

# **Moderating Effect Job Satisfaction on The Determinants of Herzberg's Two-Factor Theory towards Job Performance among Customer Service Representative at In-House Call Center in Banking Sector, Klang Valley**

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## **ABSTRACT**

The study was aimed to determine the relationship between Herzberg's Two-Factor Theory towards job performance and the moderating effect of job satisfaction toward the relationship between Herzberg's Two-Factor Theory and job performance among customer service representative at in-house call centre in banking sector, Klang Valley. The independent variable is focus on five factors, which are salary and wages, working condition, recognition, supervision and work life balance, while dependent variable is job performance and the moderating variable is job satisfaction. In order to know more on the relatedness between those variables towards customer service representative in organization, this research was conducted to access the relationship between Herzberg's Two-Factor Theory towards job performance and the moderating effect of job satisfaction at in-house call centre in banking sector, Klang Valley.

**Key Words:** Job Performance, Job Satisfaction, Customer Service, Call Centre

Firms clearly need an in-depth understanding of the factors that contribute to Customer Service Representatives' ability to align their service and sales efforts, as well as the subsequent impact on key performance parameters (Jasmand, Vera and Ko, 2012). Job performance is defined as employee effectiveness with regard to those activities that contribute to the organization's technical core (Borman and Motow, 1997). The effectiveness of performing job may lead to the job satisfaction toward the Customer Service Representative. Job satisfaction is defined as a person's evaluation if his or her job and work context, it is about how employees feel about various aspects of the job (Rohani, Mishaliry and Haryani, 2012). Generally job satisfaction is associated with salary, occupational stress, empowerment, company and administrative policy, achievement, personal growth, relationship with others and the overall working condition (Tan and Amna, 2011).

Customer service representative is one of the most crucial resources in any of organization in a service industry. The quality of service can be an indicator whether the company has a very outstanding quality and performance or not. Nowadays, customer service representative job become more challenging due to many

## **1. INTRODUCTION**

factors including internal or external organization. In Malaysia, due to development of increasing number of company in a service industry cause the customer service representative job become a choice for many people in this country. However, alongside the development of this job in Malaysia, not many people who concern about the job performance of customer service representative. In the Malaysia context, the study of this area only focuses on the employee at public sector especially in library and radiography staff (Noor & Noor, 2007). The researcher found out that there is limited study regarding the job performance among customer service representative being conducted in Malaysia.

## **2. LITERATURE REVIEW**

### **2.1 Job Performance**

Job performance is one of the most popular topics that have been studied for a long decade. Performance is behaviour exhibited or something done by the employee (Campbell, 1990). According to Motowidlo, Borman and Schmidt (1997), Job performance is the behaviour that can be evaluated in terms of the extent to which it contributes to organizational effectiveness. Previously, a study is only needed to be done to determine whether the factor of workplace environment that affect job performance.

### **2.2 Salary**

Wages and salary is information not total compensation (which would include fringe benefits such as retirement plans, health coverage, vacation and sick leave benefits, and bonuses) (Suzanne and Heidi, 1995). Increase and decrease in salary or wages (Ruthankoon and Ogunlana, 2003). Herzberg's result have been translated into the axiom that while inadequate financial reward can demotivate, nevertheless, beyond a limited threshold, money is a hygiene factor and does not

motivate (Bassett-Jones and Lloyd, 2005). Roberts (1999) observe that the effects of money attitudes or feelings towards money can be seen in work performance, political ideology, spending habits and attitudes towards the environment among others.

### **2.3 Working Condition**

Working conditions is an event in this category relate to physical surroundings on the job, good or bad facilities and too much or too little work (Ruthankoon and Ogunlana, 2003). Besides, working condition is the common denominator for these different types of employment is that they differ from the traditional notion of lifetime employment with the same employer, and that they result from organizations' responses to increasing demands for flexibility (Kalleberg, 2000). The challenge for workplace providers is to create innovative environments which meet employees' aspirations as well as achieving the employer's objectives.

### **2.4 Recognition**

Recognition may come from supervisors, peers and subordinates (Ruthankoon and Ogunlana, 2003). Like Herzberg, this study concludes that, whilst inducements can move some employees to contribute ideas, the numbers involved are significantly less than those who are motivated through a desire to overcome frustration and contribute to organizational success (Bassett-Jones and Lloyd, 2005). Besides, recognition is to create ongoing motivation and commitment it must be communicated across the business (Jan, 2005).

### **2.5 Supervision**

According to Paunonen (1989), supervision happens in the interaction between a supervisor and a person or persons who are supervised. It is the act of discussing work questions and events. Supervision can also be defined as a reflective process which will

enable personal learning (i.e. it connects internal individual functions to external actions). Internal functions are feelings, visions, judging ability and activity, whereas external actions are sympathy, intuition, dwelling upon evaluation and objectivity. The reflective process, critical thinking and learning based experiences are all different approaches in supervision (Heron, 1999; Paunonen-Ilmonen, 2001; Barrett, 2002). Supervision is management by overseeing the performance or operations of a person or group of people.

### 2.6 Work Life Balance

The concept of “work-life balance” can have various meanings around the world due to differing local cultural contexts within which work is performed (Lirio et al., 2007; Poster, 2005). According to Pamela (2014) in the North American-based work and family literature, there are essentially two main frameworks identified with “work-life balance”: one which focuses on the individual’s ability to control how time between work and family is partitioned and another focused on “family friendly” organizations and the flexibility afforded employees to better manage their work and personal demands

### 2.7 Job Satisfaction

According to Happock (1935) job satisfaction is a general expression of positive attitudes built up towards employees in their job. Job satisfaction and job performance are historically been the most important organizational psychology researches (Judge & Bono, 2001). Job satisfaction has been found to be positively associated with organizational performance (Maharani & Troena, 2013).

### 3. CONCEPTUAL FRAMEWORK

This study tries to identify the factors affecting job performance among customer service representative in the banking sector at Klang Valley that involves of five independent variables which are salary, working condition, recognition, supervision and work life balance. The independent variables have been adapted from Herzberg’s Two-Factor Theory (1959). The independent variable is job performance that has been adapted from Viswesvaran, C., & Ones, D. S. (2000). The moderating variable is job satisfaction has been adapted from Judge and Bono (2001).

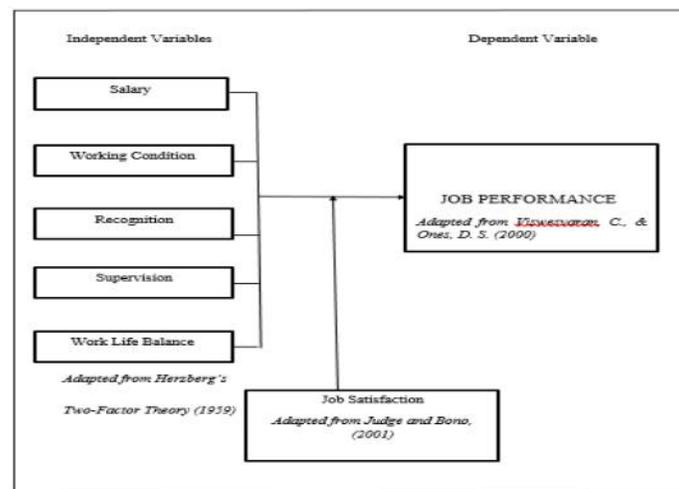


Figure 1: Proposed Conceptual Framework of the relationship between job performance and Herzberg’s two factor theory with job satisfaction as a moderator.

**4. METHODOLOGY**

**4.1 Research Setting and Data Collection**

This study is a correlational research. Correlational research describes the linear relationship between two or more variables without any hint of attributing the effect of one variable on another. The population of the study comprised of employee who work at Klang Valley which includes two types of companies in banking sector which are CIMB Bank Berhad and Bank Kerjasama Rakyat Malaysia Berhad (Bank Rakyat's) call centre and all the Customer Service Representative (CSR) has equal chance to participate. The total number of customer service representative for both CIMB and Bank Rakyat is 468 people. Therefore, based on Krejcie and Morgan's table, the researcher considered that the total number of 210 respondents is sufficient and enough for this type of study. There are two sampling technique that have been used by the researcher. First sampling technique is to determine the organization or company that will involve in this study and second sampling techniques is to determine the respondents who will participate in this study. For selecting company the researcher had used probability sampling technique which is simple random sampling method. The researcher obtained the list of bank through Bank Negara Malaysia. Next, the researcher used non probability sampling which is purposive sampling technique to choose respondents.

**5. FINDINGS AND ANALYSIS**

**5.1 Multiple Regression Analysis**

In this study, a standard multiple regression analysis between independent variables and job performance are associated with each other, illustrated in

Table 1. This model has values of  $R^2$  (.173). The value of  $R^2$  explains about 17.3% of the variance in the dependent variable which is job performance. Accepted range for the Durbin-Watson value is within 1.5 to 2.5 which for this study is 1.963 which showed that there is a dependency between independent and dependent variables. The significance of beta coefficients provides support for the alternate hypotheses in the regression model. The result indicated salary ( $\beta = .154$ ,  $p < .005$ ) has significant impact on job performance. So,  $H_1$  was supported. Next, the result indicated working condition ( $\beta = .213$ ,  $p < .005$ ) have significant impact on job performance. Therefore,  $H_2$  was supported. Other than that, the result also indicated supervision ( $\beta = .163$ ),  $p < .005$ ) has significant impact on job performance. So,  $H_4$  was supported. Meanwhile, work life balance ( $\beta = .018$ ,  $p < .005$ ) has an insignificant impact on job performance. Hence  $H_5$  were not supported. Recognition was not being tested due to the eliminated of variables. Hence,  $H_3$  was not supported.

Table 1: Multiple Regression Analysis between Job Performance and Herzberg's Two Factor Theory

	Dependent Variable
	Job Performance
Independent Variables	Beta Values
Salary	.154
Working Condition	.213
Supervision	.163
Work life Balance	.018
$R^2$	.173
Adjusted $R^2$	.157
F Change	10.711
Significance of F Value	.000
Durbin-Watson	1.963

Notes: \*\* significant at the 0.01 level, \*significant at the 0.05 level

Meanwhile, Hierarchical Regression Analysis was used to see the interaction of the moderating variable (Job Satisfaction) with Job Performance and Herzberg's Two-

Factor Theory, illustrated in Table 2. Model 1 indicates 15.7% of the variance of the dependent variable (job performance) has been explained by the independent variable (Herzberg's Two-Factor Theory). For Model 2, 18.9% of the variance indicates the higher result with the Model 1. Meanwhile, Model 3 indicates 23.0% of the variance with the addition of 4.1% in the variance. Moreover, the result shows that there are two significant interaction of job satisfaction to moderate the relationship between Herzberg's Two-Factor Theory which are supervision ( $\beta=1.518, p>0.05$ ) and work life balance ( $\beta=0.834, p>0.05$ ). Therefore, Hypothesis  $H_{6d}$  and  $H_{6e}$  was supported. However, the result shows that there is no significant interaction of job satisfaction to moderate the relationship between Herzberg's Two-Factor Theory dimensions which is salary ( $\beta= -0.698, p>0.05$ ) and

working condition ( $\beta= -0.912, p>0.05$ ). Therefore, Hypothesis  $H_{6a}$ , and  $H_{6b}$ , were not supported. Recognition was not being tested due to the eliminated of variables. Hence,  $H_{6c}$  was not supported. However, the Durbin-Watson value is within the acceptable range which is 2.015. The hypothesis tested ( $H_{6a}$ ), ( $H_{6b}$ ) and ( $H_{6c}$ ) was not supported as job satisfaction did not moderate the relationship between Herzberg's Two-Factor. Meanwhile, the hypothesis ( $H_{6d}$ ) and ( $H_{6e}$ ) was supported as job satisfaction did moderate the relationship between Herzberg's Two-Factor Theory and job performance. The hypothesis was tested by testing the moderating effects of variable (Job Satisfaction), influence of independent variables (Herzberg's Two-Factor Theory), dependent variable (Job Performance).

Table 2: Hierarchical Regression Analysis of job satisfaction as moderator on the Relationship between Job Performance and Herzberg's Two-Factor Theory

Variables	Model 1 ( $\beta$ )	Model 2 ( $\beta$ )	Model 3 ( $\beta$ )
<b>Independent Variables</b>			
Salary	0.154	0.144	0.517
Working Condition	0.213	0.148	0.583
Supervision	0.163	0.132	-0.740
Work life Balance	0.018	-0.45	-0.559
<b>Moderating Variable</b>			
Job Satisfaction		0.183	-0.124
<b>Interaction</b>			
Salary * Job Satisfaction			-0.698
Working Condition * Job Satisfaction			-0.912
Supervision * Job Satisfaction			1.518**
Work life Balance * Job Satisfaction			0.834*
R <sup>2</sup>	0.776	0.818	0.826
R <sup>2</sup> Change	0.173	0.016	0.042
F Change	10.711	3.969	2.713
Sig. of F Change	0.00	0.048	0.031
Durbin Watson			2.015

Notes: \*\* significant at the 0.01 level, \*significant at the 0.05 level

## 5.2 Reliability Analysis

Reliability is a measurement which indicates the extent to which it is without bias (error free) and to ensure consistent measurement across time and across the various items in the instrument. Nunnally (1978) suggested that the minimum acceptable reliability be set at .60. As

presented in Table 3 the Cronbach's alphas for independent variables are in the range of .881 to .950. The figures indicate that the measure has high internal consistency and stability. The analyses also produced high reliability coefficients for the moderating variable with Cronbach's alpha .927 and dependent variable with Cronbach's alpha

.934. Hence, based on reliability analyses, the measures used in the study are highly reliable.

Table 3: Reliability Statistic after Factor Analysis

Scale	No. of Items	Cronbach's Alpha
Salary and Wages	4	0.881
Working Condition	5	0.898
Supervision	8	0.956
Work life Balance	6	0.896
Job Satisfaction	6	0.927
Job Performance	10	0.934

### 5.3 Correlational Analysis

Table 4 exhibits the result of correlations among dimension of Herzberg's Two-Factor Theory and Job performance. It shows that, all dimensions in independent variables and dependent variables produce positive correlated association with each other ( $p < 0.01$ ). The highly correlated variables indicate a significant relationship between them which should be explaining the phenomena. All independent variables are significantly correlated with each other even in a lower degree of correlation. The result from Pearson Correlation test show all variables have weak relationship, which is the correlation coefficient for working condition ( $r = .346, p < 0.01$ ). Followed by supervision ( $r = .321, p < 0.01$ ), salary and wages ( $r = .277, p < 0.01$ ), and correlation coefficient for work life balance is ( $r = .226, p < 0.01$ ).

Table 4: Correlation Analysis for Variables

Variables	Mean	Std. Deviation	1	2	3	4	5
Salary and Wages	3.4643	0.8874					
Working Condition	3.6838	0.7571	.302**				
Supervision	3.8444	0.8443	.334**	.472**			
Work life Balance	3.3214	0.8386	.263**	.534**	.330**		
Job Satisfaction	3.9552	0.6082	.307**	.636**	.467**	.604**	
Job Performance	3.6183	0.8346	.277**	.346**	.321**	.226**	.356**

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

### 5.4 Demographic Background

The respondents for this study were customer service representative in banking sector in Klang Valley. For the demographic characteristics of the respondents that were analyzed comprises of respondent's gender, age, marital status, race, highest completed education, monthly income and length of service. Therefore, this study indicates the majority of the respondents who are female and the ages

of respondent participating were between 26 – 33 years old and most of them have a working experience for less than five years. The result also shows that, the most of the respondents are married and in Malay race. Besides, in the banking sector in Klang Valley the finding also shows that the majority respondents had Bachelor qualifications as the highest education level average of monthly income between RM2501 to RM3500.

Table 5: Demographic Profiles (n=210)

Variables	Descriptions	Frequency	Percentage (%)
Gender	Male	89	42.4
	Female	121	57.6
Age	18 to 25 years old	59	28.1
	26 to 33 years old	131	62.4
	34 to 41 years old	17	8.1
	42 to 49 years old	1	0.5
	50 years and above	2	1.0
Marital Status	Married	137	65.2
	Single	72	34.3
	Others	1	0.5
Race	Malay	197	93.8
	Indian	7	3.3
	Chinese	6	2.9
Highest Education	SPM/SPMV	8	3.8
	STPM/ Matriculation	3	1.4
	Diploma	50	23.8
	Bachelor	143	68.1
	Master	6	2.9
Monthly Income	RM1500 and below	10	4.8
	RM1501-RM2500	47	22.4
	RM2501-RM3500	122	58.1
	RM3501-RM4500	27	12.9
	RM4501 and above	4	1.9
Length of Service	5 years and below	169	80.5
	6 years to 10 years	33	15.7
	11 years to 15 years	5	2.4
	16 years and above	3	1.4

## 6. DISCUSSION AND RECOMMENDATION

In investigating the relationship between Herzberg’s Two Factor Theory dimension, job satisfaction and job performance, this study had develop 10 hypotheses based on two main research questions. Through the hypotheses testing, it was found that five hypotheses were supported while remaining five was not supported. Specifically, H1, H2 and H4 supported the predicted relationship between independent variable and job performance. Conversely, H3 and H5 was not supported. Meanwhile, H6d and H6e supported the predicted relationship between moderating variable job satisfaction and independent variable towards job performance, and the other

three H6a, H6b and H6c were not supported. In overall, these findings indicated that part of Herzberg’s Two-Factor Theory dimensions significantly influence job satisfaction and job performance whereas few others part of independent variable dimension insignificantly influence job performance.

### 6.1 Theoretical implications

The result based on the multiple regression data analysis shown salary, working condition and supervision have signification relationship toward job performance. The result confirms with the study done by Valaei and Jironi (2016) who found significant and positive

relationship between salary, working condition and supervision with job performance. Therefore, the organization should concern about factors that contribute to their employees to perform well which both organization CIMB Bank Berhad and Bank Rakyat should consider about salary, working condition and supervision towards their employee in order to make their employees perform better.

Meanwhile, the independent variable of recognition and work life balance have no significant effect toward job performance. From the factor analysis result state that recognition should be eliminated. Future research should seek the determinant both recognition and salary that could be in one variable as reward, this is because other study stated that reward could be divided into two categories which are monetary reward (salary or pay) and non-monetary reward (recognition). Klubnik (1995) defined reward as something that is given in return for good done or received and especially that is offered or given for some service.

## **7. CONCLUSION**

To conclude, from the findings this study, employees' performance normally increases when their immediate supervisor understands, friendly, listen to employees' opinion and shows personal interest in them. It is believed to be a valuable reason for employees to stay with the organization since the relationship is good. Additionally, good supervision and working condition means the employees has lesser pressure and conflicts in the work place, hence increasing the motivation to work and perform their best in job. Khan, Nawaz, Aleem and Hamed (2012) stated that productivity and performance of subordinates will be improved with the existence of effective managerial and supervision. Other than that, strong, positive relationship built between supervisor and employees lead to better coordination and cooperation between

them. With regards to customer service representative at CIMB Bank Berhad and Bank Rakyat, most of employees who feel satisfied with their supervisor, working condition and salary and having the induced feeling to stay longer in the organization appear to feel comfortable with current environment in the workplace. Hence, these organizations should maintain the quality of their employees' performance by concern several factors that may influence their quality of work.

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