

THE RELATIONSHIP BETWEEN REWARDS SYSTEM AND  
EMPLOYEES' PERFORMANCE

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**ABSTRACT**

This research is to investigate the relationship between rewards system and employees' performance to employees in UMT, Terengganu. There are two types of rewards which are extrinsic rewards and intrinsic rewards. In extrinsic rewards there were salary, bonus and compensation and in intrinsic rewards there were achievement and recognition programs. Rewards system is identified as independent variables and employees' performance is identified as dependent variable. The researcher used questionnaires as an instrument to the respondents in UMT about their rewards system and employees' performance. The researcher used stratified sampling in sampling technique because this sampling allowed researcher to distributed questionnaire to the all strata or layers of population including upper and lower management to avoid biases. As a conclusion, the highest mean of extrinsic rewards was compensation and the highest mean of intrinsic rewards was achievement. The organization need to advocate any program or events for example by held family day's event as the highest mean of extrinsic rewards was compensation to improve their employees' performance. The organization also needs to establish open communication in two-way communication between employer and employee as the highest mean of intrinsic rewards was achievement.