Employee Satisfaction: A Case Study at Bank Muamalat Malaysia Berhad

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Employee satisfactions emerge as the central subject in this study because employee satisfaction is one of the most important factors in determining the success of an organization. Leading from such probe, this study formulates a model to test factors that drive towards employee satisfaction. The study considers the most positive and unique factors that most organization has, thus suggests that core factors for employee satisfaction notably are leadership style, working environment, employee rewards and welfare, and organization culture. The analysis involved two phases of qualitative and quantitative techniques. First, the study is based on the management of Bank Muamalat Malaysia Berhad (BMMB) to explore how far the relevant factors opined the literature review synchronized with the issue being examined. In the second phase, the study developed a questionnaire, based on the findings to reach out 1,216 employees of BMMB in 1999. This study found few differences in the factors that affected employee satisfaction. Various independent variables hypothesized were significant. In view of more than one independent variable, the multiple regression analysis is adopted in this study. It is assumed that these independent variables: leadership style, working environment, employee rewards and welfare, and organization culture, explained the employee satisfaction variation. The results show that there is significant relationship between employee satisfaction and these independent variables. The statistical package for the social sciences was used to analyze the data. It is anyhow the result shows that the independent variable: organizational culture—the most important variable that determines employee satisfaction.

Keywords: HRM practices, Gen-Y, organization performance

Introduction

Organization exists to achieve the highest profits and productivity. In many instances, most organizations that focused on profit, neglected the factors that contribute to employee motivation or employee satisfaction. However, during the company facing downstream of productivity because of external factors such as economic downturn and strict competition regardless of local or international companies and also internal factors such as high absenteeism, aggressive employee turnover, and high cost of production, they realized the importance of their most important assets, that are their employees. In a study of a local university, it is reported that 59.5% lecturers have the intention to resign (Nor Salina Saidin, 1994/1995). This will has a very negative impact on the institution with respect to the cost of replacements and also overall job interruption. There are various
models and theories trying to explain the people’s behavior in relation to motivation for work. There are many researches and studies since year of 1930s when human behavior scientists, such as Hawthorne, Maslow, McGregor, Herzberg, Skinner, Vroom and Rotter including the area of engineering and medical, came out. This research is conducted in Bank Muamalat Malaysia Berhad (BMMB) with its employees. Since its establishment in year 1999, from the merger and acquisition of two local banks, Bank Bumiputra Malaysia Berhad and Commerce Bank Berhad, BMMB that was owned by 100% bumiputra runs the Islamic banking and financial business. The total workforce of BMMB is 1,216 employees throughout the whole Malaysia. Its head office location is in Jalan Melaka, Kuala Lumpur. Of all the recent developments surrounding the use of employee surveys, perhaps none is more exciting than the advent of linkage research. Linkage research involves integrating and correlating data collected from employees with data in other key organizational databases. The purpose of linkage research is to identify those elements of the work environment and other factors, as described by employees, that correlate, or link, to critically important organizational outcomes such as customer satisfaction and business performance. Obviously the stronger the linkage between employee survey results and other key measures of organizational effectiveness is, the greater the value of employee survey efforts is. The purpose of this research is to review the literature that examines the linkage between employee satisfaction with the leadership style, working environment, employee rewards and welfare, and organization culture. This study found small differences in the chosen variables as indicated above. Various variables in all the four dimensions hypothesized, were significant. Most of the respondents were satisfied with the organizational culture comparing to other variables.

Problem Statement

The thread of reasoning loomed in the background of this study evokes one major problem: customer dissatisfaction and increasing of complaints in relations to the products and services of this organization. Thus, profitability and productivity decrease (Cascio, 1986). An organization’s vision is to achieve the highest productivity and maximize the profit (Steinhaus & Perry, 1996; Umstod, Cecil, & Mitchell, 1976). The backbone of an organization is their employees that play the important role in ensuring the survival of the organization. The performance of the employees will eventually be translated into the performance of the organization. Thus, employees should perform their utmost level and ability to be part of the strategic direction of the business for any organization. The challenge of the present study is to identify how these factors affect employee satisfactions and eventually increase the organization’s performance. The purpose of this study is to examine the impact from several factors and variables have on the overall employee satisfactions.

Research Questions

What are the factors that influence employee satisfaction?

The Objectives of This Study

The objectives of this study are the following:

1) To investigate with a greater understanding of employee opinions, values, expectations and needs;

2) To investigate the survey results which influence management decision making and planning and to identify priorities for change;

3) To investigate the opinions of bank employees to the satisfaction regarding the overall satisfaction; and
(4) To investigate the baseline measurement against which to track the employee satisfaction towards the management and other employees.

**Hypotheses**

The following hypotheses will be tested:

H1: There is a relationship between the employee satisfaction and the leadership style, working environment, employee rewards and welfare and organizational culture itself.

H2: There is a relationship between leadership style and employee satisfaction.

H3: There is a relationship between working environment and employee satisfaction.

H4: There is a relationship between employee rewards and welfare and employee satisfaction.

H5: There is a relationship between organization culture and employee satisfaction.

\[ ES = \beta_0 + \beta_1 LS + \beta_2 OC + \beta_3 ER + \beta_4 WE + e \]

**Literature Review**

A research on employee satisfaction is important and popular for organization to solicit employee feedback. The survey may be conducted and it can be morale boosting for those who may not have any other opportunities to confidentially express their views. Employee satisfaction surveys allow for increased productivity, job satisfaction, and loyalty by identifying the root causes of employee satisfaction and targeting these areas. Employee engagement surveys measure the extent to which employees are passionate about their work and emotionally committed to their company and to their coworkers. Organizations may also benefit from conducting a more comprehensive organizational assessment survey (Higgs & Ashworth, 1996; Tanur & Brigitte, 1995a; Chin & Sheehan, 2004). Listening to employees’ insights and suggestions for improvement provides the organization with valuable information that can be acted upon to increase satisfaction in the workplace. Also, employees leaving the organization can provide valuable feedback through employee exit interviews. Employee satisfaction, opinion, attitude, engagement, and organizational assessment surveys along with exit interviews are all tools that may be used to measure and improve loyalty and commitment (Higgs & Ashworth, 1996; Tanur & Brigitte, 1995a; Chin & Sheehan, 2004). The information from these surveys will allow you to boost organizational productivity and positively affect your organization’s top and bottom lines. They are very effective tools for measuring and ultimately improving various relationships within organizations.

Based on Figure 1, an employee survey will provide improved profitability and organizational performance by identifying the root causes of employee behavior (Anderson, Fornell, & Rust, 1995). This allows the organization to take action targeted directly at those root causes. Based on the above, the assessments conducted by NBRI also assess the thoughts, feelings, and behaviors of employees. These aspects are very important to determine the employee satisfaction. It analyzes the root causes resulted in improved organizational performance and productivity (Anderson et al., 1995; Steinhaus & Perry, 1996; Anderson, Fornell, & Rust, 1997; Balfour & Weschler, 1996). Most of the researchers relying primarily on the judgment of their own observations. There are close connection between satisfied employees and satisfied customers. Both have positive relationships. This will increase the sales of the products and services; it will also push the company to perform better in terms of profitability and productivity (Steinhaus & Perry, 1996; Umstod, Cecil, & Mitchell, 1976). For example, reviewing the in-depth profiles of 101 service companies (Zemke, 1989) concludes that in many organizations known for exemplary customer service, employees are indeed more satisfied because they are treated with the same respect with which they are expected to treat their customers. It
is highly important to improve employee satisfaction that eventually leads to improving customer satisfaction (Allison, 2000; Bernhardt, Donthu, & Kennet, 2000; Davis, 2009; Eskildesen & Jens, 2000).

In conclusion, most studies on the connection between leadership and individual innovation have explored the role of theory-based leadership styles, originally developed for other purposes such as the assessment of leaders’ impact on performance or effectiveness rather than innovation-related outcomes (Bass, 1985). They did not attempt to develop models aimed specifically at finding out how leader behavior could stimulate the innovative behavior of employees. Leadership models developed for more routine settings may not generalize to the leadership of innovative people (Mumford & Licuanan, 2004). Also, the studies that were carried out focus on the leader’s role in stimulating creativity (Shalley & Gilson, 2004), whereas the role of leaders in employees’ implementation of innovations received little attention. We, therefore, explored how leaders may trigger both these aspects of employees’ innovative behavior. There are various views as to how leadership differs from management and entrepreneurship (Basadur, 2004; Basu & Green, 1997). Leadership is seen as a subset of managerial activities; others see leading and managing as overlapping roles, yet others describe them as different processes. For example, Kotter (1990) differentiates their intended outcomes: Management seeks to produce predictability and order, while leadership aims to produce change. In Kotter’s view, leaders and managers are not necessarily different persons, but rather different roles. This also holds for entrepreneurship. For example, when organizations grow beyond a few employees, entrepreneurs (should) start worrying about how followers must be directed towards specific goals (Shane, 2003).

**Research Methodology**

In reviewing the general business literature, the various studies that the authors have performed, and particularly the research that has examined the components of employee satisfaction associated with customer satisfaction, and ultimately, business performance, and employee satisfaction has a major impact on the
customer satisfaction. There is a linkage between customer satisfaction and business performance and this is the linkage research model (Jack, 1996).

From Figure 2, it explains the following conclusion:

- Employee and customer satisfaction are strongly and positively linked;
- A leadership value system easily observed by employees and emphasizing customer service and product quality, is fundamental to this linkage;
- Specific practices that the organization and its managers derive from this value system include providing employees with the support, resources, and training required to perform their jobs effectively, involving them in decisions that affect their work, and empowering them to do what is necessary to meet customer objectives and expectations (Maslow, 1970; Vroom, 1967);
- Employee retention is positively related to customers’ satisfaction with the quality of service they receive;
- Quality and customer satisfaction have long-term positive relationships with customer retention, market share, and profit-ability;
- Certain practices that increase short-term sales and profits may do so at the expense of employee and customer satisfaction;
- Investment in practices that support quality and employee and customer satisfaction is a long-term business strategy, not a quick-fix solution;
- As the leadership value system, over time, continues to be regarded as the foundation for achieving higher customer satisfaction and stronger business performance, it becomes self-reinforcing.
The linkages just described are summarized in Figure 1, which shows the linkage research model. The model is derived from past research that has established the existence of various linkages between employee and customer satisfaction and business performance (Jack, 1996). The model ties the research findings together in a way intended to be more comprehensive than the results of any single study. This new model suggests that the more certain leadership values and practices are present in a given work environment, the more energized and productive the workforce is (Barnowe, 1975). Besides the more energized and productive the workforce is the greater the satisfaction of customers and the stronger the long-term business performance of the organization are.

This study is using quantitative methodology through questionnaires. The questionnaire was designed to collect information on six areas of concern for job satisfaction. The areas are leadership style, working environment, employee rewards and welfare, organization culture and overall employee satisfaction. A questionnaire survey was conducted in May-July 1999. The population for the research comprised all staff of BMMB. A total of 1,216 questionnaires were administered to all staff at that point of time. Among the 1,216 survey questionnaires sent to them, out of these numbers, 878 usable responses were received, for a final response rate at 72.2 percent. This initiative was conducted with the collaboration of Human Resource Management Department (HRMD). All questionnaires were given to all staffs from Head Office and branches. Total of 878 out of 1,214 staff (72.3%) completed the questionnaires and submit back to HRMD. The internal reliability of the items was verified by computing the Cronbach’s alpha and it is suggested that a minimum alpha of 0.700 was sufficed for early stage of research. The Cronbach alpha estimated for leadership style was 0.897; working environment was 0.740; employee rewards and welfare was 0.825; organization culture was 0.839; employee satisfaction was 0.870.

Data Analysis

The SPSS statistical package was used to analyze the data. Given that employee satisfaction can be influenced by personal factors (Mowday, Porter, & Steers, 1982), five demographic factors were statistically controlled: department or branch, length of service, age, highest qualification and grade. A four-step hierarchical regression procedure was used to test the hypotheses of the study (J. Cohen & P. Cohen, 1975). Control variables were entered in the first step, followed by the main effects of employee. The Pearson’s correlation coefficients were used to analyze the relationship between each of the employee satisfaction variables and the employee satisfaction.

Bivariate frequency distribution of the respondents, according to department, length of service, age, highest qualifications, and employment grade was presented. Descriptive statistics were computed to examine different levels of satisfaction with each primary task. To study the key factor which significantly affect employee satisfaction, multiple regression analysis is used. The analysis enabled us to examine the individual impact of the independent variables on the employee satisfaction. Preparing the percentage analysis, two-way table and any test do the analysis of employee satisfaction, which is directly extracted from the questionnaire. The variations in the extent of the employee satisfaction can be measured with the variables and its relationship to employee satisfaction such as leadership style, working environment, employee rewards and welfare and organization culture. The respondents were asked to state their level of satisfaction relating to twenty five (25) factors. Based on their responses, their ratings and scores were obtained by each respondent was found out. All respondents given their ratings on all factors and it is classified under their own variables.
The sample of respondents is from all departments and branches of BMMB throughout Malaysia. Most of the samples (41%) are senior staff that served the organization more than 11 years in service. These staff were originated from Bank Bumiputra Malaysia Berhad previously and joined BMMB after the merger and acquisition exercise in 1999.

Hypotheses Testing

In multiple regressions, the set up a model is where it uses more than one independent variable to explain the dependent variable.

Table 1 suggests that most employees are satisfied with all the variables and important towards achieving the employee satisfaction. The smallest mean is employee rewards and welfare (1.11) and highest is organization culture (1.34). This explains that most staff are satisfied with the organization culture as the highest satisfaction with the proportion of 34% above expectations.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Std. deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership style</td>
<td>1.2552</td>
<td>0.19700</td>
<td>878</td>
</tr>
<tr>
<td>Working environment</td>
<td>1.3219</td>
<td>0.19303</td>
<td>878</td>
</tr>
<tr>
<td>Employee rewards and welfare</td>
<td>1.1127</td>
<td>0.26672</td>
<td>878</td>
</tr>
<tr>
<td>Organization culture</td>
<td>1.3438</td>
<td>0.17163</td>
<td>878</td>
</tr>
<tr>
<td>Employee satisfaction</td>
<td>1.1744</td>
<td>0.26293</td>
<td>878</td>
</tr>
</tbody>
</table>

Table 2

Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. error of the estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.632a</td>
<td>0.399</td>
<td>0.396</td>
<td>0.20431</td>
</tr>
</tbody>
</table>

Notes. a. Predictors: (Constant), organization culture, employee rewards and welfare, working environment, leadership style; b. Dependent variable: employee satisfaction.

Table 2 displays $R$, $R$ squared, adjusted $R$ squared, and the standard error. The sign of $R$ indicates the direction of the relationship which is that it has a positive relationship. The absolute value of $R$ indicates the strength, with larger absolute values indicating stronger relationships. $R$ squared is the proportion of variation in the dependent variable explained by the regression model. The value of $R$ squared is 0.399 and it is acceptable. Small values indicate that the model does not fit the data well. The sample $R$ squared indicates the model fits well with the population. Adjusted $R$ squared attempts to correct $R$ squared to more closely reflect the goodness of fit of the model in the population. Use $R$ squared to determine which model is the best. It is very important to choose a model with a high value of $R$ squared that does not contain too many variables. Models with too many variables are often over fit and hard to interpret. It shows how much variance of the dependent variable is captured. For the social sciences, $R$ square of 0.399 is not bad. But, the higher, the better. The Adjusted $R$ square, the difference being that the adjusted rate does not automatically inflate the variance with additional independent variables. Based on the Guilford’s rule of thumb: $R = 0.632$ is within moderate correlation in term of strength of relationship between dependent and independent variables. The above explains that all the independent variables (leadership style, working environment, employee rewards and welfare and organization culture) together explain 39.9 percent of the variance in employee satisfaction.
Table 3
*Model Summary b*

<table>
<thead>
<tr>
<th>Predictors</th>
<th>$R^2$</th>
<th>Adjusted $R^2$</th>
<th>$F$</th>
<th>$\beta$</th>
<th>$SE$</th>
<th>$t$</th>
<th>$P$</th>
<th>$R^2$</th>
<th>Adjusted $R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee satisfaction</td>
<td>0.40</td>
<td>0.40</td>
<td>144.88**</td>
<td>0.22</td>
<td>0.047</td>
<td>4.624</td>
<td>0.001**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership style</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working environment</td>
<td>-0.050</td>
<td>0.048</td>
<td>-1.00</td>
<td>0.319</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee rewards and welfare</td>
<td>0.280</td>
<td>0.031</td>
<td>8.837</td>
<td>0.001**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization culture</td>
<td>0.54</td>
<td>0.054</td>
<td>9.884</td>
<td>0.001**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes.** **p < 0.01, *p < 0.05; DV = $\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$**

In Table 4, Sig. (ANOVA) is the significance of our model. 0.000 means we reached significance and can accept our H1. The $F$ statistic is the regression mean square (MSR) divided by the residual mean square (MSE). If the significance value of the $F$ statistic is small (smaller than say 0.05) then the independent variables do a good job explaining the variation in the dependent variable. If the significance value of $F$ is larger than say 0.05 then the independent variables do not explain the variation in the dependent variable, and the null hypothesis that all the population values for the regression coefficients are 0 is accepted.

Table 4
*ANOVA b*

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of squares</th>
<th>df</th>
<th>Mean square</th>
<th>$F$</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>24.189</td>
<td>4</td>
<td>6.047</td>
<td>144.878</td>
<td>0.000a</td>
</tr>
<tr>
<td>Residual</td>
<td>36.440</td>
<td>873</td>
<td>0.042</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>60.629</td>
<td>877</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes.** a. Predictors: (Constant), total organization culture index, total employee rewards and welfare index, total working environment index, total leadership style index; b. Dependent variable: Total employee satisfaction index.

Table 5
*Coefficients a*

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized coefficients</th>
<th>Standardized coefficients</th>
<th>COLLINEARITY STATISTICS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>(Constant)</td>
<td>-0.064</td>
<td>0.059</td>
<td>-1.089</td>
</tr>
<tr>
<td>Total leadership style index</td>
<td>0.217</td>
<td>0.047</td>
<td>0.163</td>
</tr>
<tr>
<td>Total working environment index</td>
<td>-0.048</td>
<td>0.048</td>
<td>-0.035</td>
</tr>
<tr>
<td>Total employee rewards and welfare index</td>
<td>0.277</td>
<td>0.031</td>
<td>0.281</td>
</tr>
<tr>
<td>Total organization culture index</td>
<td>0.536</td>
<td>0.054</td>
<td>0.350</td>
</tr>
</tbody>
</table>

**Note.** a. Dependent variable: Total employee satisfaction index.

Based on Table 5, it is shown that leadership style, employee rewards and welfare and organization culture variables ($p = 0.000$) that is less than 0.05. Thus, it indicates that all these variables have positive relationship to the employee satisfaction. For working environment, $p = 0.319 > 0.05$; it shows that there is no significant impact of this variable to the employee satisfaction. But based on the beta value of -0.048, it has a minor to negative impact to the employee satisfaction. The most important variable that contributes to the employee satisfaction is the organization culture as its beta consists of 0.536 that is the highest beta value to determine the level of significance among all the variables. After the standardization of coefficients, the highest beta is 0.350 that is the organizational culture and this is the most important variable towards the employee satisfaction.
Tolerance is the value for collinearity. A value under 0.2 usually means that the variable is correlating with other independent variables and should not be included. We have one variable that is significant and not correlating: total working environment index. Summary of the coefficients is show in Table 6.

Table 6

<table>
<thead>
<tr>
<th>Dependent variables</th>
<th>B</th>
<th>B</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total leadership style index</td>
<td>0.217</td>
<td>0.163</td>
<td>0.000</td>
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<td>0.350</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Based on Table 6, total working environment index was found to have a significant negative relationship ($\beta = -0.035$). Other variables showed that total leadership style index, total employee rewards and welfare index and total organization culture index have a significant positive relationship with total employee satisfaction index. These findings provided support for hypotheses H2, H4, and H5. The ANOVA has already indicates that we can accept H1. Each variable has its own overall mean index. Based on Figure 3, an index of 1.00 is equivalents to 100% satisfaction. For index less than 1.00 indicates that the level of satisfaction is less than 100% and it reflects the index accordingly. For example, an index of 0.98 shows 98% of satisfaction level. Table 7 depicted the means for all variables.

![Average Satisfaction Index](image)

**Figure 3.** Bar chart for satisfaction index.
Table 7

Statistics

<table>
<thead>
<tr>
<th></th>
<th>Total leadership style index</th>
<th>Total working environment index</th>
<th>Total employee and welfare index</th>
<th>Total organization culture index</th>
<th>Total employee satisfaction index</th>
</tr>
</thead>
<tbody>
<tr>
<td>N Valid</td>
<td>878</td>
<td>878</td>
<td>878</td>
<td>878</td>
<td>878</td>
</tr>
<tr>
<td>Missing</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mean</td>
<td>1.2552</td>
<td>1.3219</td>
<td>1.1127</td>
<td>1.3438</td>
<td>1.1744</td>
</tr>
<tr>
<td>Std. deviation</td>
<td>0.19700</td>
<td>0.19303</td>
<td>0.26672</td>
<td>0.17163</td>
<td>0.26293</td>
</tr>
</tbody>
</table>

Discussion on Findings

Specific to the case of employee satisfaction in Malaysia, this study argues that research is inadequate if compared to the global development of business in relation to the influence by human factors. Most companies focused on the strategic business direction rather than human capital in determining the profitability and productivity of a company. Students and practitioners of service management have argued repeatedly that the end-of-the-line benefits of customer satisfaction and loyalty cannot be realized unless an organization also succeeds in building employee satisfaction and commitment. This study is designed to address a gap in the area of employee satisfaction in relation to these four aspects in the human resource functions: (1) leadership style and practice in the company; (2) working environment surrounding the employees; (3) employee rewards and welfare that relate to the reward management and employer-employee relationship; (4) organizational culture that shapes the directions of the staff. Among the four, organizational culture stands as the prime significance. The significance of this study lies in its determination of generating a comprehensive assessment of which variables influence the satisfaction of employees in this organization, thus, it could be also the sample case to adopt for other organization to identify the most impactful variable that influences employee satisfaction. It is true that studies on employee satisfaction have started since the decade of the 1970s. However, most of the studies primarily explore the phenomena. Not much theories and human technology model are established. Even the existing employee satisfaction models have not yet consider all factors from the perspective of organizational behavior. There are more and more research building up the database with thousands of variables that influence the employee satisfaction.

Conclusions

It is hoped that the present study would be able to identify the most comprehensive variable or factors that consider the holistic aspects of employee satisfaction and business performance contributors for balance of productivity. The study findings may provide inputs for the public and also private sector to enhance the human resource and human performance technology. This will contribute to a better profitability and productivity. In fact, the findings might also generate vital information to multinational enterprises and investors who are interested in establishing collaborations and strategic alliances with Malaysian companies.

The study identified that all four independent variables were important towards creating employee satisfaction. The three most important variables are leadership style, employee rewards and welfare and organizational culture. Only working environment result was found to have a significant negative relationship with employee satisfaction. This finding is consistent with those of previous researches which showed that job satisfaction has a positive impact on employees’ commitment to the organization (Mottaz, 1987; Vandenberg & Lance, 1992; Knoop, 1995; Young, Worchel, & Woehr, 1998; Testa, 2001; Nasurdin & Ramayah, 2003). It is
plausible that when employees judged the organization to be fair in paying salaries with a good organizational culture which motivates them to give good service to the customers, positive feelings of well-being will be created. This, in turn, is likely to stimulate them to reciprocate by increasing their loyalty to the organization. This study has endeavored to make both a theoretical and practical contribution to the existing literature by examining the influence of the employee satisfaction and organizational commitment for employees and to suggest some managerial implication.

**Future Research Direction**

More research is needed to further establish and build upon the linkage research model presented here, which identifies the organizational practices—as described by employees—that predict higher level of organizational performance derived from employee satisfaction. The most important factors to be focused on that have a negative or minor impact to employee satisfaction are the working environment factors. Some of the useful initiatives and programs can be conducted in order to enable all employees benefited thoroughly. Some initiatives to improvise the working environment may be introduced that could give a bigger impact on the employees satisfaction (Maslow, 1970; Vroom, 1964). On the other hand, statistically it is found that leadership style has less importance among all the variables; it had little impact on the employee satisfaction. It indicates that employees are becoming satisfied with the leadership styles existing in the bank. Finally, there is only 40% of all the independent variables in the survey explaining the employee satisfaction and the remaining of 60% of the employee satisfaction is explained by other factors. It indicates that there are more other factors determined by the employee satisfaction.

**Limitations of the Study**

The current study has some limitations that offer an agenda for future research. As we confined ourselves to qualitative techniques, a large-scale follow-up survey would be useful to find out which of the identified employee satisfaction variables do indeed have the proposed connection with employees’ idea generation and/or application behavior. We found a wide range of employee management practices that play a role, but which behaviors are most relevant is not yet clear. It seems unlikely that all practices can be treated as atomistic ingredients that have an additive enhancing effect on idea generation and/or application behaviour. Rather, future quantitative research may condense the list we provide into a more limited number of underlying dimensions. For instance, employees’ perceptions of (low) customer importance and (high) commitment may correlate and could form part of a broader employee-customer based construct.

Another limitation is our exclusive focus on employees in knowledge-intensive services. Perhaps some different employee behaviors might be found in other sectors. Knowledge-intensive services should probably be distinguished from firms with other ways of organizing the innovation process, such as supplier-dominated firms. Also, in our interviews we limited ourselves to BMMB staff as a source of relevant behaviors. Although some respondents elaborated on experiences they had when they used to be a leader, additional interviews with subordinates may provide a more comprehensive picture of relevant employee behaviors.

Finally, although our focus was on providing a research on the four variables that contribute to the employee satisfaction, other factors appeared to be relevant as well. As stated, interviewees mentioned a supportive work climate and external work contacts as potential antecedents of employee satisfaction and application behavior. Leaders play a role in creating a positive climate and provide the opportunity for
employees to have external work contacts. These examples show that leaders also have indirect influence on employee satisfaction through the way in which they structure the work environment. Thus, future research should also try to address how employees adapt to and even shape the environmental and organizational settings in such a way that the context optimally stimulates employees’ satisfaction.

References


