



**A STUDY ON FACTORS THAT AFFECTING LABOR PRODUCTIVITY IN
MALAYSIA - A CASE STUDY OF AIROD AEROSPACE TECHNOLOGY
SDN BHD**

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ABSTRACT

The purpose of this study was to determine the factor that affecting labor productivity in Malaysia. The variables consists motivation, management support, supervision and technological are stated as independent variables for this study. The respondents were 150 employers and employees at AIRDO Aerospace Technology Sdn Bhd.

The finding showed that only three variables have significant relationship which are motivation, supervision and technological. Thus, these variables consider the factors that affecting labor productivity in Malaysia. Meanwhile, one variable that showed negative relationship is management support which considers not the factors that affecting labor productivity in Malaysia.

This study refers to primary data and also secondary data for supporting the sampling technique. Meanwhile, the researcher use questionnaire as the method to collect all the data from sample respondents in accomplishing the research objectives. While the data for this study was analysed using multiple statistical procedures: mean point value, standard deviation, and correlation analysis. The result of the study presented in this research agrees that motivation, supervision and technological are the factors that affecting labor productivity. This study can be seen as a foreword to a more detailed study to be carrying by future research on the issue of labor productivity in Malaysia.

CHAPTER 1: INTRODUCTION

1.0 Introduction

Earlier ancestors have thought us that we shall work in order to secure what we needed to survive or to improve our standard of living. The earlier ancestors had to gather, hunt and farm successfully, thus, they can survive day through day. All of this work needed an effort which resulted in successful production.

Time passed by and we become more globalize. Globalisation is linked with labour productivity through various ways including trade liberalisation or open economy, exposure to new technology and FDI (Rahmah Ismail et al., 2011). Many nations nowadays have integrated across national boundaries, societies grew larger and more complex and labor became more specialized. The country has a high level of labour productivity benefiting from capability to face global trade barriers compared to other less efficient countries (Rahmah Ismail et al., 2011). Furthermore, expertises are born and great at producing something. Workers became more productive and expert at doing few things or even just one thing and gain profit regards to what they had produce.

Mahamid (2013) any improvement in labor productivity will contribute a high deal to the project outcomes improvements because they plays a core role in determining the financial success of construction projects. In order to survive in the global market and stay competitive labor should keeping their productivity high. Furthermore, labor productivity is not only important at micro level but also one of the key drivers for economic performance and directly affects the welfare of societies as a whole (OECD, 2011).