

**UNIVERSITI TEKNOLOGI MARA**

**FACTORS AFFECTING WAGES AND  
SALARIES OF MANUFACTURING  
SECTOR IN MALAYSIA**

**SOFHIA AMIRA BINTI REDZUAN**

Thesis submitted in fulfilment  
of the requirements for the degree of  
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(Hons) (Finance)**

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## AUTHOR'S DECLARATION

I declare that the work in this project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

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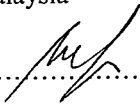
Name of Student : Sofhia Amira Binti Redzuan

Student I.D. No. : 2015859342

Programme : BBA (Hons) (Finance)

Faculty : Business Management

Project Paper Title : Factors Affecting Wages & Salaries of Manufacturing  
Sector : In Malaysia

Signature of Student :  .....

Date : June 2017

## ABSTRACT

The manufacturing industry has provided many opportunities for Malaysians to build careers based on their job expertise within the manufacturing domain. With the increase of opportunities, so did the increase of wages and salaries being offered for workers in the manufacturing sector. However, we have seen that there are correlations which are evident in terms of factors determining the wages and salaries with a better standard of living. For this research, we have used a design research sampling that incorporates validity and reliability testing to understand the correlation of the factors and ultimately test our hypothesis. Six research tests had been done which is descriptive analysis, regression analysis and also the assumption analysis that are consist of normality test, multi-collinearity test, autocorrelation test and ramsey RESET test. The result obtained from the tests are then used to determining the relationship between the selected variables. The overall findings from the testing that we have conducted show a positive coefficient between wages and the labour market but project a different coefficient with regards to foreign labour and productivity. This basically means that as foreign labour and productivity is decreased, wages and salaries offered would increase and vice versa. With these contrasting results, we believe that more data and new factors should be included to obtain a more comprehensive result.

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