

THE RELATIONSHIP BETWEEN INTRINSIC REWARDS AND
AFFECTIVE COMMITMENT AMONG SUPPORT STAFF AT
HOLIDAY VILLA HOTEL, SELANGOR

Prepared for:
MISS NURFAZLINA BINTI HARIS

Prepared by:
NOOR ZALIKHA BINTI MOHD RADZIF
BACHELOR OF OFFICE SYSTEMS MANAGEMENT (HONS.)

UNIVERSITI TEKNOLOGI MARA (UiTM)
FACULTY OF OFFICE MANAGEMENT AND TECHNOLOGY

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BACHELOR OF OFFICE SYSTEMS MANAGEMENT (Hons.)

FACULTY OF BUSINESS AND MANAGEMENT

“DECLARATION OF ORIGINAL WORK”

I, Noor Zalikha Binti Mohd Radzif (I/C: 950124-10-6384)

Hereby, declare that:

- This work has not previously been accepted in substance for any degree, locally or overseas, and is not being concurrently submitted for this degree or any other degrees.
- This project-paper is the result of my independent work and investigation, except where otherwise stated.
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ABSTRACT

Intrinsic reward is a non-monetary remuneration that an employee gets from the job that he/she does. Research has shown that intrinsic rewards go a long way in making a worker gives his/her best in the job. Hence, it is very important to create a work environment that has this type of reward embedded within the system. Unfortunately, selecting the right kind of intrinsic reward to help build up employees' affective commitment has always been an issue in the human resource department of many organizations, including in the hotel industry. This study aims to investigate, using Social Exchange Theory, the relationship between intrinsic rewards and affective commitment, as well as the types of intrinsic rewards that affect employees' affective commitment. It uses the questionnaire as the instrument of data collection to the support staff of a five-star hotel in Selangor. Thirty two questions are developed, placed in three categories, namely demographic information (6 questions), intrinsic rewards (18 questions), and affective commitment (8 questions). The intrinsic rewards examined are 'recognition', 'promotion', and 'feedback', whereby respondents were asked if the particular intrinsic reward has an effect on their affective commitment. A total of 120 (91%) questionnaires were returned. Descriptive statistics and correlation had been carried out and the results reveal that the data the feedback has the highest value with (mean=3.97, SD=0.438), Compare to 'recognition' intrinsic reward has the lowest impact on affective commitment (mean=3.84, SD=0.500). As for correlation, it is found that the strongest correlation is 'recognition' ($r=0.501^{**}$) compared to 'promotion' that has a moderate correlation ($r=0.451^{**}$). In summary, the study indicates that 'recognition', 'promotion' and 'feedback' are good intrinsic reward choices that organizations can use to increase the affective commitment of their employees.

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CHAPTER 1

INTRODUCTION

This section describes in detail the background of the study, statement of the problem, research objectives, and research questions, significance of the study, limitation of the study and definition of terms.

Background of the Study

Intrinsic reward or non-monetary reward is compensation given in a transaction which does not involve cash. An intrinsic reward can provide an effective alternative without compromising moral values or straining the operating budget of an organization. Some of the examples of intrinsic rewards are training and professional development, flexible hours, time off, staff recognition program or event, feedback from the manager, promotion, contribution program, informal contact among staff and independences and autonomy. By implementing an intrinsic reward program, loyalty and commitment can be built in each employee. According to Baylor (2010), there is a relationship between intrinsic reward and affective commitment with positive high correlation (.610). However, there are some issues that need to be considered in order to ensure that employees are committed in their jobs. This study is to identify the relationship between intrinsic reward and employees' affective commitment.

According to Spector (1997) employee's commitment reliant on their mentality or perception, thinking, and feeling towards their job and organization. Due to broad work load competition organizations faced great problem to manage its human resource