



اَوْنُوْرَسِيْتِي تِيْكْنُوْلُوْجِي مَارَا

UNIVERSITI TEKNOLOGI MARA
CAWANGAN KELANTAN

**THE IMPACT OF FINANCIAL INCENTIVES ON ORGANIZATIONAL
COMMITMENT: A CASE STUDY AMONG STAFFS IN
PEJABAT PELAJARAN DAERAH BACHOK**

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KELANTAN**

JULY 2013



اُنِيُورْسِيْتِي تِيكْنُولُوجِي مَارَا

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Declaration of original work

I, Nurul Nabilah binti Mat Husin (I/C Number) declared this is my own work.

NURUL NABILAH BINTI MAT HUSIN

July 2013

LETTER OF TRANSMITTAL

NURUL NABILAH BINTI MAT HUSIN

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July 2013

The Head of Program

Bachelor of Business Administration (Hons) Finance

Faculty of Business Management

University Technology MARA

Kota Bharu Campus, Kelantan.

Dear Sir,

SUBMISSION OF PROJECT PAPER (FIN 667)

Attached is the project paper entitled “**The Impact of Financial Incentives on Organizational Commitment: A Case Study Among Staffs In Pejabat Pelajaran Daerah Bachok**” to fulfill the requirement as needed by the Faculty of Business Management, University Technology MARA, Kelantan.

Your valuation for this project paper is highly appreciated.

Thank you.

Yours faithfully,

Nurul Nabilah binti Mat Husin

2011241574

Bachelor of Business Administration (Hons) Finance

ACKNOWLEDGEMENT

“In the name of Allah, The most Gracious and Peace be upon His Messenger, the holy Prophet Muhammad SAW.”

Assalamualaikum, I would like to grateful to Allah the Almighty, for giving me excellent health and strength in completing this project paper (FIN 667).

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Thank you.

ABSTRACT

This study employs to investigate the impact of financial incentives on organizational commitment among staffs. Research objectives are the main target what a research done in the study. In this study, there are two objectives that to achieve in this research which are to investigate the impact of financial incentives on organizational commitment. Then, the second objective is to examine the relationship between financial incentives and organizational commitment. For this study, the primary data are used. The method used in this research is descriptive method. Data obtained by distributing questionnaires to 120 staffs in Pejabat Pelajaran Daerah (PPD) Bachok. The participation in survey was voluntary and confidentiality of responses was ensured. The data has been analyzed by using SPSS program and tested by correlation coefficient (R), coefficient of determination (R^2), F-test, T-test and Durbin Watson test. The researcher rejects H_0 in all hypotheses and all variables of each questions considered being reliable and acceptable. For hypothesis 1, it indicating that promotional opportunities have a significant relationship with the organization commitment which results of R, R^2 , F-test, T-test and Durbin Watson are positively significant and relatively internal consistency. For hypothesis 2, it indicating that reward and recognition have a significant relationship with the organization commitment which results of R, R^2 , F-test, T-test and Durbin Watson showed that the model used in this study are strong and correct. It indicating that fringe benefits have a significant relationship with the organization commitment which results of R, R^2 , F-test, T-test and Durbin Watson are significant and reject H_0 in the hypothesis 3. From this study, it was found that all variables are significant with the organizational commitment. The statistical analysis showed that different dimensions of work motivation and job satisfaction are significantly correlated and promotional opportunities, reward and recognition and fringe benefits have great impact on organizational commitment.

Keywords: Organizational commitment, Financial incentives