ABSTRACT

Abstract of project paper presented to the Senate of Universiti Putra Malaysia in partial fulfilment of the requirements for the degree of Master of Business Administration

STUDY ON THE RELATIONSHIP BETWEEN PHYSICAL WORK ENVIRONMENT, COMPENSATION SYSTEM, PROMOTION OPPORTUNITY AND WORK PERFORMANCE AMONGST EMPLOYEE IN BANKING INDUSTRY IN KLANG VALLEY

BY

SHAFAREEZA BINTI ISMAYATIM

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Supervisor : Dato' Dr. Zulkifli bin Idris
Faculty : Graduate School of Management

This study focusing on the relationship between physical work environment, compensation system, promotion opportunity and work performance of the employee's in the banking industry. This study is conducted among six (6) commercial banks located in Klang Valley. The study use qualitative method, in which questionnaire was given to the respondent to get their views on the study.
As for this study, the six selected banks and employees were chosen using the simple random sampling method. A total of 150 questionnaires were distributed to the employees and 120 questionnaires were returned and usable for further analysis. This study used Statistical Package for Social Science (SPSS) version 18.0 to analyze the data.

The study found that physical working environment, compensation system and promotion opportunity have a positive relationship with the employee’s work performance. All of the elements had only a low level significance relationship with work performance. However, from the three elements, promotion opportunity was the highest significance level of relationship, followed by the physical work environment and lastly the compensation system.

This means that employee’s work performance thus not much affected by the physical work environment, compensation system and promotion opportunity that organization have provided or introduced.

**KEYWORDS:** Work Performance, Physical work Environment, Compensation System, Promotion Opportunity, Banking Industry