

**TITLE: A STUDY ON THE RELATIONSHIP BETWEEN
EXTRINSIC REWARD AND JOB PERFORMANCE. A CASE
STUDY OF SUPPORT STAFF AT KUCHING RESIDENT'S OFFICE**

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CHAPTER 1

INTRODUCTION

Background of the Study

This study explained factors that influence employees' job performance in Kuching Resident's Office. The focus of this study is on how intrinsic rewards can affect an employee's job performance. This study had been conducted by gathering information from past study through articles and journals and gathering information from questionnaires by distributing the questionnaires to the low-level employee at the Kuching Resident's Office. The main objective of this researcher is to examine whether there is a significant relationship between monetary motivation and employees' job performance.

Few types of research had been done on similar topics before. First is Riasat, Aslam, Nasir (2016) done their study about how intrinsic and extrinsic rewards influence the employee's job satisfaction and job performances. Data have been collected by applying simple random sampling, and the questionnaire technique takes on to accumulate data collected from staff in the context of their satisfaction and performance. This study's outcome showed that monetary and non-monetary rewards positively associate with employees' job satisfaction, and it showed a positive correlation between intrinsic, extrinsic motivation and employee's job performance and comfort.

This study using a Victor Vroom (1964) Expectancy theory. In his research, he studied that for an employee to receive desirable rewards, he or she required to show an excellent job

performance based on their effort. This theory had been selected because the extrinsic rewards can influence the social life and motivation of people. In which for this research, the researchers choose to use the extrinsic independent variable of this theory as the independent variable for this study. Therefore, this theory can relate to the job performance of employees.

According to Baraton in 1990 (as cited in Munir, Lodhi, Sabir & Khan, 2016) study, rewards refer to all types or forms of financial returns and tangible services and benefits and employees receive as part of an employment relationship. The reward system was vital for any organization. Because the reward system rewards can lead employees to be more motivated to work and satisfied due to the acknowledgment given to them. The rewards system shows that the organization appreciates and acknowledges employee attribution. Munir et al. (2016) stated that there are two types of rewards that can be provided to the employees that lead them to be more motivated to improve their job performance which is intrinsic and extrinsic rewards. For this study will be focusing in extrinsic rewards.

In this study, there are four variables of extrinsic rewards will be used. The first is payment or payment. Payment refers to benefits the employees received in exchange for their service or contribution — for example, payment or salary. Payment also is known as the output and benefit as an employee gets in the form of pay, wages, and payroll in exchange for the employee are to increase their job performance (Holt, 1993). The next variable is the promotion. Promotion is known as an upward movement of an employee within the organization from one job to another higher job. Job promotion can be the source to push employees to increase their job performance because, for them to get promotion, they need to improve their job performance in the whole year. The purpose of promotion is to recognize an employee's skill and knowledge and to reward and motivate employees for higher productivity.

The third variable in extrinsic reward or this study is a benefit. Benefits can be defined as a form of payment paid in cash to the employees, and it's above the regular salary or payment. Health insurance and life insurance are among the benefits that employers can provide to them. And the last variable is bonuses. Bonuses are a monetary payment made to the employee usually over or above their standardized salary or payment and bonuses, also an increased employee's motivation and job performance.

Based on the previous research, every independent variable of this study got inconsistent result of finding from the previous research. And from the previous study, some of the researcher's result findings also show inconsistent finding of their study. This is one of the reason why the researcher select to do this study.

From Jalagat Jr. (2016) in his study that he has done when he is in Al-Zahra College for Women about the relationship among job performance, satisfaction, and motivation, and her finding is proven that job satisfaction, job performance, and motivation interact with each other. He defined job performance as the output that a person has contributed to the organization concerning his behaviour to engage in, and which the organization may perceive it as productive or counterproductive. Excellent performance can be achieved when the employees meet the expectation of the employer and are attributable to company's success.

Statement of the Problem

To determine the relationship between extrinsic reward and job performance among the support staff at Kuching Residents Office.