THE KEY FACTORS INFLUENCING BANK EMPLOYEES' PERFORMANCE DURING PANDEMIC COVID-19: AN INVESTIGATION ON SELECTED BANKS IN MALAYSIA

Andrew Sija[i]
University College of Technology Sarawak,
School of Business Management,
Malaysia

Abstract:

The COVID-19 pandemic could be the most serious challenge to financial institutions and impacts on bank employee's performance. While the full impacts are yet to be determined. The aims of this study are to identify and justify the three key factors (compensation and benefits, employee recognition, training and development) used were significant contributor towards banking employee performance of all selected banks in Malaysia. This study used survey questionnaires which systematically conducted through online Google survey form to obtain data and information from the respondents of all selected banks. There were about 100 banking employees from the selected banks, and only 82 completely responded to the survey. The study identified four (4) hypotheses which are tested using statistical technique SPSS version 26. The quantitative research system is embraced, and it was more proper. It is considering a few variables incorporates comfort, timing and costs related during pandemic time. Based on rigorous reviewing of the literature, instrument designing and subsequent pilot testing, the outcome revealed that training, recognition and compensation have significant relationships with employee performance. The finding further showed employee recognition is the most closely associated stronger predictor in banking employee performance with unstandardized coefficients Beta value of 0.409 absolute larger than the other two variables, which were 0.308 and 0.128 for compensation and benefits, and training development respectively. The most significant contribution of this study is that it explores for the first time the investigation of key factors influencing banking employee performance during pandemic Covid-19. The study also contributes both on theoretical and empirical value to the banks in gaining competitiveness, retain employee talent and adjusting performance review process for more flexible goal setting in future.

Keywords: bank employee performance, compensation and benefits, employee recognition, training and development

[i] Correspondence: email dr.rews@yahoo.com

1. Introduction

Covid-19 has generated significant instability and high volatility in global financial services. It's expected that the adverse impact is likely to continue from the virus's knock-on effects. The human and business impact of the Covid-19 pandemic continues to unfold globally. The rapid pace at which the pandemic is spreading and the global actions taken to curtail it are having an unprecedented impact on employee performance and the way the organizations performing. Given the impact the Covid-19 pandemic has had on employees' work and professional lives, and on business priorities overall, talent management leaders are debating whether to adjust their performance review process this year. Since the lockdowns began, nearly all financial services companies' employees have been working remotely from their homes, which has involved many individuals working outside the country of their employment. A recent study conducted by Deloitte on over 1,000 respondents from companies operating in China shows that the epidemic will adversely affect business performance in terms of sales volume and cash flows. This will includes the performance of the employees as well due to the changes in the workplace with new way of working to be followed. At this pandemic time, most employers including in the financial service industries valued its employees as the main assets because they know that the success of the organization is very much depend on its employees in terms of their skills, capabilities and knowledge they owned and which can be measured by their performance. In banking industry, employee performance is regarded as an indicator either to conform, terminate, promotion or transfer to another department or branches. Hence, it is important for the banks employer to identify and access its employee's performance, if deteriorating in work performance found could jeopardize the productivity of the bank as well as other employees. However, the main problem that the banks currently facing is the crucial questions of what were the key factors perceived most critical by the banking employees in affecting their performance during Covid-19 pandemic. There has been a lack of study and observed information on this that could guide the employer's effort in enhancing overall work performance among employees.

Other issues we discovered in this study were assessing employees against objectives that ignored the impact of Covid-19 on productivity, employee morale and resourcing seems unprofessional and unfair. Many employers out there still hold formal review on their employees or should they adjust how they assess their employee performance to account for disruption? It was believed that the bank is facing a shortage talents and skills working under the new normal. It is essential to provide and design the right type of training programs to curtail the deteriorating in banking employee performance. As requested by central Bank of Malaysia (BNM), all commercial banks in Malaysia must constantly train their employees in facing any obstacles and challenge ahead, this includes banks products, credit and risk management knowledge, compliance, regulation and laws etc. and also the new way of working in the new normal. Banking employees must be well equipped with the new standard operating procedures

(SOP) in performing their work. A Gartner survey recently found that 73% of organizations that normally conduct formal reviews at the mid-year point will going ahead with them this year. They believed that performance reviews can be a good way to acknowledge employees' contributions and provide meaningful feedback, however, during pandemic time, many employees realistically won't be able to deliver their objectives as agreed in year 2020. For this, many organizations are taking this opportunity to frame new approaches such as focusing ratings on employee contribution and performance, as well as scaling performance ratings based on business unit performance. Based on this, employee recognition and fair treatment could contribute to effectiveness in work performance. As a human, it is normal to have the feeling of being appreciated as this could motivate the employees to work harder and perform better work. While working during pandemic, will lack of appreciation and recognition affect employee's poor performance? Aside from recognition by employers, compensation is considered a major need for all employees. According to Aminuddin (2018), a good compensation and benefits would maintain talented employees and attract them to contribute display effective and efficient work. However, how far does this compensation and benefits can give satisfaction to the banks' employees especially during the pandemic time when they are burdened with new normal of working workload? Many employees including those who are working in the financial services has experiencing declining in their pay due to pay cuts, overtime ceased, benefits being cut off and to the extend some employment contract was suspended. For the banking employer, they have to be very cautious about making harsh, unpopular decisions about reduction or termination of staff. This pandemic will pass, but inappropriate decisions or behavior of employer leaders in a time of crisis will have a lasting negative impact on business operations. Thus, it is wisely for the banking employer at this time to professionally strategizing planning its workforce. Hence, the findings of this research definitely could assist the human resource manager/bank manager to understand which factors contribute the most to the banking employee's performance and to further recommend some solutions on how to improve or motivate bank employee to perform their work.

2. Literature Review

2.1 Employee Performance

Human resource literature has considered employee performance from the "extra-role" perspective. "Good soldier syndrome" is evident where employees perform extra-role behaviour without explicit rewards (Organ, 1988). Dahkoul (2018) stated that "*employees' performance is the accumulated result of the skills, efforts and abilities of all the employees contributed in organizational improved productivity leading towards its goal achievement. Improved organizational performance indicates the efforts towards goal achievement while requiring more effort in terms of improved employee performance.*" The author further pointed out that employee performance is among the critical factors that contribute significantly in organizational success. Therefore, it can be concluded that the success of an

organization is not only achieved by the success of its financial management but as well as managing staff performance. Study investigating the role of employee performance such as by Bommer et al., 2007; Madjar and Ortiz-Waltrers, 2009 has identified the supervisor's or managers' views on employee performance, however it did not really consider the employees' perception and thought. Our study offers a contribution as it captures the employees believe and thought for self-reported measured performance particularly during this pandemic Covid-19. Employee performance is crucial for organizational goals. It is known that employee performance can be influenced by various factors such as training, career development, satisfaction, work motivation and good compensation. However, based on the research done by Pradhan et al (2017), they specify that employee performance is derived from three dimensions of employee behavior and employers opt to measure the performance on the basis of employee work attitude and behavior towards its job. The author further recommended that, employee performance consists of a multicomponent concept and areas which the scope can be extended to the major domain in human resource practice. These dimensions were adaptive, contextual and task performance provide an important impact on employers' decision toward employees in collecting information especially on personality traits that can be used by the employers to make decision employee performance and finding absolute solutions to strengthen the job performance of the employees. In other words, the success of the organization's goal is determined by the employee bahaviour. Moreover, research has proven that understanding the human behaviour are difficult and complex due to no specific particular approach could explain it. Based on in-depth consideration and review, we propounded to adopt the Triarchy Model of Employee Performance where in this model the employees' performances were measured according to the three dimensions namely (1) Adaptive performance, (2) Contextual performance and (3) Task performance. Adaptive performance refers as a component of employees' performance that referred to the ability of an individual to adapt to a new work environment. For example, working under the new normal during Covid-19 pandemic. It indicates that employee ability to response to work and cope up with any changes in the new situation (Park & Park, 2019). Contextual performance was referring to the organizational activities that were performed not according to pure absolute task or goal specific, in other words, it is more on ad-hoc basis. According to Motowildo and Schmit (1999), contextual performance is merely the willingness of an employee as individual or team such as co-operations, helping others, voluntarily performing and ability to transform the organization performance. On task performance, it is referring to the term on how an employee performs its task, usually it is measured based on response time, accuracy and fulfilment of all specifications. Refers to Arifin et al (2019), their research acknowledged that employee performance is reflected through action or behaviour of employees at the workplace and their study found out that job satisfaction and employee engagement have significant effect on employee performance. Thus, our study concluded that employee performance is influenced by employees' behaviour while performing their job.

2.2 Employee Training and Development

Training and development are one of the most pervasive crucial methods for enhancing the productivity of individuals and communicating organizational goals to new employee (Arthur et al., 2003). Training is a key factor of improved organizational performance, because it enhances the level of both individual and organizational performance (Mullins, 2007). It is also very useful in improving managerial provision of feedback (Van den Bossche et al., 2010), and it reconciles the gap between what should happen and what is happening-between desired targets or standards and actual levels of work performance (Mullins, 2007). Ali and Nada (2018) stated that "*training provides employees with the needed skills, abilities, and knowledge to perform the jobs according to the organizational procedures. This ends up in enhancing confidence among employees regarding their abilities and satisfaction while performing their jobs.*" In addition, Zahid (2013) claimed that training if wisely used can become an efficient tool to improve and increase employee productivity. The author further added that past researchers have provided sufficient evidence regarding the positive effect of training programs on both employees and organizational performance. Citing the remarks from World Bank in 2011, it said training refers to the program with the objectives to assist employees in gaining skills and knowledge that could provide them in improving their job performance. According to Ali and Nada (2018), they emphasized that before the organizational was embarking into training program, it is important to identify the training needs from each employee. The right training and development program can improve employee productivity in the workplace and increase employee performance as well. For example, the program initiated by Asian Institute of Chartered Bankers called Anti-Money Laundering and Counter Financing Terrorism. Grober et al. (2002) identify seven purposes of training and development, the first of which to improve performance where there are unsatisfactory performances by employees who are deficient in skills. They suggest that such employees are the main candidate for training. Based on this assertion, the first hypotheses we developed were:

H1: There is a correlation between training and development with banking employee performance.

2.3 Employee Recognition and Fairness

According to Abdullah et. al. (2016), recognition and appreciation play an important role as a motivation factor for improving employee performance. This study defined recognition as a reward given to the employees once they have accomplished certain jobs or achievement on reaching the target. They further explained appreciation is a basic need in human life where each individual need appreciation, craves for it and responds to it which makes appreciation significant to the success of the organization. Referring to Maslow's physiological needs theory, they explained the human needs or feeling of being appreciated and valued for. This feeling is referred to recognition by the employer to its employee as an individual. Whereas, a study conducted by Husain et al. (2019) defined recognition as employees' contributions as being valued and cared for. The authors

indicate that it is essential for the companies to recognize their employees. However, for Amoatemaa & Kyeremeh (2016), they hold that employee recognition referring to acknowledgement of a person's behaviour either formally or informally, an effort or achievement of which is clearly beyond employer's normal expectations. Employee recognition can be in the form of appreciation written or verbal appreciation such as appraising employee or writing employee's name in the organization's newsletter or board. Expressing recognition to the employees can be also informal such as verbal praises for good performance such as "well done" or "good job'. Apart from employee recognition, fairness is also regarded as one of the factors under recognition that contributes to the employee performance. Fairness to employees refers to the condition of whether the employee is being treated fairly or equally without looking at their age, gender, race and ethnicity. This was further explained in Equity theory where fair treatment received from employers, fairness of organization policies and procedures affected the effort that employees put in line to achieve their needs. This theory also emphasizes on the importance of employees in the organization to the maximum, in return will engender happiness and employee satisfaction in the workplace. Arora et al. (2015) agreed that recognition and praising employees as the most effective motivating factors to improve work performance because "*employees want to feel that they are making a contribution at their workplaces.*" This could improve employee job satisfaction as well when employees intrinsically motivated and participate eagerly in their jobs for internal reasons. According to Jansen (2011), by recognizing and appreciating work done by employees could brought pure enjoyment and satisfaction on employees which could motivate them to perform better, stay focus, less distraction, less stress when mistakes are made and improved their confidence. Moreover, Gomez-Meijia (2015) in his research pointed out that praise does not cost any cash, only needs a few moments of time. He further stated that employees would have a great change of improvement in performance if they received enough praises from their employer. Undoubtedly, Amoatemaa and Kyeremeh (2016) pointed out that employees' recognition is a strong motivational tool that could enhance employees' performance toward achieving a company's goal and objectives. Their study indicates that there is a significant positive relationship between employee recognition and employee performance. Based on this, we found the possibility of relationships between recognition and employee performance in the banking sector. Therefore, the second hypotheses we developed were:

H2: There is a correlation between recognition and fairness with banking employee performance.

2.4 Compensation and Benefits
Silva (2009) described that employee compensation includes all forms of pay or reward going to employees arising from their employment. Nonetheless, some employee benefits are mandated by each organization laws throughout the world. This includes items like minimum wages, over time payment and leave. Rifa'I et al. (2019) defined compensation as something that was received by an employee in return of the service provided. It's

refers to a benefit given to the employees in appreciation for the services that rendered to the employer. In this term, compensation is referring to the salaries, allowances and monetary rewards. However, Fitrianingrum (2019) added compensation is also awarded to employees in other forms of non-monetary. Non-monetary compensation is referring to the compensation awarded to the employees not in cash terms such as holiday trips. An empirical study conducted by Hamzet et al. (2018) states that it is essential to design an attractive compensation packages and reiterate that effective and appropriate reward system could enhance employee performance and for retention of high performing employees.

Cited from Aminuddin, 2018, we believe that a good compensation structure should be able; (1) to attract employees to work in the banking industry for longer periods, (2) retain efficient and skillful employees, and (3) motivate the employees to perform effectively. According to Darma & Sani (2017), "*compensation is defined as the ability and responsibility of a company to contribute to its employees for their achievement of a task and to appreciate their performance.*" It is wisely for every bank to strive to improve employee satisfaction by providing a fair and competitive compensation packages. By doing so, banks could expect high job satisfaction from its employees, and it makes employees become more loyal, motivated, feel happy and ultimately will increase their productivity. According to equity theory, when employees are satisfied with their offered compensation, this could lead to high motivational factors which will boost their work performance. Therefore, our research will further find the correlation among compensation and employee performance and to consider whether compensation can be regarded as the strongest factor contributing to employee performance in the banking industry. Based on this assertion, we managed to construct two hypotheses which were:

H3: There is a correlation between compensation and benefits with banking employee performance.

H4: Attractive compensation and benefits offered is most likely the strongest predictor of banking employee performance.

3. Material and Methods

3.1 Population and Sample

The population of this study is made up of all selected banks employees in East Malaysia namely Agro Bank Bhd, Bank Kerjasama Rakyat Bhd, Bank Simpanan Nasional (BSN), Hong Leong Bank Bhd, MBSB Bank Bhd, Maybank Bhd, Public Bank Bhd and RHB Bank Bhd. The total number of bank employees from the selected banks above were about 100. The sample size of 82 respondents was selected to represent the total population found to be adequate. The assurance of challenge size was founded on Krejcie and Morgan's table where a sample size of 82 is acceptable as where the given population of 100, a sample size of 80 would be needed to represent a cross-section of the population. The execution of simple random sampling method was applied in this study to represent fair and widespread for the overall population. The closed-ended questionnaire has been

created using Google forms due to some restriction movement imposed by the government due to Covid-19 pandemic. The data were collected through distribution of the survey questions in the google form (link given) to the respective managers of the selected banks via email.

3.2 Measurement Instrument

This study is to use a quantitative approach and assisted with SPSS version 26. The questionnaires have been created using google forms and sent directly via email to the respective managers of the selected banks in East Malaysia. Prior to that, a letter on *"permission to conduct survey on banking employees"* has been submitted to all selected banks concerned. A pilot test was also conducted in a small scale for more in-depth confirmatory study. In doing this, a set of similar questionnaires had been given to random employees of banks from different branches through different link of google survey form. The data obtained were analyzed and reliability test was carried out. The internal consistency found from the reliability test was high. The questionnaires were divided into five sections. Section A: Demographic factors; Section B: Training and Development; Section C: Recognition and fairness; Section D: Compensation and benefits; E: Banking employee performance. For section A, a set of nominal scale questions has been developed for identifying respondent's profile and demographic data which including gender, position, age, education level and years of banking experiences. For Section B to E, the questions were measured using 5-point Likert Scale. It used to determine whether respondents are agreed with the question asked.

4. Results and Discussion

4.1 Reliability Analysis

To explore the generalizability of results, the researcher has used reliability analysis to measure the consistency and stability of data obtained from survey questionnaires. A value that indicates less than 0.6 is poor. Table 1 depicted the result of the reliability test with the value of Cronbach's Alpha all four variables shows high reliability. The value shows the questionnaire was reliable as the closer the value to 1, the reliable the questionnaire. The questionnaire shows a high reliability based on the alpha score (α=0.842 – 0.927). Pallant (2010) stressed that an alpha score above 0.75 is generally indicating a scale of high reliability. Hence, it is concluded that all the four variables have reliability and acceptable for further analysis.

Table 1: Reliability statistics

No	Variable	Cronbach's Alpha (α)	Items
1	Training and Development	.924	7
2	Recognition and Fairness	.927	6
3	Compensation and Benefits	.842	7
4	Banking Employee Performance	.914	5

Source: Author

4.2 Frequency Analysis

The analysis in Table 2 shows the distribution of respondents' profile were in terms of gender, age, educational level, designation and year of working experiences. As per in table 2, the summary of respondents for this study according to their profiles in terms of frequency and percentage. Based on this, most of the respondents were male which accounted for 45 (54.9%) and 37 (45.1%) respondents represent by female staff. It was also found that there were 3.7% respondents categorized underage range of 18-25 years old, 43.9% between 26-35 years old, 30.4% between 36-45 years old and 22% were from the age range of 46 years old and above. In terms of educational qualifications, the highest qualification recorded in the banks was Diploma qualification with 37.8%, followed by Degree holders with 34.1%. The SPM/STPM holders were represented by 23.2% while the remaining 4.9% comprised of others qualification. For the designation, the highest frequency was for executives' level with 48.8%, while the lowest frequency was those of non-clerical represented by only 2.4% respondents and the remaining 36.6% and 12.2% were represented by clerical and manager/HOD level respectively. The review result of years of working experience displayed that most of the respondents (43.9%) have been working for more than 10 years, a figure of 24.4% was for those having been worked for 1-5 years, 25.6% who have been working for 5-10 years and 6.1% for those serving less than 1 year.

Table 2: Summary of the respondent according to their profile

Category	Frequency	%	Category	Frequency	%
Gender			**Education level**		
Male	45	54.9	SPM/STPM	19	23.2
Female	37	45.1	Diploma	31	37.8
Age			Degree	28	34.1
18 – 25 years	3	3.7	Other	4	4.9
26 – 35 years	36	43.9			
36 – 45 years	25	30.4			
46 years & above	18	22			
Designation	**Frequency**	**%**	**Experience**	**Frequency**	**%**
Non-Clerical	2	2.4	Less than 1 year	5	6.1
Clerical	30	36.6	1-5 years	20	24.4
Executive	40	48.8	5-10 years	21	25.6
Manager / HOD	10	12.2	Above 10 years	36	43.9

4.3 Factor Analysis

In testing whether factor analysis was appropriate for the variables construct, Kaiser-Meyer-Olkin (KMO) and Bartlett test were first conducted, followed by extraction communalities, factor loading, eigenvalues and scree plot. Table 3 reveals the summary of the results.

Table 3: Summary of factor analysis

Variables	Item loading	Eigen value	% of variation explained	KMO	BTS	p-value
Training and Development	.755 - .894	4.90	70.0	.856	452.821	.001*
Recognition and Fairness	.804 - .914	4.476	74.60	.803	416.898	.001*
Compensation	.549 - .866	3.828	54.68	.834	244.014	.001*
Banking Employee Performance	.818 - .901	3.756	75.12	.855	285.761	.001*

*$p < .05$

Based on Table 3 above, to interpret the factor loadings, a value +.50 or greater is considered significant; loading or +.40 are considered more important; loading of +.30 are considered significant (Hair et al., 2006). The extraction communalities indicate all the items in the variables is explained by the factors and exhibited large factor loading ranging from the lowest of .549 to the highest of .914 suggesting that the items correlate very significantly to the factor itself. The percentage of variance for all variables used in this study were explained through from 54.68% to 75.12% of the factor. The eigenvalue of all variables was more than 1 revealed that the analysis of scree plot for all variables goes steeply downward from the first to the last factor, thus indicates that all of the items used in the variables reached statistical significance and supporting the factorability of the correlation matrix.

4.3 Pearson Correlation

Table 4 summarized the Pearson correlation analysis of the variables studied. The results show that the independent variables were statistically significant correlated with banking employee performance (dependent variable). Therefore, hypothesis 1, 2 and 3 are accepted. There is a significant relationship between training and development with banking employee performance, $r = .711$, recognition and banking employee performance, $r = .803$ and compensation and banking employee performance, $r = .768$ ($p < .05$). The result revealed that recognition and fairness is most significant and highly correlated to employee performance.

Table 4: Pearson correlation analysis between variables studied

Variable	1	2	3	4
R				
1	1	.803	.707*	.711*
2	.803*	1	.822*	.803*
3	.707*	.822*	1	.768*
4	.711*	.803*	.768*	1

Note: 1 = Training & Development, 2 = Recognition & Fairness 3 = Compensation & Benefits, 4 = Banking Employee performance

4.4 Multiple Regression Analysis

Table 5 summarized the multiple Regression analysis relative contribution of each of the Training and development, Recognition and Compensation to the variance in the Employee Performance. According to the rule of thumb, when t-value is 2 or more, in this study showed that Recognition and Compensation demonstrated to be significant to Banking Employee Performance (Recognition, β = .3432, t = 3.250, p <0.05 and Compensation, β = .311, t = 2.774, p < .05), while variable concerning training and development was not significant (p > .05). The Standardized Coefficients (β) show that Recognition has the largest absolute value, 0.432, followed by Compensation, 0.311 and Training, 0.144. This suggests that Recognition is the strongest predictor of banking employee performance. Hence, hypothesis 4 is rejected. Attractive compensation and benefits was not the strongest predictor in influencing banking employee performance during the pandemic Covid-19.

Table 5: Relatives Contribution of Training, Recognition, Compensation
(independent variables) and Banking Employee Performance (dependent variable)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta (β)		
1	(Constant)	.667	.282		2.367	.020*
	Training & Development	.128	.096	.144	1.344	.183
	Recognition	.409	.126	.432	3.250	.002*
	Compensation	.308	.111	.311	2.774	.007*

*significant level is at .05 (p < .05).

Moreover, in table 6 of the model summary, the R-Squared represents the value of 0.830. The value explained that 83% of the variation in this model was able to be explained by all the independent variables whereas the remaining 17% was unexplained. In this study, it can be concluded that among three independent variables, the employee recognition played the most influential role in deriving banking employee performance during pandemic Covid-19. This was supported based on the highest t-value and beta score as compared to other independent variables used in this study.

Table 6: Model Summary of correlation between Training, Recognition,
Compensation (independent variables) and Employee Performance (dependent variable)

Model	R	R²	Adjusted R²	Std. Error of the Estimate	R² change	F change
1	.830a	.688	.676	.337	.688	57.402
a. Predictors: (Constant), Compensation, Training, Recognition						
b. dependent variable: Employee Performance						

4.5 Discussion

The main aim of this study is to quantify the relationship among the variables used and measure the level of significance. Based on the results of Pearson Correlation Analysis the result suggested that recognition is the most influential construct associate correlated

with banking employee performance, followed by compensation and benefits, training and development. Further analysis using Multiple Regression revealed that only two independent variables were significant in this analysis which were recognition and fairness, compensation and benefits, while training and development variable was not significant. This paper also attempted to identify the strongest factor influencing bankers' performance during pandemic Covid-19 and again the result from the regression depicted that recognition and fairness was the dominant element impacting performance among banking employees in selected banks in East Malaysia. The result of this study was reliable as it is similar to the result found in the study conducted by Sidhu & Nizam (2020) where according to the authors, employee recognition increased motivation which will lead employees to the effectiveness of work. The result was also in line with the Recognition-Performance survey conducted by Bob Nelson (2015). The author revealed that about 72.9% reported by the managers received positive outcomes after using recognition as rewards while 77.6% of the employees said they extremely prefer to be recognized when they perform good work. Even Maslow's theory of needs pointed out that each individual requires appreciation and sense of acknowledging from peers, colleagues or superiors and this could be the reason on why recognition was the strongest predictor to employee performance among the banking employees during this time. In addition, according to the source taken from salaryexplorer.com, the salaries range earned by the bank employees in Malaysia were between RM2,250 being the lowest and RM14,700 as the highest. On top of this, the bank's employees are also given fringe benefits such as paid leave, medical reimbursement (including spouse and children) and variety of loans at a lower rate. As such, during pandemic Covid-19 many bankers believe that employee's compensation may not be the most important contributor to their performance as the bank employees have considered their compensation as part of their agreement with the banks in return for their service compared to recognition and fairness which they believed that banks should recognize and value their contribution of work before their employer making any drastic decision such as concerning on retrenchment or staff layoff.

5. Conclusion and Recommendations

The implication of this study provided three incredible findings. The first one was recognition and fairness regarded as the strongest predictor for employee performance among banking employees in East Malaysia. Second implication was, the study revealed that the impact of training and development on banking employee's performance which was relevant if measured by itself, however it may not be that significant if other elements or variables used in this study were to be encountered altogether. This considered that the training and development needs for the banking employee at the mean time was not that too much to be concerned. For the last implication, the study concluded the impact of compensation and benefits was still regarded significant as this could influence banking employee's performance too. It's implied that changes in compensation package

could be done in a drastic manner and this somehow could affect employees' performance. But, for most of the bank employees, this may not be the most important contributor at present because of they considered their compensation as part of their binding agreement with the banks. Nevertheless, the result shown by R square value implied that 83% of the variation in this model can be explained by all the independent variables whereas the remaining 17% could be explained by other factors which were not considered this time in this research model. All the combined effort of selected variables in this study were still very relevant and fruitful to human resource units in banking industry for knowledge and practical consideration in their decision-making process. The overall findings of this study supported the assumption and thought from other researchers with empirical evidence stating that organization with strong and supportive culture that understand the psychology and praising and appreciating its employees can produce effective recognition and encourage employee to perform better work.

5.1 Future Research Direction

As the findings of this study is limited only on selected banks in East Malaysia, thus it should not be generalized across all banking employees in Malaysia. The researcher suggested that more study to be conducted on employee's performance during the pandemic Covid-19 for various affected industry at the different facet of employee performance such as employee retention and employee turnover.

Conflict of Interest

The author can assure, confidently express that no conflicts of interest possibly linked with this research, and there has been no significant financial aid received for this study, authorship and publication that could have influenced the study's outcome. The author affirms that this research is original and has not been published in the past or elsewhere.

About the Author

Andrew Sija is a lecturer at University College of Technology Sarawak, Malaysia. He currently holds a Doctorate Degree in Business Administration, a Certified Trainer in Business Accounting, PSMB (Malaysia) and a Certified Instructor on Accounting for Hospitality Industry, AHLEI (USA). His research interest is on accounting, banking, education and business management.

References

Abdullah, N., Shonubi, O. A, Hashim, R., & Hamid, N. (2016). Recognition and Appreciation and its Psychological Effect on Job Satisfaction and Performance in a Malaysia IT Company: Systematic Review. *Journal of Humanities and Social Science (IOSR-JHSS)* Vol 21, Issue 9, Ver. 6, 47-55, e-ISSN: 2279-0837, p-ISSN: 2279-0845.

Adeola, M. M., & Adebiyi, S. O. (2016). Employee Motivation, Recruitment Practices and Banks Performance in Nigeria. *International Journal of Entrepreneurial Knowledge*, 4(2): 70-94. DOI: 10.1515/ijek-2016-0015

Ali, H., & Nada, H. (2018). Effects of Training on Employee Performance: A Case Study of Bonjus and Khatib & Alami Companies. *International Humanities Studies*, Vol. 5(2).

Aminuddin, M. (2018). Human Resource Management: Principles and Practices. Fourth Edition. Oxford University Press.

Amoatemaa, A. S. & Kyeremeh, D. D. (2016). Making Employee Recognition a Tool for Achieving Improved Performance: Implication for Ghanaian Universities. *Journal of Education and Practices, 7*(34), 46-52.

Arifin, Z., Nirwanto, N., & Manan, A. (2019). Improving the Effect of Work Satisfaction on Job Performance through Employee Engagement. *International Journal of Multi Discipline Science*, Vol. 2 No. 1. Pp. 1-9.

Arthur, W., Jr, Bennett, W., Jr, Eden, P., & Bell, S. (2003). Effectiveness of training in organizations: a meta-analysis of design and evaluation features, *Journal of Applied Psychology*, Vol. 88 No. 2, pp. 234-245.

Boichenko, O., & Tymchenko, N. (2020). How to Reduce the Pandemic Impact on Employees: A Guide for Company Leaders. https://www2.deloite.com/ua/en/pages/human-capital /articles/impact-of-covid-19.html. Accessed 15 January 2021.

Bommer, W. H., Dierdorff, E. C., & Rubin, R. S. (2007). Does prevalence mitigate relevance? The moderating effect of group-level OCB on employee performance, *Academy of Management Journal*, Vol. 50 No. 6, pp. 1481-94.

Dahkoul, Z. M. (2018). The Determinants of Employee Performance in Jordanian Organizations. *Journal of Economics, Finance and Accounting (JEFA)*, Vol. 5, Issue 1, p.11-17. Retrieved from : http://doi.org/10.17261/Pressacademia.2018.780

Darma, P. S., & Sani, A. S. (2017). The Effect of Compensation on Satisfaction and Employee Performance. *Management and Economics Journal (MEC-J)*, Vol 1(1). Retrieved from: http://dx.doi.org/10.18860/mec-j.vlil.4524

Fitrianingrum, D. F. (2019). The Effect of Compensation and Leadership Style towards Employee Performance. Manajemen Bisnes, 9(1). Retrieved from: https://doi-org.newdc.oum.edu.my/10.22219/jmb.v9il.9435

Grober, P., Warnich, S., Carrell, M., Elbert, N. and Hatfield, R. (2002). Human Resource Management in South Africa, 2nd ed., Thompson Learning, London.

Hamzat, B. S., Bello, B. A, & Opele, A. M. (2018). Compensation, Employee Performance and Organization Performance in Guarantee Trust Bank (Gt Bank) Plc. Business Excellence and Management, 8(4), 14-28.

Hussain, S. D., Khaliq, A., & Nizar, Q. A. (2019). Impact of Employees' Recognition, Rewards and Job Stress on Job Performance: Mediating Role of Perceived Organization Support.

Jansen, L. (2011). The Effect of Intrinsic and Extrinsic Rewards in Employee Motivation. Retrieve May 27, 2012, from www.idjrb.com/articlepdf/vol1no3e.pdf.

Kadir, A. A., Alhosani, A. A., Ismail. F., & Sehan, N. (2019). The Effect of Compensation and Benefits towards Employee Performance. DOI: 10.4108/eai.30-7-2019.22287551

Khan, M. M., & Jabbar, M. (2013). Determinants of Employees Performance in Corporate Sector: Case of an Emerging Market. Business and Management Research. Vol.2 No.3

Mansor, N., Noor, J. M., & Nik Hassan, N. F. (2012). Job Satisfaction among the Bankers: An Investigation on Islamic Financial Institution in Eastern Region of Malaysia. *Asian social Science*, Vol. 8 No. 10. Retrieved from: http://dx.doi.org/10.5539/ass.v8n10p186

Maslow, A. H. (1943). A Theory of Human Motivation. Psychological Review. 50(4), 370-96

Motowidlo, S. J., & Schmit, M. J. (1999). Performance Assessment in Unique Jobs. In D.R. Ilgen & E.D. Pulakos (Eds). The Changing Nature of Performance (pp.56- 86). San Francisco. CA: Jossey-Bass

Mkubwa, S. M., & Lyimo, B. J. (2019). Impact of Motivation on the Employee Performance: A Case Study of Zanzibar Airports Authority. Olva Academy School of Researchers, Vol. 2, Issue 3.

Mullins, J. L. (2007), Management and Organizational Behaviour, 8th ed., Prentice Hall, NJ.

Organ, D.W. (1988), Organisational Citizenship Behaviour: the Good Soldier Syndrome, Lexington Books, Lexington, MA.

Pallant, J. (2010). SPSS Survival Manual (4th ed.). McGraw-Hill Education. USA.

Park, S., & Park, S. (2019). Employee Adaptive Performance and Its Antecedents: Review and Synthesis. Retrieved from https://doi.org/10.1177/1534484319836315

Podmoroff, D. (2015). 365 Ways to Motivate and Reward Your Employees Every Day: With Little or No Money: Vol. Revised 2nd edition. Atlantic Publishing Group Inc.

Pradhan, R. K., & Jena, L. K. (2017). Employee Performance at Workplace: Conceptual Model and Empirical Validation. Business Perspectives and Research, 5(1), 69- 85. https://doi.org/10.1177/2278533716671630

Rifa'I, M. N., Sukidio So, & Efendi, R. (2019). The Performance of Employees Influenced by Leadership Styles and Compensation. *International Journal of Multicultural and Multireligiuos Understanding*, 6(6), 581-587. Retrieved from https://doi-org.newdc.oum.edu.my/10.18415/ijmmu.v616.1243

Silva, S. (2009). Motivation Theories- Understanding the Content Theories of Motivation. Retrieved December 23, 2012, from http://www.articlesbase.com/human-resources-articles/motivation-theoriesunderstanding-the-content-theories-of-motivation818172.html

Sidhu, K. G., & Nizam (2020). Coaching and Employee Performance: The Mediating Effect of Rewards and Recognition in Malaysian Corporate Context. *Journal of Management, Accounting and Economics*, Vol. 7. No 1, January, 2020. ISSN 2383-2126

Valdez, C. D., & Nichols, T. W. (2013). Motivating Healthcare Workers to Work during a Crisis: A Literature Review. *Journal of Management Policy and Practice, 14*(4): 43-51.

Van den Bossche, P., Mien Segers, M., & Niekie Jansen, N. (2010). Transfer of training: the role of feedback in supportive social networks, *International Journal of Training and Development*, Vol. 14 No. 2, pp. 81-94.

Zahid, H. B. (2013). Impact of Training on Employee Performance: A Study of Retail Banking Sector in India. *Indian Journal of Applied Research*, Vol. 3. Issue 6. ISSN-2240-555X.