediator of the relationship between transformational leadership and followers' performance and organizational citizenship behavior. *Academy of Management Journal*, 48, 420-32.

Wang, H., Tsui, S. A., & Xin, R. K. (2011). CEO leadership behaviors, organizational performance, and employees' attitudes. *The Leadership Quarterly*, 22, 92-105.

Wang, C.-W., Fan, K.-T., Hsieh, C.-T., & Menefee, M. L. (2009). Impact of motivating language on team creative performance. *Journal of Computer Information Systems, 50(1)*, 133-140.

Walumbwa, O. F., Mayer, M. D., Wang, P., Wang, H., Kristina, W., & Christensen, L. A. (2008). Linking ethical leadership to employee performance: The roles of leader–member exchange, self-efficacy, and organizational identification. O*rganizational Behavior and Human Decision Processes*, 115, 204-213.

Wanguri, D. M. (1995). A review, an integration, and a critique of cross-disciplinary research on performance appraisals, evaluations, and feedback: 1980-1990. *The Journal of Business Communication 32(3)*, 267-293.

Watkins, M., & Wiley, E. (2009). Overcoming organizational change management challenges in a corebanking transformation program. 46-52.

Webb, K. (2007). Motivating peak performance: Leadership behaviors that stimulate employee motivation and performance. *Texas Women's University*, 6, 53-71.

Willem, A., & Buelens, M. (2007). Knowledge sharing in public sector organizations: The effect of organizational characteristics on interdepartmental knowledge sharing. *Journal of Public Administration Research and Theory, 17*(4), 581-606

Wittenburg, K. J., & Norcross, J. C. (2001). Practitioner perfectionism: Relationship to ambiguity tolerance and work satisfaction. *Journal of Clinical Psychology, 57*(12), 1543-50.

Wolverton, M. L. (2009). Research design, hypothesis testing, and sampling. *Appraisal Journal, 77*(4), 370-382.

Worrall, L., Parkes, C., & Cary, L. C. (2004). The impact of organizational change on the perceptions of UK managers. *European Journal of Work and Organizational Psychology, 13(2)*, 139-163.

What are some advantages and disadvantages of descriptive research? (2009, September). Retrieved May 30, 2011, from http://www.isfaq.com/education/100211.html

White, C. (2003). Coping resources, coping responses and employee's contextual performance in a merger context. *Coping and Performance*.

Wright, B. E., & Pandey, S. K. (2008). Public service motivation and the assumption of person-organization fit: Testing the mediating effect of value congruence. *Administration & Society, 40*(5), 502-521.

Yammarino, F., & Bass, B. M. (1990). Transformational leadership and multiple levels of analysis. *Human Relations*, 43, 997–995.

Ye, J., Marinova, D., & Singh, J. (2007). Strategic change implementation and performance loss in the front lines. *Journal of Marketing, 71*, 156-171.

Yu, M. C. (2009). Employees' perception of organizational change: the mediating effects of stress management strategies. *Public Personnel Management* , *38*(1), 17-32.

Yukl, G. A. (1989). Managerial leadership: A review of theory and research. *Yearly Review of Management*, 15, 251−289.

Yukl, G. A. (2002). Leadership in organizations (5th ed.). Upper Saddle River, New Jersey: Prentice Hall.

Zingheim, P. K., & Schuster, J. R. (1995). Supporting teams with multi-rater performance reviews. *Compensation & Benefits Management, Summer*, 41-45.

Zikmund, W. G. (2003). *Business research methods: A practical guide (7th ed.).* New York: South-Western/Thomson.

Zikmund, W. G., Babin, B. J., Carr, J.C., & Griffin, M. (2010). *Business research menthods* (8th ed.). New York: South-Western/Cengage Learning.

Zweig, D., & Webster, J. (2002). Where is the line between benign and invasive? An examination of psychological barriers to the acceptance of awareness monitoring systems. *Journal of Organizational Behavior*, 23, 605-633.

Appendix A

UNIVERSITI TUNKU ABDUL RAHMAN

Faculty of Business and Finance

BACHELOR OF BUSINESS ADMINISTRATION (HONS)

FINAL YEAR PROJECT (2011/2012)

TITLE OF TOPIC:

THE IMPACTS OF ORGANIZATIONAL CHANGE TOWARDS EMPLOYEES' PERFORMANCE IN BANKING INDUSTRY

Survey Questionnaire

Dear respondents,

We are final year undergraduate students of Bachelor of Business Administration (Hons), from Universiti Tunku Abdul Rahman (UTAR). The purpose of this survey is to collect information regarding to the title of our research "The Impacts of Organizational Change towards Employees' Performance in Banking Industry". It is to identify the significant relationship between organizational change and employee's performance.

There are TWO (2) sections in this questionnaire. Please read the instructions carefully before answering the questions. Please answer ALL questions in ALL sections. It will only take about 10 minutes to complete this questionnaire. Your cooperation in completing this questionnaire is highly appreciated. The contents of this questionnaire will be kept PRIVATE and CONFIDENTIAL and be used solely for academic purposes.

Thank you for your cooperation and participation.

No.	Name	Student ID
1.	Lam Wai Fong	09ABB00115
2.	Lau Wai Ting	09ABB00287
3.	Ng Mei Hui	09ABB00038
4.	Shua Hui Ying	09ABB00230
5.	Teh Soo Ee	09ABB01660

Section A: Demographic Profile
Please place a tick "√" or fill in the blank for each of the following:

1. Gender:
- ☐ Male
- ☐ Female

2. Age:
- ☐ 20 years old and below
- ☐ 21- 30 years old
- ☐ 31-40 years old
- ☐ 41-50 years old
- ☐ 51 years old and above

3. Ethnic Group:
- ☐ Malay
- ☐ Chinese
- ☐ India
- ☐ Others, Please specify:___________________________________

4. Highest education completed:
- ☐ SPM
- ☐ STPM
- ☐ Bachelor of degree
- ☐ Master
- ☐ PHD
- ☐ Others, Please specify:_________________________________

5. 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

6. 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
- ☐ RM 11, 001 and abo

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:
Communication

No.	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	My manager always updated me on any recent changes in the organization.	1	2	3	4	5
2	I am free to discuss with my manager about any changes happening in organization.	1	2	3	4	5
3	My manager pays attentions to what I say.	1	2	3	4	5
4	My manager provides relevant and practical reasons for any changes required in the organization.	1	2	3	4	5
5	I believe that effective communication helps improve my work performance.	1	2	3	4	5

Leadership

No.	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	My manager always sets a challenging goal for the organization based on current objectives.	1	2	3	4	5
2	My manager provides precise instructions to me about the work to be done.	1	2	3	4	5
3	I am encouraged to work out my jobs or tasks creatively.	1	2	3	4	5
4	I am motivated by my manager to accomplish my work in solving work-related problems.	1	2	3	4	5
5	My manager always provides supportive guidance and assistance to increase my work performance.	1	2	3	4	5

Procedural Justice

No.	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	My manager makes job decisions in an unbiased manner in line with organizational changes.	1	2	3	4	5
2	My company uses fair procedures for rating employee performance.	1	2	3	4	5
3	My manager ensures that all employees concern is heard before making changes in the organization.	1	2	3	4	5
4	To make organizational changes, my manager collects accurate and complete information.	1	2	3	4	5
5	My manager clarifies decisions and provides information to help increase my work performances.	1	2	3	4	5

Employee Development

No.	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	My company provides employee training for staffing development.	1	2	3	4	5
2	There are several employee training programs offered by my company where new knowledge can be successfully disseminated.	1	2	3	4	5
3	Employees are encouraged to take educational programs in order to acquired new knowledge.	1	2	3	4	5
4	My company is frequently evaluating the outcome of the employee training programs.	1	2	3	4	5
5	My company emphasizes long-term staff development through employee training.	1	2	3	4	5

Tolerance to Change

No.	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I am willing to learn new skills within a short period.	1	2	3	4	5
2	When there is a change in organization, I can adapt to the changing situation in short time.	1	2	3	4	5
3	I can readily change my work habits as demanded by any changes in the working environment.	1	2	3	4	5
4	My flexibility to change attitude helps to improve my work performance.	1	2	3	4	5
5	The changes in organization will bring good impact to my work performances.	1	2	3	4	5

Part 2:
Employee's Performance

No.	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	The organizational changes are one of the challenges to me.	1	2	3	4	5
2	There is a promotional opportunities for me when there are changes in my organization.	1	2	3	4	5
3	I need to adapt to organizational changes to improve my performance.	1	2	3	4	5
4	Any changes implemented in my organization will affect my motivation and work performance.	1	2	3	4	5
5	The outcome of organizational changes will reflect the overall employee's work performance.	1	2	3	4	5

Thank you for your time, opinion and comments.
~ The End ~

Appendix B

Cronbach's Alpha Indicators:

Coefficient Range	Strength of Association
<0.60	Poor
0.60 to <0.70	Moderate
0.70 to < 0.80	Good
0.80 to < 0.90	Very good
≥ 0.90	Excellent

Summary of Cronbach's Alpha Reliability Coefficient test for each variables:

Variable	Number of respondents (N)	Number of Items	Cronbach's Alpha
Communication	200	5	0.874
Leadership	200	5	0.808
Procedural Justice	200	5	0.736
Employee Development	200	5	0.740
Tolerance to Change	200	5	0.739
Employee Performance	200	5	0.823

Derivation from:

1) Communication

Reliability Statistics

Cronbach's Alpha	N of Items
.874	5

2) Leadership

Reliability Statistics

Cronbach's Alpha	N of Items
.808	5

3) Procedural Justice

Reliability Statistics

Cronbach's Alpha	N of Items
.736	5

4) Employee Development

Reliability Statistics

Cronbach's Alpha	N of Items
.740	5

5) Tolerance to Change

Reliability Statistics

Cronbach's Alpha	N of Items
.739	5

6) Employee Performance

Reliability Statistics

Cronbach's Alpha	N of Items
.823	5

Appendix C

Pearson Correlations Analysis for Perception Variable
1) Communication

Correlations

		Communication	Employee performance
Communication	Pearson Correlation	1	.124
	Sig. (2-tailed)		.081
	N	200	200
Employee performance	Pearson Correlation	.124	1
	Sig. (2-tailed)	.081	
	N	200	200

2) Leadership

Correlations

		leadership	Employee performance
leadership	Pearson Correlation	1	-.090
	Sig. (2-tailed)		.206
	N	200	200
Employee performance	Pearson Correlation	-.090	1
	Sig. (2-tailed)	.206	
	N	200	200

3) Procedural Justice

Correlations

		Procedural justice	Employee performance
proceduraljustice	Pearson Correlation	1	.388**
	Sig. (2-tailed)		.000
	N	200	200
employeeperformance	Pearson Correlation	.388**	1
	Sig. (2-tailed)	.000	
	N	200	200

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

4) Employee Development

Correlations

		Employee development	Employee performance
Employee development	Pearson Correlation	1	.375**
	Sig. (2-tailed)		.000
	N	200	200
Employee performance	Pearson Correlation	.375**	1
	Sig. (2-tailed)	.000	
	N	200	200

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

5) Tolerance to Change

Correlations

		Tolerance to change	Employee performance
Tolerance to change	Pearson Correlation	1	.343**
	Sig. (2-tailed)		.000
	N	200	200
Employee performance	Pearson Correlation	.343**	1
	Sig. (2-tailed)	.000	
	N	200	200

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

Appendix D

Summary of hypotheses findings in Actual Sample Size:

Hypothesis	Finding
Hypothesis 1- Communication H_0: There is a negative significant relationship on communication towards employees' performance in banking industry. H_1: There is a positive significant relationship on communication towards employees' performance in banking industry.	**No Significant** (Accept H_o)
Hypothesis 2- Leadership H_0: There is a negative significant relationship on leadership style towards employees' performance in banking industry. $H_{1:}$ There is a positive significant relationship on leadership style towards employees' performance in banking industry.	**No Significant** (Accept H_o)
Hypothesis 3- Procedural Justice H_0: There is a negative significant relationship on procedural justice towards employees' performance in banking industry. H_1: There is a positive significant relationship on procedural justice towards employees' performance in banking industry.	**Significant** (Reject H_o)
Hypothesis 4- Employees Development H_0: There is a negative significant relationship on employees' development towards employees' performance in banking industry. H_1: There is a positive significant relationship on employees' development towards employees' performance in banking industry.	**Significant** (Reject H_o)

Hypothesis 5- Tolerance to Change H_0: There is a negative significant relationship on tolerance to change towards employees' performance in banking industry. H_1: There is a positive significant relationship on tolerance to change towards employees' performance in banking industry.	**Significant** (Reject H_o)
Hypothesis 6- Relationship between communication, leadership, procedural justice, employee development, and tolerance to change towards employee performance. Ho: There is negative relationship between communication, leadership, procedural justice, employee development, and tolerance to change towards employee performance. H_1: There is positive relationship between communication, leadership, procedural justice, employee development, and tolerance to change towards employee performance.	**Significant** (Reject H_o)

Appendix E

Results of Multiple Regression

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.505[a]	.255	.236	.54066

a. Predictors: (Constant), tolerancetochange, communication, leadership, proceduraljustice, employeedevelopment
b. Dependent Variable: employeeperformance

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.446	5	3.889	13.305	.000[a]
	Residual	56.709	194	.292		
	Total	76.155	199			

a. Predictors: (Constant), tolerancetochange, communication, leadership, proceduraljustice, employeedevelopment

b. Dependent Variable: employeeperformance

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.076	.519		2.073	.040
	communication	.167	.077	.135	2.166	.032
	leadership	-.162	.078	-.132	-2.069	.040
	proceduraljustice	.236	.083	.211	2.859	.005
	employeedevelopment	.194	.083	.178	2.353	.020
	tolerancetochange	.229	.070	.228	3.274	.001

a. Dependent Variable: employeeperformance