

THE RELATIONSHIP BETWEEN EXTRINSIC REWARDS AND  
EMPLOYEES' PERFORMANCES AMONG SUPPORT STAFF IN  
AERODRIVE SDN. BHD., MATANG, KUCHING

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**BACHELOR IN OFFICE SYSTEMS MANAGEMENT (HONS.)  
FACULTY OF BUSINESS AND MANAGEMENT**

**“DECLARATION OF ORIGINAL WORK”**

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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.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

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## **ABSTRACT**

The main purpose of this study is to investigate and analyze the influence of extrinsic rewards towards employees' performance among the support staff of Aerodrive Sdn. Bhd. in Matang, Kuching. Quantitative method was used in the manipulation of the extracted raw data from the distributed questionnaires which was then further analyzed with the use of Statistical Package Software System (SPSS) by applying a number of different and comprehensive tests in the course of the study. During the conduction of field study, a total of 112 employees of Aerodrive Sdn. Bhd. were selected as the chosen samples. The distributed questionnaires were pre-tested for reliability and normality thus producing reliable, normal, and correlated data during post-analytical phase of the research. The study had come to a fruition in the end of session, where it was concluded that the tested elements; the working conditions, has high, positive and significant relationships that impacts the employees' performances compared to other elements of extrinsic rewards; salary and performance bonus. As for future researchers, the research could be conducted in public sectors or larger organizations in order for the upcoming studies to yield different and more meaningful results thus widening the scope of future resources which then would lead to more improvements for the mutual studies in times ahead.

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## **CHAPTER 1**

### **INTRODUCTION**

This research was conducted to investigate the relationship between extrinsic rewards and employee's performance among support staff at Aerodrive Sdn. Bhd. in Matang, Kuching. It was one of the branch that sell cars directly from Perusahaan Otomobil Kedua (Perodua). This chapter discussed the background of the study, the underlying problems regarding the variables, research objectives, research questions, importance of the study and limitations. Lastly, definitions of terms were also provided in this chapter.

#### **Background of the Study**

According to Hong Hua Tima (2011), the researcher had investigated that to make sure employees perform well in an organisation, employers should reward the employees whether it is extrinsic or intrinsic reward, to motivate them in doing their work. Other than that, the researcher investigated further about the use of extrinsic rewards in improving employees' performances as discussed by Irshad (2016). There are many extrinsic rewards but only three of them were included in this research which were the three independent variables, which are performance bonus, salary and working conditions. Employees performance a core concept within work and

organizational psychology. During the past few years, researchers have made progress in clarifying and identifying the performance concept (Wiernik, 2015). Every organization depends on their employees to achieve the organizational goals and in order to achieve the goals, extrinsic rewards is needed to increase the employee's performance (Irshad, 2016)

According to National encyclopedia (2015), reward is “either money or honour that pays out as compensation, normally as a sign of appreciation or achievement”. Why rewards system is important? Based on Irshad (2016), rewards system is crucial to motivate and encourage employees for the sake of company's success. As mentioned by Irshad (2016), rewards can be satisfied through performance bonus, salary and also working conditions and the effective implementation of it can help in increasing employee's commitment and loyalty towards the organization. In today competitive world, many organizations have to spend a lot of time and money on employees' satisfaction as an effort to motivate employees (Irshad, 2016). Hellriegel (2009), explained that there are none of organizations can be successful without motivating employees and there were several ways to motivate employees to get gain better performances.

As studied by Armstrong (1993), motivation can be divided into two categories; intrinsic and extrinsic motivation. Intrinsic motivation is when people motivate themselves in a special way or a particular way. For example, individual can feel that they have developed skills and abilities. Intrinsic motivation tends to have a long-term effect as it is not created or forced from the outside. Next, extrinsic motivation is done to motivate individuals. Rewards like increased pay and advancement are the example of this extrinsic motivation. Extrinsic reward can also

be punishment or criticism so it will have a powerful effect on individual but not necessarily in long run (Zabouj, 2015).

For this study, the researcher had used Motivation-Hygiene Theory by Herzberg (1959). This theory was categorized as "Motivators" and "Hygiene" factors. Motivators mean by they actually motivate an individual and individual find their root within the job itself for example, performance bonus and recognition. Meanwhile Hygiene-factors were said to have a de-motivational value if not present in the organization environment for example, salary and working conditions. These factors are extrinsic to the work itself (Herzberg, 1959). According to Herzberg, the factor that leads to job satisfaction is different from those that lead to job dissatisfaction. Therefore, managers who seek to eliminate factors that create job dissatisfaction can bring about peace, but not necessarily motivation in employee.

Firstly, according to Irshad (2016), performance bonus are extra payment or incentives that employee or team in an organization receives for their increasing productivity. Employees who had achieved an outstanding performance that satisfied the organization productivity will be given incentives from the management. Thus bonuses can also be one of the items to increase an employee's performance (Irshad, 2016).

Secondly, Irshad (2016) stated that salary being paid to employees based on their daily, weekly monthly or yearly basis according to the job being done. When employees accomplish their jobs, they were being rewarded on a timely manner. For example, a monthly job task that employees performed will be paid at the end of each month as long as they are still working in the organization. Therefore, salary is also one of the item needed in determining employee's performance (Irshad, 2016).

Lastly, based on Irshad (2016), a comfortable working condition also can influence employee's performance. Mostly, employees spend their time in the workplace to complete their job. Inefficient working conditions can distract employees from performing their job more effectively. Thus, other than performance bonus and salary, working condition can affect employees' performance (Irshad, 2016). How important is the extrinsic reward towards employee performance? Would employee still do more than what is required of them without the reward? (Zabouj, 2015). Thus, this study intends to investigate the relationship between factors included in extrinsic rewards and employees' performance.

### **Statement of the Problem**

The purpose of this research is to analyse the relationship between extrinsic rewards and employees' performances at Aerodrive Sdn. Bhd. Based on Kikoito (2014), it has been observed that monetary incentives are essential for getting a fruitful productivity and also creativity in doing tasks given to employee (Fairbank and Williams, 2001; Van Dijk and Van den Ende, 2002).

This research was carried out because there are only a few researches that have been done regarding the relationship between extrinsic rewards and employees' performance in Malaysia (Jalaini, 2013). Supported by Kikoito (2014), only few researches have done it in Malaysia compared to other countries. According to Kikoito (2014), several studies on reward systems had been conducted in Pakistan cement industry (Quresh, Zaman and Shah, 2010). A research that was conducted in Bangladesh commercial banks also indicates that work performance would increase when there is frequent increase in salary, annual bonus level and also performance-based promotion (Aktar, Sachu & Ali, 2012). Moreover, Murphy (2015) also identify

the impact of rewards on employees' performances in Dublin Business School and the rewards include working conditions and financial payments. Other than that, a study on the impact rewards system on employees' performances which involves extrinsic rewards was done by Ruskin (2016) bases on a case study at Tecso in United Kingdom.

Furthermore, this research was carried out because the researchers wanted to analyse the relationship between extrinsic rewards and employees' performances in the current situation (Irshad, 2016). According to Irshad (2016), there are several factors that have influence employees' performances which are performance bonuses, salary and working conditions (Irshad, 2016). It was concluded that rewards are an effective mechanism to enhance employees' performance (Irshad, 2016). Moreover, based on research made by Tima (2011), inequality rewards for employees can affect employees' performances as employees can get frustrated and some of them may decided to leave the company if it is serious. Whereas, according to Kikoito (2014), extrinsic rewards are included in one of the rewards packages. Employees are also motivated by extrinsic rewards for greater employees' performances (Kikoito, 2014). Therefore, the researcher wants to find out whether there is a positive relationship or not between extrinsic rewards and employees' performances in current situation (Irshad, 2016).

### **Research Objectives**

The research objectives of this study are:

**RO1:** To examine the relationships between performance bonus and employees'

performances among support staff at Aerodrive Sdn. Bhd. in Matang, Kuching.

**RO2:** To examine the relationships between salary and employees' performances among support staff at Aerodrive Sdn. Bhd. in Matang, Kuching.

**RO3:** To examine the relationships between working condition and employees' performances among support staff at Aerodrive Sdn. Bhd. in Matang, Kuching.

### **Research Questions**

The research questions of this study are:

**RQ1:** Is there any relationships between performance bonuses and employees' performances among support staff at Aerodrive Sdn. Bhd. in Matang, Kuching?

**RQ2:** Is there any relationships between salary and employees' performances among support staff at Aerodrive Sdn. Bhd. in Matang, Kuching?

**RQ3:** Is there any relationships between working conditions and employees' performance among support staff at Aerodrive Sdn. Bhd. in Matang, Kuching?

### **Significance of the Study**

The findings of this study are significant to organization, support staff and future researchers.

#### **1. Organization**

The findings of this research helped the organization to implement a better extrinsic reward in the company in order to improve employees' performances.

#### **2. Support Staff**

The findings of this research helped support staff to know the importance of rewards in order to improve employees' performances.



### 3. Future researchers

The findings of this research can be used as reference by future researchers to conduct similar studies in the future.

## **Limitations of the Study**

The limitations of this study are:

1. The respondents for this research are limited to the support staff of Aerodrive Sdn. Bhd. in Matang, Kuching.
2. The instrument used to collect data was only through questionnaire which can limit the data required compared to interview and observation.
3. Each organization has their own policy that may hinder researcher's process of collecting data due to data confidentiality.

## **Definition of Terms**

Definitions and descriptions of key terms use in the research are as follows:

### **Extrinsic Rewards**

Extrinsic rewards are rewards that are external to the work itself; they are administered externally (Gibson, Ivancevich, James H. Donnelly, & Konopaske, 2012). For examples are performance bonus, salary and working condition (Quible, 2014).

### **Performance bonus**

Performance bonus is an incentive payment given to employees beyond their normal base wage (Bohlander & Snell, 2010).

### **Salary**

Salary is defined as a monetary reward and important for today employees to motivate them for making their best efforts on the job (Nelson, 1994).

### **Working conditions**

Working conditions is the environment of the place of work and the adequacy of equipment and supplies (Quible, 2014).

### **Employees' performance**

Employees' performance is referring to achieving a goal or aim within a job, role or organization (Campbell, McHenry, & Wise, 1990).

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **Introduction**

This research was meant to identify the relationship between extrinsic rewards that includes three variables that were performance bonus, salary and working condition and employees' performances among the support staff at Aerodrive Sdn. Bhd. in Matang, Kuching. In this chapter, the researcher discussed the literature review of the main issues of employees' performances and all factors in extrinsic rewards. In addition, this chapter explains on the research framework, which also serves as a conceptual framework of this study.

#### **Extrinsic Rewards**

Herzberg's Theory is the theory that is relevant to this study because it mentions two factors that affect the extrinsic rewards and employees' performance. Herzberg's theory can be divided into two factors which are motivation and hygiene factor. According to Kikoito (2014), Herzberg's theories expect that the extrinsic rewards can affect the employees' performances when the companies measure their workers' performances. In another study from Njambi (2014), mention that the Herzberg argued that the extrinsic rewards can be dissatisfaction if the organization could not provide the source that can enhance their satisfaction.

The satisfaction of hygiene needs theory can prevent the dissatisfaction and poor performance within the employees (Stello, 2015). According to Burton (2012), an employee starts to only look for external rewards instead of working on something for personal satisfaction. The theory of Herzberg proven that when the employees have the motivation to do their good performance in order to get the extrinsic rewards. Based on Herzberg theory, the extrinsic rewards give values to employees' performances at a lower professional level (Gohari, Hosseinipour, & Zohoori, 2013).

According to Gohari (2013), the rewards that the employees get based on their performances, it is the employees' capability to control their outcome. According to Ibrar and Khan (2015), financial or extrinsic rewards have a highly correlated with the employees' performances. In other study which was from Irshad (2016), the extrinsic rewards such as performance bonus, salary, working conditions impact the employees' performances.

### **Employee's Performance**

The backbone of an organization is their employees. Employee's performance refers to achieving a goal or aim within a job, role or organization (Campbell, 1990). A study conducted by Zaman (2011) revealed that reward system does cause satisfaction on employee, which directly influences the performance of the employee. A point of view from Freedman (1978) stated that when effective rewards and recognition are implemented within an organization, favorable working environment is produced which it can motivates employees to boost their performance. The idea is supported by Carraher (2006) who advocate that there should be an effective extrinsic reward system applied in organizations to retain high performers.

Other than that, Buchanan (1974) adds that the recognition of contributions towards the organization has a positive relationship towards increasing the commitment of the employees towards the organization and also increases their performance. An employee will not increase their motivational level and not improved their job performance, if employers not offering them a better extrinsic rewards (Munir, Lodhi, Sabir, & Khan, 2016). Employees performance is a symbol of the capacity of a company to efficiently achieve independent goals that can lead for future success of the company whether it is a positive performance or negative performance (Muda, Rafiki, & Harahap, 2014). Employees' performance is considered as what an employees do and did not do whether it is positively or negatively attitude (Shahzadi, Javed, Pirzada, Nasreen, & Khanam, 2014). According to the results of the study conducted by Yang (2008), on individual performance showed that performance of the individuals cannot be verified because employee's performance can be negative or positive that can effect a company.

### **Elements of Extrinsic Rewards**

#### **1. Performance Bonuses**

According to Bohlander (2010), performance bonus is an incentive payment given to employees beyond their normal base wage. Gawel (2007) said that, relating to Herzberg's Theory, hygiene factors such as company policy, supervision, working conditions, salary and interpersonal relations affect the job satisfaction that lead to employees' performances. Performance bonus is a pay-for-performance in financial rewards (Ibrar & Khan, 2015). According to de Waal and Jansen (2011), pay related

bonus will be neither effective or nor effective in the high performance organization (Murphy, 2015).

According to Engell and Riphahn (2004), higher output and productivity makes a correlation towards performance bonus payment. Salary, bonuses and indirect forms of payment such as flexibility in time are those which have physical existence and cash based reward that lie under extrinsic rewards may give positive relation of workers to the organization (Ajmal, Bashir, Abrar, Khan, & Saqib, 2015).

Some performance standard or supervision have to be met in order for the workers to receive a bonus (Groves, Hong, McMillan, & Naughton, 2013). Employee will be motivated towards their achievement if they were rewarded with performance bonuses and increment for their effort in the same way if employees are being recognized properly by the organization for them to feel happy and satisfied (Ajmal, Bashir, Abrar, Khan, & Saqib, 2015). According to Silverman (2004), the performance bonus may be increase according to average of a year's employees' performance.

There must be a clear link between employee performance and performance bonus in the first key of fundamentals in order for variable pay to be efficient (Sefrin, 2016). Organization should have an appropriate reward system such as performance bonus otherwise they will have confronted with difficulty in improving their employees' performance (Waal & Jansen, 2011).

## 2. Salary

Salary is a monetary reward and important for today employees to motivate them for making their best efforts on the job as cited by Nelson (1994). Based on article by Irshad (2016), salary can be pay daily, weekly, and monthly, or yearly, according to employees' job structure.

Performance related pay have a direct impact on the employees' performance and improve the productivity and have a positive relation between the salary and employees' performances (Ramzan, Zubair, Ali, & Arslan, 2014). For example, if the salary that the employees' gain is high, their performance also will increase. According to Gunawan and Amalia (2015), wages become the most significant aspect when it is related to the employees' performance. The pay and performance are directly related to achieving the organization goals. Workers that can achieve the goals can be rewarded by the company (Tima, 2011).

The studies by Irshad (2016) mention that, the factor of salary has an equivalent with the employees' performance and many of respondents agree that the organization give the salary based on their performance. According to Ramzan (2014), there is a strong and significant impact between the salary and employees' performance.

### 3. Working Condition

According to Quible (2016), working conditions is the environment of the place of work and the adequacy of equipment and supplies. Working condition also defined as an environment in which employee work such as physical environment, degree of comfort and ease and stress level as mentioned by Irshad (2016). A research made by Irshad (2016), found out that the correlation between working condition and employees' performance is significant. Majority of the employees agreed that organization working condition is supportive and impact their performance positively (Quible, 2014). Other than that, a research done by Oswald (2014), revealed that there is a positive significant relationship between the performance of Reproductive and Child Health workers and working environment elements such as availability of

equipment. The results indicate that physical components of working condition had strongest effect on employees' performance level (Quible, 2014).

Furthermore, based on research made by Nanzushi (2016), confirm that employees can perform better in their job if there is a better work environment including enough space and lighting, comfortable furniture and less noise. According to Nanzushi (2016), the results also were aligning with McCoy and Evans (2005) that found out a proper working environment can make employees became not stressed as stress can affect the performance. A research made by Bushiri (2016) also found that the relationship between physical working environment and motivation for employee to perform is exist and has strong relation. The presence of job aids also determine much of the employees' job performance as it can support them to complete their work and minimizes error in work (Oswald, 2012). A research made by Kikoito (2012) also discovered about respondent perception on working condition. The respondents believed that a safe and healthy working environment able to outstand employees' performance (Nanzushi, 2015). Most of them agree that supervisors and peers' support, a harmonious working environment and enough facilities and equipment can increase their performance (Nanzushi, 2015).



### Conceptual Framework

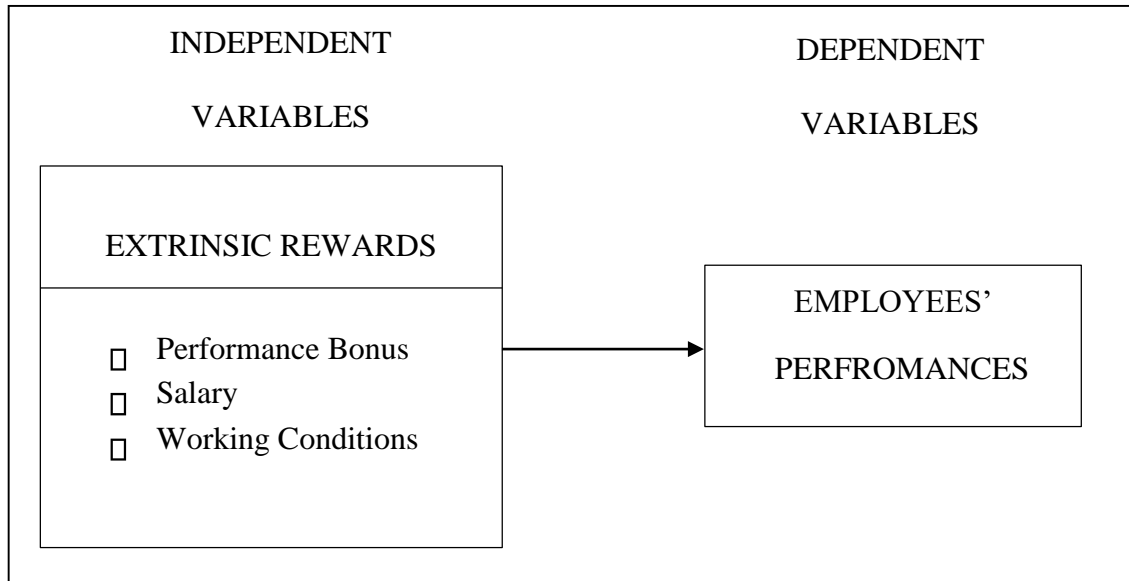


Figure 2.1 *Conceptual Framework of the Relationship between Extrinsic Rewards and Employees' Performance*

Adapted from Tima (2011) based on “*Managing Employee Performance and Reward*” (Shields, 2007).

Figure 2.1 was the proposed conceptual framework that was developed based on the literature review. The conceptual framework was adapted from Tima (2011), “*Relationship between Compensation Systems and Job Performance among Employees*”. According to Irshad (2016), and Ruskin (2014), the research that was made found that rewards have a great impact on employees' performances especially when performance bonus, salary and working condition were aligned with employee's needs. Therefore, extrinsic rewards do affect employees' performance.

The independent variables were performance bonus, salary and working condition. Meanwhile, the dependent variable was employees' performance that were adopted from the past research conducted by Tima (2011).

## **CHAPTER 3**

### **METHODOLOGY**

#### **Introduction**

This chapter contains the elaborations for research design, unit of analysis, sample size, sampling technique, population, sampling frame, data collection procedures, validity and reliability of instruments, and plan for data analysis (Abdullah & Ahmad, 2016).

#### **Research Design**

The research design was correlational. According to Salkind (2014), the relationship between variables which were performance bonus, salary and working condition and employees' performance were examined.

#### **Sampling Frame**

According to Salkind (2014), sampling frame refers to the source in which the sample was drawn. In this study, the identified sampling frame was support staff that were currently working at Aerodrive Sdn. Bhd. in Matang, Kuching.

Details of information such as the amount of the employees, name lists, contact numbers of the employees and reward system of the organization were obtained from both Human Resource Department and Financial Department.

### Population

Salkind (2014) defined population as a group of potential participants to whom you want to generalize the results of a study. The target population was determined based on Krejcie and Morgan model table. The total population for this research was the support staff of Aerodrive Sdn. Bhd. which were from two divisions. According to Mr. Mohd. Sofry Bin Johari, an Account Executive, at Aerodrive Sdn. Bhd., the numbers of support staff from 2 divisions were 118 employees.

Table 3.1  
*2 divisions in Aerodrive Sdn. Bhd. in Matang, Kuching.*

<b>Division</b>	<b>Number of Staff</b>
1. Sales: a) Account b) Administration c) Sales d) Customer Relation e) Human Resource	76
2. Services: a) Account b) Service Advisor c) Operation	42

### Sampling Technique

According to Salkind (2014), sampling technique was a technique of sampling process that used to select the subject from the populations. To obtain the data, the researcher used convenience sampling in which the member of the population was convenient to sample (2014). The reason for researcher to use convenience technique was, according to Salkind (2014), convenience sampling is a collection of information from members of population who are conveniently available to provide it and it is the very easiest way to collect a data.

### **Sample Size**

Salkind (2014) defines sample as a subset of populations that researchers will select for the purpose of their research. If the sample size was larger, the probability of the error will occur was lower. The sample can represent the entire populations of the research. Thus, it will allow the researcher to make the conclusion about the whole populations by analysing the sample (Abdullah & Ahmad, 2016). The researchers used Krejcie and Morgan table to determine the sample size.

In this research, the total number of support staff at Aerodrive Sdn. Bhd. in Matang, Kuching were 118 employees, then the sample size was 86 based on Krejcie and Morgan model table.

### **Unit of Analysis**

According to Salkind (2014), the unit of analysis refers to the level at which data will be aggregated. Unit of analysis relates to the level of aggregation that was the focus of the study (Sekaran & Bougie, 2013). The unit of analysis was really important in this study. The unit of analysis of this study focuses on individual, which was referring to the support staff.

### **Data Collection Procedures**

This section includes the process of distributing and collecting the questionnaires. The questionnaires were distributed to support staff at Aerodrive Sdn. Bhd. in Matang, Kuching.

According to Salkind (2014), reliability occurs when the results produces the same outcomes when a test was measured more than one time. A data was considered reliable when Cronbach alpha coefficient scale was above 0.7 as cited from Pallant

(2002). Therefore, reliability test will be conducted to ensure that the items in the questionnaire were reliable with the sample.

Table 3.2  
*Data Collection Procedures*

<b>Duration</b>	<b>Details</b>
20 <sup>th</sup> January – 23 <sup>rd</sup> January 2018	Development of the questionnaire -Face & content validity
24 <sup>th</sup> January 2018	Distribution of questionnaires for pre-test at HLT Motors Sdn. Bhd.
25 <sup>th</sup> January 2018	Collection of complete answer questionnaires for pre-test
27 <sup>th</sup> January 2018	Distribution of questionnaires at Aerodrive Sdn. Bhd.
3 <sup>rd</sup> March 2018	Collection of the completely answered questionnaires (Give first reminder)
10 <sup>th</sup> March 2018	Collection of the balance questionnaires
13 <sup>th</sup> March 2018	SPSS key in
22 <sup>nd</sup> March 2018	Analysation of the data

### **Instrument**

The data for this research were collected using both primary and secondary sources. For secondary sources, the data was collected from articles, journals, websites and case studies. The primary source was the distribution of questionnaires that were adopted from Tima (2011). A cover letter was attached to each set of questionnaire which stated respondents were required to complete all the answer and to be returned back as soon as possible. The respondents were given enough time to complete the questionnaire.

The questionnaire was set to be bilingual; Bahasa Malaysia and English to make it easy for respondents to give their responds. The content of the questionnaires was close-ended questions with the measuring parameters for extrinsic rewards that were performance bonus, salary and working condition. Five point Likert Type Scale

for degree of agreement ranging from 1 (strongly disagree) to 5 (strongly agree) was used to measure responses. Lastly, all the information collected was kept confidential as they will be used solely for this academic purpose.

Table 3.3  
*Section in questionnaire*

<b>Sections</b>	<b>Descriptions</b>
A	Demographic Profile
B	Information about extrinsic rewards

### **Validity and Reliability of Instruments**

The instrument used in this research was the questionnaires. The contents of the questionnaires were validated before they were distributed to the respondents. The contents of the questionnaire were validated through face validity. Face validity was done by Madam Rozita Binti Hanapi, supervisor for this research and Miss Siti Huzaimah Binti Sahari, co-supervisor for this research. As for content validity, it was done by Dr. Alim Impira which was the Regional Director of Akademi Kastam Diraja Malaysia Sarawak helped the researcher to check whether the questions were reliable or suitable for this study.

### **Pre-test**

A pre-test was conducted in order to check the reliability and the normality of the questionnaires. A pre-test has been conducted instead of pilot test because the questionnaire has been established by the previous researcher Tima (2011). According to Cannal (2001), pre-testing technique was used to examined the non-

sample errors such as respondent biases and to find ways to improvised or minimized the occurrence of these errors. 3 questionnaires already distributed to the support staff at HLT Motors Sdn. Bhd., which was a Toyota car's dealer in Bentong, Pahang. Overall, the respondent has given a positive feedback about the questionnaires and the researcher made correction according to the feedback given such as the font size used in the questionnaires should be increased in order to make it easy to be read.

### Data Analysis

Data analysis explained on how the researcher analyses the data obtained from the questionnaires. The data was analysed by a comprehensive analysis software which was SPSS version 20.0.

Table 3.4  
*Data Analysis*

<b>Research Objectives</b>	<b>Concept/Construct</b>	<b>Research Question</b>	<b>Scale</b>	<b>Statistics</b>
To examine the relationship between salary and employees' performance among support staff at Aerodrive Sdn. Bhd. in Matang, Kuching.	1. <b>Salary</b> Salary is a monetary reward and important for today employees to motivate them for making their best efforts on the job as cited by Nelson (1994).	Is there any relationship between salary and employees' performance among support staff at Aerodrive Sdn. Bhd. in Matang, Kuching?	Interval	Pearson Product Moment Correlation
To examine the relationship between	2. <b>Performance Bonus</b> According to George W.	Is there any relationship between performance	Interval	Pearson Product Moment Correlation

<p>performance bonus and employees' performance among support staff at Aerodrive Sdn. Bhd. in Matang, Kuching.</p>	<p>Bohlander (Bohlander &amp; Snell, 2010), performance bonus is an incentive payment given to employees beyond their normal base wage.</p>	<p>bonus and employees' performance among support staff at Aerodrive Sdn. Bhd. in Matang, Kuching?</p>		
<p>To examine the relationship between working condition and employees' performance among support staff at Aerodrive Sdn. Bhd. in Matang, Kuching.</p>	<p><b>3. Working Condition</b> According to Zane K. Quible (2014), working conditions is the environment of the place of work and the adequacy of equipment and supplies.</p>	<p>Is there any relationship between performance bonus and employees' performance among support staff at Aerodrive Sdn. Bhd. in Matang, Kuching?</p>	<p>Interval</p>	<p>Pearson Product Moment Correlation</p>



## **CHAPTER 4**

### **FINDINGS**

#### **Introduction**

Based on the previous chapter, the researcher has elaborated and described about how the data were collected. Therefore, in this chapter, the findings of the research were discussed and presented further by the researcher. This chapter elaborates more on return rate, demographic background, descriptive analysis, normality analysis, reliability analysis and correlation.

This research was conducted to investigate the relationship between extrinsic rewards and employees' performance among support staff at Aerodrive Sdn. Bhd. in Matang, Kuching. In this chapter, the data was computed using Statistical Package Software System (SPSS) Version 20 through questionnaires that has been distributed.

#### **Survey Return Rate**

In this study, the researcher used convenience sampling technique which is a non-probability sampling that involved the target population especially those who were available and willingly volunteered to be one of the respondent (Farrokhi & Hamidabad, 2012). The number of questionnaires that were distributed by the researcher at Aerodrive Sdn. Bhd. were 112 sets. Only 112 employees were given the

questionnaires out of 118 employees. The researcher only received back 97 out of 112 total questionnaires that were distributed. The number of questionnaires that were not answered by the respondents were 15 sets. The rate of the returned questionnaires was 87%. Table 4.1 shows the return rate of questionnaires.

*Table 4.1*  
*Survey Returned Rate*

<b>Distributed</b>	<b>Returned</b>	<b>Returned Rate</b>
112	97	87%

### **Demographic Background**

In the questionnaires distributed by the researcher, the respondents' demographic information was recorded in section A. The demographic background information of the respondents including gender, marital status, age, and also educational level. Table 4.2 shows the frequencies and the percentages of respondent's demographic background information.

In terms of gender, there were a total of 48 (49.5%) male respondents while the other, the female respondents were 49 (50.5%) of the total response. In terms of marital status, the average number of single respondents were 65 (67.0%) against the other 32 (33.0%) respondents that had already married.

A total of 50 respondents (51.5%) were 26 years old and below, 28 respondents (28.9%) were aged 26 to 35 years old, and 5 respondents (5.2%) were 36 to 45 years old. Meanwhile, 9 respondents (9.3%) were 46 to 55 years old, and 5 respondents (5.2%) were 56 years old and above.

In terms of educational level, based on table 4.2, the highest number of respondents was 37 respondents (38.1%) which have Diploma, qualification meanwhile the second highest level were respondents that have Degree qualification which was 27 (27.8%) respondents. Other than that, 19 respondents (19.6%) have STPM qualification, 5 respondents (5.2%) have PMR qualification and 4 respondents (4.1%) have SPM qualification. Lastly, the rest of 5 respondents (5.2%) have other educational level.

Table 4.2  
*Demographic Data*

<b>Item</b>	<b>Frequency</b>	<b>Percentage (%)</b>
<b>GENDER</b>		
Males	48	49.5
Females	49	50.5
<b>MARITAL STATUS</b>		
Single	65	67.0
Married	32	33.0
<b>AGE</b>		
Below 26	50	51.5
26-35	28	28.9
36-45	5	5.2
46-55	9	9.3
56 and above	5	5.2
<b>EDUCATIONAL LEVEL</b>		
PMR	5	5.2
SPM	4	4.1
STPM	19	19.6
Diploma	37	38.1
Degree	27	27.8
Others	5	5.2

### **Descriptive Analysis**

According to Pallant (2005), descriptive analysis carries the meaning of to describe the general characteristics of a set of data in the study. According to Salkind (2017), descriptive analysis include the measures of central tendency and measures of dispersion or variability. Referring to him, measures of tendency including the mean, median and mode while measures of variability or dispersion were the range, standard deviation or variance, minimum and maximum variables and the kurtosis and skewness value.

Table 4.3 indicates the mean and standard deviation of all variables in the study. The variables including performance bonus, salary, working condition and employees' performance. Referring to the 5-point Likert Scale measuring the level of agreement used for this research, in average, the respondents agree that salary has impact on employees' performance as the mean is 3.82. However, the respondents also stated that working condition has fair impact on employees' performance as the mean is 3.44.

Based on the finding in table 4.3, it indicates the descriptive statistic for each extrinsic rewards. Salary has become the highest dimension (mean=3.82, SD=.598) and then followed by performance bonus (mean=3.61, SD=.756) and last but not least was working condition (mean=3.44, SD=.744). Based on the result, salary shows the highest score which supported by the previous research from Irshad (2016), which was *The Impact of Extrinsic Rewards on Employees' Performance* stated that salary give an impact towards employees performance.

Table 4.3  
*Descriptive Statistic*

<b>Variables</b>	<b>Mean Statistic</b>	<b>Standard Deviation Statistic</b>
Performance Bonus	3.61	.756
Salary	3.82	.598
Working Condition	3.44	.744
Employees Performance	3.74	.561

### **Normality Analysis**

To ensure the data was normal, normality test was conducted. According to Pallant (2005), Skewness and Kurtosis value should be between -2 and +2 and significant value of more than .05. According to Coakes & Ong (2011), they indicated that Skewness and Kurtosis should be between normality test fell within +3 or -3 range of acceptable value. Thus, the study in table 4.4 indicated 97 data were used and valid. Therefore, all variables of which are performance bonus, salary, working condition, and employees' performance was in between the normality value.

According to Pallant (2005), there were two ways to determine the normality of the data. The first method was by using numerical methods that present the summary the statistics such as Skewness and Kurtosis or conduct statistical test of normality. The second method was by using graphical method that was to compare a histogram of the sample data to a normal probability curve. A graphical tool for assessing normality was the Histogram, Normal Q-Q plot and Box plot. For this study, the results can be referred to appendices on the normality test diagram. In this

study, the researcher observed the normality test by using Skewness and Kurtosis value to determined its normality.

Table 4.4 indicates the normality results for each variable. For performance bonus, the normality value for Skewness was  $-0.700$  while the Kurtosis value was  $1.073$ . Next, for salary, the normality value for Skewness was  $-0.275$  while the Kurtosis value was  $-0.099$ . For working condition, the normality value for Skewness was  $-0.735$  and the Kurtosis value was  $0.876$ . Lastly, for employees' performance, the normality value for Skewness was  $-0.309$  and the Kurtosis value was  $0.074$ . Thus, based on the test that has been conducted, it showed that all of the variables were considered normal.

Table 4.4  
*Normality Test*

<b>Variables</b>	<b>Skewness</b>	<b>Kurtosis</b>
Performance Bonus	$-0.700$	$1.073$
Salary	$-0.275$	$-0.099$
Working Condition	$-0.735$	$0.876$
Employees Performance	$-0.309$	$0.074$

### **Reliability Analysis**

According to Salkind (2017), reliability occurs when the same thing is measured during a test repeatedly and results appear will be similar with the outcomes. Reliability can be achieved if the Cronbach's Alpha coefficient of scale was above 0.7 Pallant (2005). If the Cronbach's Alpha was less than 0.6 it was considered poor, if the range was of 0.7 it was considered acceptable, while the Cronbach's Alpha is over 0.8 it was considered good (Sekaran & Bougie, 2013)

Table 4.5 shows the results of Cronbach's Alpha value for performance bonus, salary, working condition and employees' performance. Referring to Cronbach's

Alpha value in table 4.5 below, performance bonus had the highest Cronbach's Alpha value which was 0.921, followed by salary which was 0.835 and working condition was 0.827. All of the variables of this study is considered reliable because it's Cronbach's Alpha value is above 0.7 (Palant, 2005).

Meanwhile, the instrument was also characterized into all variables in the study. The Cronbach's Alpha scores obtained for pre-test and actual test were 0.76 and 0.87 respectively which means above 0.7. Thus this can be concluded that the items used for this study were reliable.

Table 4.5  
*Reliability Test*

<b>Variables</b>	<b>No. of Items</b>	<b>Cronbach's Alpha</b>
Performance Bonus	5	.921
Salary	5	.835
Working Condition	5	.827
Employees Performance	5	.749

## Correlation

This section describes how well independent variables correlate with the dependent variable. The main objective for this study was to determine the relationship between extrinsic rewards and employees' performance at Aerodrive Sdn. Bhd. According to Salkind (2012), correlation refers to a technique used to measure the relationship between two or more variables by using Pearson Product Moment Coefficient. Pearson Product Moment Coefficient (Pearson's  $r$ ) was used by the researcher to assess the strength and direction of the linear association or relationship between continuous variable. Strength, significance value and direction are those elements that need to be highlighted in this section.

Table 4.6

*Guidelines on the Interpretation of Correlation Coefficient (Cohen, 1988)*

<b>Degree Of Correlation</b>	<b><math>r</math> Values</b>
Low or Small Correlation	-0.10 to -0.29 and +0.10 to +0.29
Moderate or Medium Correlation	-0.30 to -0.49 and +0.30 to +0.49
High or Strong Correlation	-0.50 to -1.00 and +0.50 to +1.00

Table 4.7 below is focusing on the finding from the relationship of independent variables which were performance bonus, salary, working condition and dependent variable which was employees' performance. In average extrinsic rewards shows a significant impact towards employees' performance. Working condition has high, positive and significance correlation value towards employees' performance where is  $r=.597^{**}$  ( $p<0.01$ ). As proven by several studies, according to Irshad (2016), he found out that the correlation between working condition and employees' performance is significant. Almost all of the employees agreed that organization working condition is supportive and impact their performance positively (Quible,



2014). Referring to the research made by Nanzushi (2016), employees can perform better in their job if there is a better work environment including enough space and lighting, comfortable furniture and less noise.

However, for performance bonus, the result demonstrated a moderate, positive and significance correlation value towards employees' performance which was  $r=.427^{**}$  ( $p<0.01$ ). It was supported by a research from Tima (2011), where performance bonus in organization need to be fair and need to be improved to maintain the best performance from employees whereas unsatisfied and unfair distribution of performance bonus lead to poor employees' performance. Similar to the finding of some researchers (Irshad, 2016; Waal & Jansen, 2011) organization should have an appropriate reward system such as performance bonus otherwise they will confront with difficulty in improving their employees' performance.

For salary, the result also demonstrated a moderate, positive and significance correlation value towards employees' performance which was  $r=.351^{**}$  ( $p<0.01$ ). As proven by several studies, performance related pay have a direct impact on the employees' performance and improve the productivity and have a positive relation between the salary and employees' performance (Ramzan, Zubair, Ali & Arslan, 2014). According to Gunawan and Amalia (2015), wages become the most significant aspect when it is related to improve the employees' performance.

Table 4.7  
*Correlation Result*

<b>Variables</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
1. Performance Bonus				
2. Salary				
3. Working Condition				
4. Employees Performance	.427**	.351**	.597**	1

\*\*Correlation is significant at the 0.01 level (2-tailed)

## CHAPTER 5

### DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

#### Introduction

The results of the data were explained further by the researcher in this chapter along with the suggestions and recommendations based on previous findings. Apart from those aforementioned elements, the answers to the previous research questions that were stated beforehand in the study would also be provided in this very chapter. Also in the same chapter, the researcher's conclusion for the overall study was included.

### DISCUSSION

#### RESEARCH QUESTION 1

**Is there any relationship between performance bonuses and employees' performance among support staff at Aerodrive Sdn. Bhd. in Matang, Kuching?**

In order to answer the research question above, Table 5.1 was used to summarize the correlation results between performance bonuses and employees' performance among support staff at Aerodrive Sdn. Bhd. in Matang, Kuching. The results had indicated that there is a moderate and positive relationship between performance bonus and employees' performance which was  $r=.427^{**}$  ( $p<0.01$ ,  $n=97$ ).

Table 5.1  
*Pearson Product-Moment Correlations between Performance Bonuses and Employees' Performance*

		Employees' Performance	Performance Bonus
Employees' Performance	Pearson Correlation	1	.427**
	Sig. (2-tailed)		.000
	N	97	97
Performance Bonus	Pearson Correlation	.427**	1
	Sig. (2-tailed)	.000	
	N	97	97

\*\* . Correlation is significant at the level 0.01 level (2-tailed)

Referring to the research question 1, there is a positive and significant relationship between performance bonuses and employees' performance. According to Tima (2011), when performance bonus was fairly distributed by the employers, the employees will become motivated to perform their works properly for the sake of the company and on the other hand, it was stated in his research that performance bonus is significantly affecting the employees' productivity and influencing their performance. For certain employees in the organization, should there be incidents where the employer had failed to reward or distribute expected bonuses to the employees, demotivation and frustration of employees would be triggered, hence the occurrence of employees that eventually quit their job (Wen & Huey, 2013).

## RESEARCH QUESTION 2

**Is there any relationship between salary and employees' performance among support staff at Aerodrive Sdn. Bhd. in Matang, Kuching?**

In order to answer the research question above, Table 5.2 had computed the relationship between salary and employees' performance among support staff at Aerodrive Sdn. Bhd. in Matang, Kuching. From the findings that were discussed in previous chapter, it was shown that there is moderate and positive relationship between salary and employees' performance which was  $r = .351^{**}$  ( $p < 0.01$ ,  $n = 97$ ).

Table 5.2  
*Pearson Product-Moment Correlations between Salary and Employees' Performance*

		Employees' Performance	Salary
Employees' Performance	Pearson	1	.351**
	Correlation		
	Sig. (2-tailed)		.000
	N	97	97
Salary	Pearson	.351**	1
	Correlation		
	Sig. (2-tailed)	.000	
	N	97	97

\*\* . Correlation is significant at the level 0.01 level (2-tailed)

Referring to the research question 2, there is a positive and significant relationship between salary and employees' performance. Salary is one of the vital factor for job satisfaction that yields significant impact on the employees' performance (Muhammad, Rizwan & Yasin, 2012). According to Tima (2011), when employees get salary that is proportional with their given performance and effort, there will be no complaint that made them feel satisfied with what they get.

### RESEARCH QUESTION 3

**Is there any relationship between working condition and employees' performance among support staff at Aerodrive Sdn. Bhd. in Matang, Kuching?**

In order to answer the research question above, Table 5.3 summarizes the correlation results between working condition and employees' performance among support staff at Aerodrive Sdn. Bhd. in Matang, Kuching. The results indicated that there is high and positive relationship between working condition and employees' performance which was  $r=.597^{**}$  ( $p<0.01$ ,  $n=97$ ).

Table 5.3  
*Pearson Product-Moment Correlations between Working Condition and Employees' Performance*

		Employees' Performance	Working Condition
Employees' Performance	Pearson Correlation	1	..597**
	Sig. (2-tailed)		.000
	N	97	97
Working Condition	Pearson Correlation	.597**	1
	Sig. (2-tailed)	.000	
	N	97	97

\*\* . Correlation is significant at the level 0.01 level (2-tailed)

Referring to the research question 3, there is a positive and significant relationship between working condition and employees' performance. Working condition is highly correlated with employees' performance compared to other variables such as performance bonus and salary. Working condition has a positive relationship with employees' performance as it play an important role in ensuring the employees to feel maximum satisfaction (Raziq, 2014).

Table 5.4  
*Summary of Discussion*

No.	Research Questions	Results
1.	Is there any relationship between performance	Moderate, positive and

	bonuses and employees' performance among support staff at Aerodrive Sdn. Bhd. in Matang, Kuching?	significant relationship ( $r=.427^{**}$ , $p<0.01$ )
2.	Is there any relationship between salary and employees' performance among support staff at Aerodrive Sdn. Bhd. in Matang, Kuching?	Moderate, positive and significant relationship ( $r=.351^{**}$ , $p<0.01$ )
3.	Is there any relationship between working condition and employees' performance among support staff at Aerodrive Sdn. Bhd. in Matang, Kuching?	High, positive and significant relationship ( $r=.597^{**}$ , $p<0.01$ )

## Conclusions

In retrospect, based on the findings that have been discussed in the study, it can be concluded that all elements of extrinsic rewards do play the utmost vital roles for employees' performance at Aerodrive Sdn. Bhd. in Matang, Kuching. This element of extrinsic rewards; performance bonus, salary and working condition have surely given a great impact on the employees' performance at Aerodrive Sdn. Bhd. The rate of returned questionnaires was 87%, which is an indication of the extraordinary cooperation given by the respondents (the staff) at Aerodrive Sdn. Bhd. Apart from that, for data cleaning that were demographic and descriptive analysis, the results had shown that there were no missing data hence enabling the results to be concluded very much generally. Thus, based on the tests that were conducted, it was proven that all of the variables were considered as normal. From the results obtained after conducting reliability test, it was concluded that the items used for this study were all reliable. For performance bonus and salary, the results indicated that there was a moderate and positive relationship between performance bonus and employees' performance. For working condition, the results indicated that there was a high and positive relationship between working condition and employees' performance. Therefore, it can be concluded that working condition has the highest positive relationship between employees' performance compared to other variables that were performance bonus and salary. According to Irshad (2016), the study has revealed that working condition result was highly significant as it can influence employees' performance. In conclusion, extrinsic rewards do influence employees' performance at Aerodrive Sdn. Bhd.

### **Recommendation**

Based on all findings that were comprehensively analyzed, the researcher had proposed a number of suggestions and recommendations for the purpose of influencing employees to be motivated to perform their tasks effectively.

#### **Recommendation for Future Research**

For future research, it is suggested that the study is to be conducted by utilizing larger sample size in order for the findings to be able to yield more accurate data and results. The reason being, by having a larger sample size the findings will yield more reliable and significant data to be tested in the hope of producing various other unprecedented results. Thus, the results of the findings will be of various options and alternatives meant for different researchers to delve further into thus improving the findings of employees' needs in the organization.

Apart from that, future researchers may conduct the study in public sectors or larger organizations so that variety of results could be produced. These will widen the scope of comparison against the previous study that was only focusing mainly at private organization. This would then eventually yield major difference in data and results that can be used to improve the study in the future thus producing a more enhanced research for reference.

Besides that, in order to get more accurate data, it is advisable for future researcher to try other methods of collecting data such as observation and interviews in order to get more useful first-hand and raw information from the respondents. The data collected from this type of methods are more accurate as it is considered as a primary source and that is collected directly from the working personnel that are surely experienced at Aerodrive Sdn. Bhd. itself.



### **Recommendation for Organization**

As for the part of organization, it is recommended that other forms of rewards such as intrinsic reward to be introduced in the organization such as recognition, work autonomy and freedom. Organization should award or recognize those employees that perform greatly to motivate them to work harder in the future. It can surely motivate employees to perform better.

Besides that, to increase productivity, organization should provide the employees with up-to-date and conducive surrounding elements such as equipment and furniture. The furniture used should be user-friendly and ergonomics so that it will allow not applicable person to work conveniently in the organization. Colored walls such as green or blue may give pleasant and calm feelings to the employees. Therefore, employees will be motivated to perform well for their organization as the working condition is emotional friendly. The organization should also provide a flextime for employees to decide their own working hour so that they will be motivated to come to work every day as they are freely to choose what time to start work.

### **Recommendation for Support Staff**

As for support staff, they should know their needs and wants when they are working in the organization. They need to know what type and amount of rewards that they deserve to get. Employer should expose to the employees on what the employees will get as rewards if they perform well in the organization. As they know, this may motivate them to increase their effort to perform well for the sake of organization.

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# APPENDIX A

## COVER LETTER

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 <b>UNIVERSITI TEKNOLOGI MARA</b>										
Surat Kami : 100-UITMCS (HEA. 30/7) Tarikh : 20 Februari 2018										
<b><u>KEPADA SESIAPA YANG BERKEMANA</u></b>										
Tuan/Puan										
<b><u>PENGESAHAN PELAJAR</u></b>										
<b><u>BIL. NO. PELAJAR NAMA PELAJAR</u></b>										
<b>1. 2015683682 SITI NOOR AFIAH BINTI CHE MAT</b>										
Sukacita sekiranya pihak tuan/puan dapat membantu dan memben kerjasama kepada pelajar di atas dari Program Sarjana Muda Pengurusan Sistem Pejabat (Kepujian) (BM232) untuk membuat satu kertas projek bagi kursus ASM662 (Academic Project).										
Maklumat-maklumat daripada jabatan/agensi/syankat tuan/puan amatlah diperlukan bagi melengkapkan kertas projek tersebut. Semua maklumat yang tuan/puan berikan adalah untuk tujuan akademik sahaja.										
Sila hubungi Penyelia Projek Dr. Nurliana Bt Mohamed Noor di telefon 082677200 sekiranya pihak tuan/puan ingin mendapatkan maklumat lanjut berkaitan perkara di atas.										
Kerjasama daripada pihak tuan/puan kami dahului dengan ucapan ribuan terima kasih.										
Sekian.										
Yang benar										
										
<b>SALMAH BT GANY</b> Pegawai Eksekutif Tertinggi Bahagian Hal Ehwal Akademik bp Rektor										
Am.										
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USAHA, TAQWA, MULIA										

Siti Noor Afiqah Binti Che Mat (2015683682)  
 Universiti Teknologi MARA (UiTM) Cawangan Sarawak,  
 Jalan Meranek,  
 94300 Kota Samarahan,  
 JANUARY 2018

15

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Mr. Arfan Talip,  
 Manager Aerodrive Sdn. Bhd.,  
 Sublot No 111 & 112 of Parent Lot 3-7, 10-68, 10010 & 10012,  
 Section 65, Jalan Matang,  
 93050, Kuching, Sarawak

Tuan,

### **MEMOHON KEBENARAN UNTUK MENGEDAR BORANG KAJI SELIDIK**

Dengan segala hormatnya, merujuk perkara di atas:

2. Saya, Siti Noor Afiqah Binti Che Mat, pelajar tahun akhir UiTM Sarawak, dari kos Pengurusan Sistem Pejabat (Kepujian), ingin memohon kebenaran untuk menjalankan kajian dan mengedarkan boring kaji selidik di syarikat tuan iaitu Aerodrive Sdn. Bhd, di Matang, Kuching.

3. Maklumat adalah seperti yang berikut:

**NAMA** : Siti Noor Afiqah Binti Che Mat  
**NO. KAD PENGENALAN** : 960402-06-5658  
**NO. TELEFON** : 016-9907124  
**EMAIL** : [afiqahchemat.samura@gmail.com](mailto:afiqahchemat.samura@gmail.com)  
**TAJUK** : The Relationship Between Extrinsic Rewards and  
 Employees  
 Performance Among Support Staff  
**SAMPEL KAJIAN** : 112

4. Bersama surat ini, saya ada sertakan surat pengesahan pelajar dan sampel borang kaji selidik yang akan diedarkan di Aerodrive Sdn. Bhd. Dengan ini saya amat berbesar hati agar pihak tuan bersetuju untuk menerima saya.

5. Kerjasama tuan amatlah saya hargai

Sekian terima kasih.

Yang Benar,

SITI NOOR AFIQAH BINTI CHE MAT  
 FACULTY OF BUSINESS AND MANAGEMENT  
 DEGREE IN OFFICE SYSTEMS MANAGEMENT (HONS.)  
 UITM KAMPUS SAMARAHAN

# APPENDIX B





**TITLE: THE RELATIONSHIP BETWEEN EXTRINSIC REWARDS AND EMPLOYEES' PERFORMANCE AT AERODRIVE SDN. BHD. IN MATANG, KUCHING.**

**BACHELOR OF OFFICE SYSTEM MANAGEMENT (HONS.)**

**Dear Respondents,**

I am pursuing a degree in Bachelor of Office System Management (Hons.) at Universiti Teknologi Mara (UiTM) Cawangan Sarawak, Kota Samarahan. In order to fulfill the program's requirement, I am conducting a research entitled "**THE RELATIONSHIP BETWEEN EXTRINSIC REWARDS AND EMPLOYEES' PERFORMANCE AT AERODRIVE SDN. BHD. IN MATANG, KUCHING**".

I would very grateful if you can complete this questionnaire. Thank you for your cooperation. All information gathered will be kept strictly **confidential** and for academic purposes. Do not hesitate to call us for further information.

Yours truthfully,

---

Siti Noor Afiqah binti Che Mat  
(Student)

Student ID : 2015683682  
Contact Number : 0169907124

---

Rozita Binti Hanapi  
(Supervisor)

Attached:

**THE RELATIONSHIP BETWEEN EXTRINSIC REWARDS AND EMPLOYEES' PERFORMANCE AMONG SUPPORT STAFF AT AERODRIVE SDN. BHD. IN MATANG, KUCHING**

Section A: Demographic Profile (*Profil Demografi*)

Please tick “/” the following information which related to yourself.  
(*Sila tandakan "/" maklumat berikut yang berkaitan dengan diri anda.*)

1. Gender (*Jantina*)

- Male (*Lelaki*)                       Female (*Perempuan*)

2. Marital status (*Status Perkahwinan*)

- Single (*Bujang*)                       Married (*Berkahwin*)

3. Age (*Umur*)

- Below 26 (*Bawah 26*)     26-35     36-45

- 46-55     56 and above (*56 dan ke atas*)

4. Educational Level

- PMR                                       SPM

- STPM                                       Diploma

- Degree (*Ijazah*)                       Others (*Lain-lain*)

Section B: Information about extrinsic rewards (*Maklumat mengenai ganjaran ekstrinsik.*)

Extrinsic rewards are rewards that are external to the work itself; they are administered externally. For examples are performance bonus, salary and working condition.

(*Ganjaran ekstrinsik adalah ganjaran luar dari kerja itu sendiri; ganjaran tersebut ditadbir secara luaran. Contohnya ialah bonus prestasi, gaji dan keadaan kerja.*)

Please circle your preference. (*Sila bulatkan mengikut keutamaan.*)

Level of agreement ( <i>Tahap Persetujuan</i> )	1 Strongly Disagree ( <i>Sangat Tidak Setuju</i> )	2 Disagree ( <i>Tidak Setuju</i> )	3 Neutral ( <i>Neutral</i> )	4 Agree ( <i>Setuju</i> )	5 Strongly Agree ( <i>Sangat Setuju</i> )
--	--	--	------------------------------------	---------------------------------	---

**Performance Bonuses (*Bonus Prestasi*)**

Performance bonus is an incentive payments given to employees beyond their normal base wage.

(*Bonus prestasi adalah bayaran insentif yang diberikan kepada pekerja melebihi gaji pokok mereka.*)

No.	Item ( <i>Item</i> )	Scale ( <i>Skala</i> )				
1	The amount of pay that I received able to increase my motivation to perform well. ( <i>Gaji berdasarkan prestasi yang saya terima dapat meningkatkan motivasi saya untuk menyumbangkan prestasi yang baik.</i> )	1	2	3	4	5
2	The amount of pay is given based on performance that I contributed. ( <i>Gaji ini diberi berdasarkan prestasi yang saya menyumbang.</i> )	1	2	3	4	5
3	The amount of pay that I received is equitable with my competencies towards my jobs. ( <i>Gaji yang saya terima adalah setimpal dengan kompetensi pekerjaan saya.</i> )	1	2	3	4	5

4	I feel that my performance is reflective of my abilities. ( <i>Saya merasa bahawa prestasi saya mencerminkan kemampuan saya.</i> )	1	2	3	4	5
5	I will reduce my efforts if I received the inequitable bonus. ( <i>Saya akan mengurangkan usaha saya sekiranya menerima gaji yang tidak adil.</i> )	1	2	3	4	5

### Salary (*Gaji*)

Salary is defined as a monetary reward and important for today employees to motivate them for making their best efforts on the job.

(*Gaji ditakrifkan sebagai ganjaran kewangan dan penting bagi pekerja pada masa kini untuk memberi motivasi kepada mereka agar mereka dapat berusaha dengan lebih baik semasa bekerja.*)

No.	Item ( <i>Item</i> )	Scale ( <i>Skala</i> )				
1	Salary is the main reward to motivate my work performance. ( <i>Gaji adalah satu pampasan untuk memotivasikan prestasi saya.</i> )	1	2	3	4	5
2	My annual salary increment is adequate. ( <i>Kenaikan gaji tahunan saya adalah mencukupi.</i> )	1	2	3	4	5
3	I felt satisfied with my current salary. ( <i>Saya merasa berpuas hati dengan gaji saya sekarang.</i> )	1	2	3	4	5
4	I feel I am being fairly paid for what I have contributed to this organization. ( <i>Saya rasa saya di beri gaji secara adil di atas apa yang telah saya sumbangkan untuk syarikat ini.</i> )	1	2	3	4	5

5	Even though I received low salary from my employer, I would still try to do my best at my job. ( <i>Walaupun saya menerima gaji yang rendah daripada majikan saya, saya masih akan cuba untuk melakukan yang terbaik dalam pekerjaan saya.</i> )	1	2	3	4	5
---	--	---	---	---	---	---

### Working Condition (*Keadaan Bekerja*)

Working condition is the environment of the place of work and the adequacy of equipment and supplies.

(*Keadaan bekerja adalah persekitaran tempat kerja dan kecukupan peralatan dan bekalan.*)

No.	Item ( <i>Item</i> )	Scale ( <i>Skala</i> )				
1	I am very satisfied with my current working condition. ( <i>Saya berpuas hati terhadap keadaan kerja sekarang.</i> )	1	2	3	4	5
2	Sufficient facilities and equipment increase my efficiency in performing the tasks. ( <i>Kemudahan yang mencukupi dapat meningkatkan kecekapan saya dalam melaksanakan tugas.</i> )	1	2	3	4	5
3	A harmonious working atmosphere will increase my performance. ( <i>Suasana kerja yang harmoni akan meningkatkan prestasi saya.</i> )	1	2	3	4	5
4	Safety and healthy working environment reduce my stress in order to able to perform outstanding performance. ( <i>Persekitaran kerja yang selamat dan sihat dapat mengurangkan tekanan dari saya agar mampu menyumbangkan prestasi yang terbaik.</i> )	1	2	3	4	5
5	Supervisors and peers support increase my performance. ( <i>Sokongan penyelia dan rakan-rakan dapat meningkatkan prestasi saya.</i> )	1	2	3	4	5

## Employees' Performance (*Prestasi Pekerja*)

Employees' performance is referring to achieving a goal or aim within a job, role or organization.

*(Prestasi pekerja merujuk kepada mencapai matlamat atau tujuan dalam pekerjaan, peranan atau organisasi.)*

No.	Item ( <i>Item</i> )	Scale ( <i>Skala</i> )				
1	I feel motivated to increase my performance when I received reward. <i>(Saya rasa bermotivasi untuk meningkatkan prestasi saya apabila saya menerima ganjaran.)</i>	1	2	3	4	5
2	I am agreed that rewards are important to retain high performers. <i>(Saya bersetuju bahawa ganjaran penting untuk mengekalkan prestasi yang tinggi.)</i>	1	2	3	4	5
3	Financial reward is more important to influences my performance rather than nonfinancial reward. <i>(Ganjaran kewangan lebih mempengaruhi prestasi saya berbanding dengan ganjaran bukan kewangan.)</i>	1	2	3	4	5
4	I am satisfied with recognition on my good performance. <i>(Saya berpuas hati dengan pengiktirafan terhadap prestasi saya yang baik.)</i>	1	2	3	4	5
5	My performance is fairly assessed by employer. <i>(Prestasi saya dinilai oleh majikan dengan adil.)</i>	1	2	3	4	5

Adopted from Tima (2011) based on "Managing Employee Performance and Reward" (Shields, 2007).

**Thank You☺ (*Terima Kasih*)**

# APPENDIX C

## DEMOGRAPHIC PROFILE

### 1. Frequency for all Demographic Background

Statistics						
		ID	Gender	Marital Status	Age	Educational Level
N	Valid	97	97	97	97	97
	Missing	0	0	0	0	0

### 2. Frequency Table for Gender

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	48	49.5	49.5	49.5
	Female	49	50.5	50.5	100.0
	Total	97	100.0	100.0	

### 3. Frequency Table for Marital Status

Marital Status					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	65	67.0	67.0	67.0
	Married	32	33.0	33.0	100.0
	Total	97	100.0	100.0	

### 4. Frequency Table for Age

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 26	50	51.5	51.5	51.5
	26-35	28	28.9	28.9	80.4
	36-45	5	5.2	5.2	85.6
	46-55	9	9.3	9.3	94.8
	56 and above	5	5.2	5.2	100.0
	Total	97	100.0	100.0	



### 5. Frequency Table for Educational Level

		Educational Level			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	PMR	5	5.2	5.2	5.2
	SPM	4	4.1	4.1	9.3
	STPM	19	19.6	19.6	28.9
	Diploma	37	38.1	38.1	67.0
	Degree	27	27.8	27.8	94.8
	Others	5	5.2	5.2	100.0
	Total	97	100.0	100.0	

## NORMALITY TEST

### Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Performance Bonus	97	100.0%	0	0.0%	97	100.0%
Salary	97	100.0%	0	0.0%	97	100.0%
Working Condition	97	100.0%	0	0.0%	97	100.0%
Employees Performance	97	100.0%	0	0.0%	97	100.0%

### Descriptives

		Statistic	Std. Error	
Performance Bonus	Mean	3.6062	.07674	
	95% Confidence Interval for Mean	Lower Bound	3.4539	
		Upper Bound	3.7585	
	5% Trimmed Mean	3.6344		
	Median	3.8000		
	Variance	.571		
	Std. Deviation	.75579		
	Minimum	1.00		
	Maximum	5.00		
	Range	4.00		
	Interquartile Range	1.00		
	Skewness	-.700	.245	
	Kurtosis	1.073	.485	
	Salary	Mean	3.8247	.06073
95% Confidence Interval for Mean		Lower Bound	3.7042	
		Upper Bound	3.9453	
5% Trimmed Mean		3.8367		
Median		4.0000		
Variance		.358		
Std. Deviation		.59809		
Minimum		2.20		
Maximum		5.00		
Range		2.80		
Interquartile Range		.50		
Skewness		-.275	.245	
Kurtosis		-.099	.485	
Working Condition		Mean	3.4371	.07555

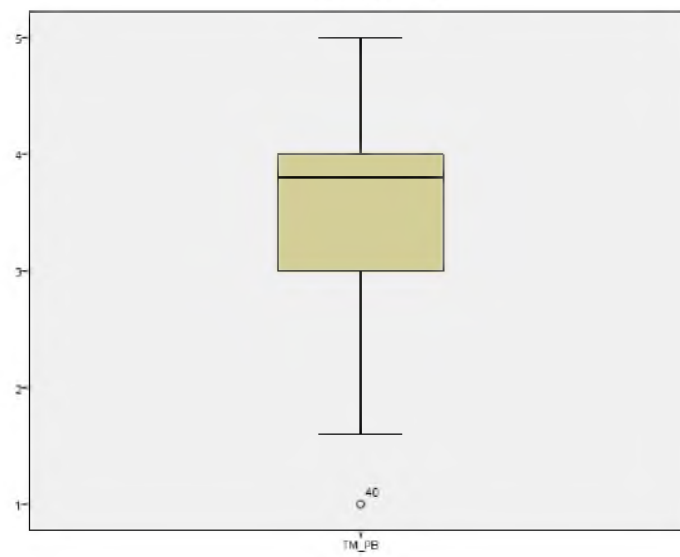
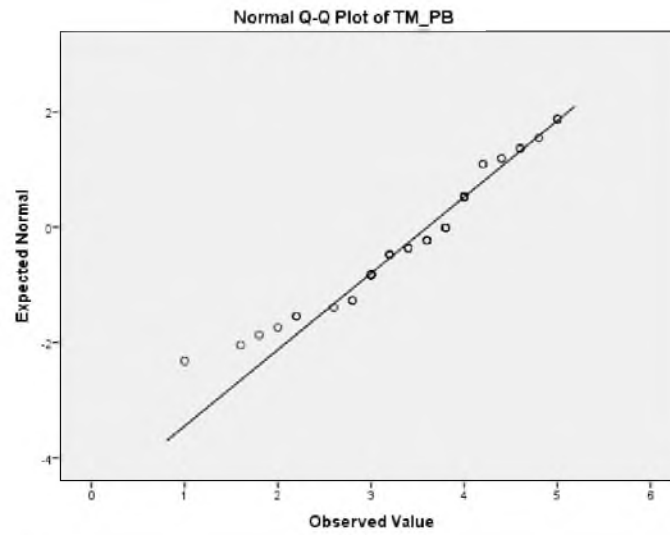
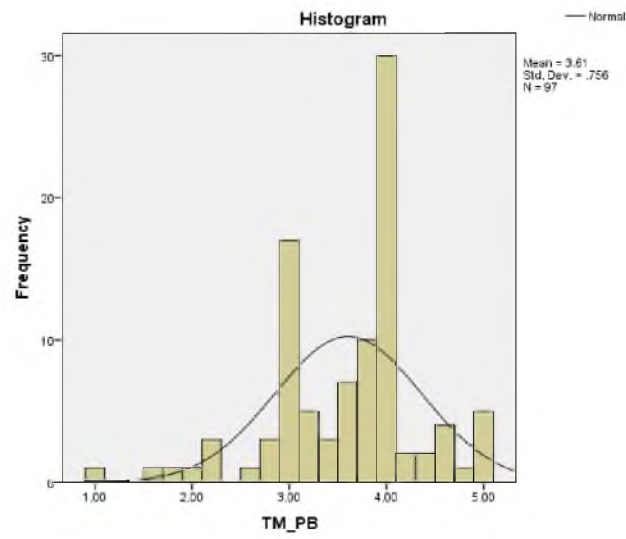
	95% Confidence Interval	Lower Bound	3.2872	
	for Mean	Upper Bound	3.5871	
	5% Trimmed Mean		3.4723	
	Median		3.4000	
	Variance		.554	
	Std. Deviation		.74405	
	Minimum		1.00	
	Maximum		5.00	
	Range		4.00	
	Interquartile Range		1.00	
	Skewness		-.735	.245
	Kurtosis		.876	.485
	Mean		3.7402	.05692
	95% Confidence Interval	Lower Bound	3.6272	
	for Mean	Upper Bound	3.8532	
	5% Trimmed Mean		3.7466	
	Median		3.8000	
	Variance		.314	
Employees Performance	Std. Deviation		.56063	
	Minimum		2.40	
	Maximum		5.00	
	Range		2.60	
	Interquartile Range		.60	
	Skewness		-.309	.245
	Kurtosis		.074	.485

### Tests of Normality

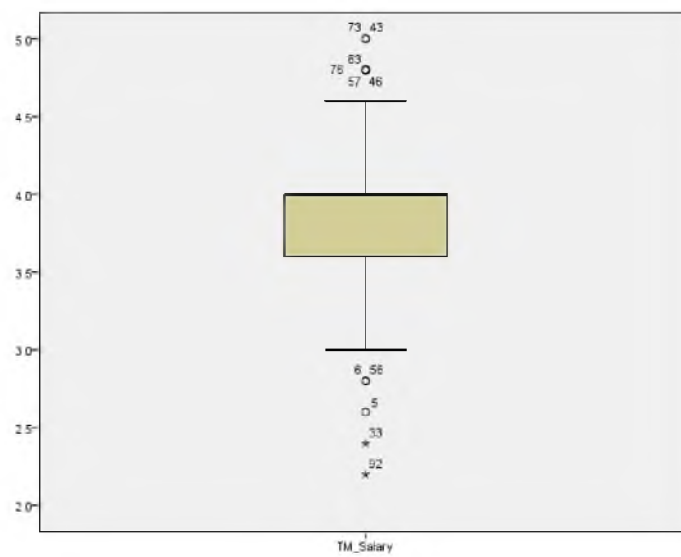
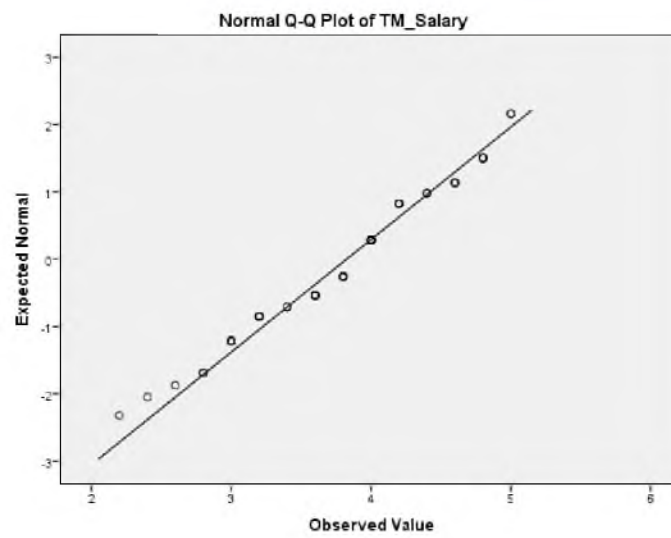
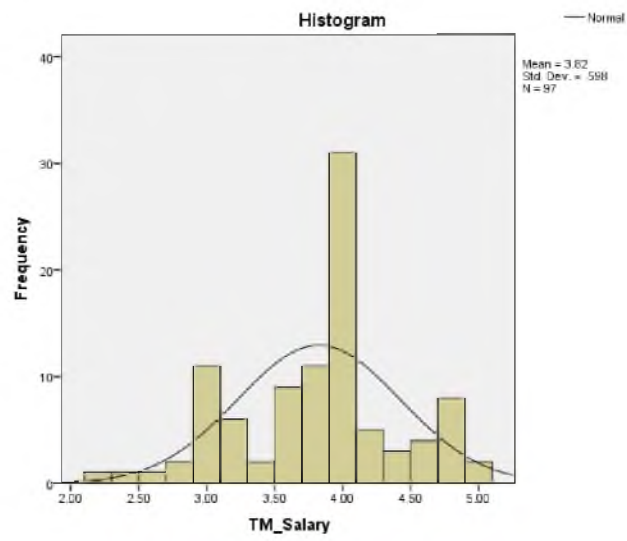
	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Performance Bonus	.158	97	.000	.932	97	.000
Salary	.162	97	.000	.949	97	.001
Working Condition	.120	97	.001	.956	97	.003
Employees Performance	.140	97	.000	.963	97	.007

a. Lilliefors Significance Correction

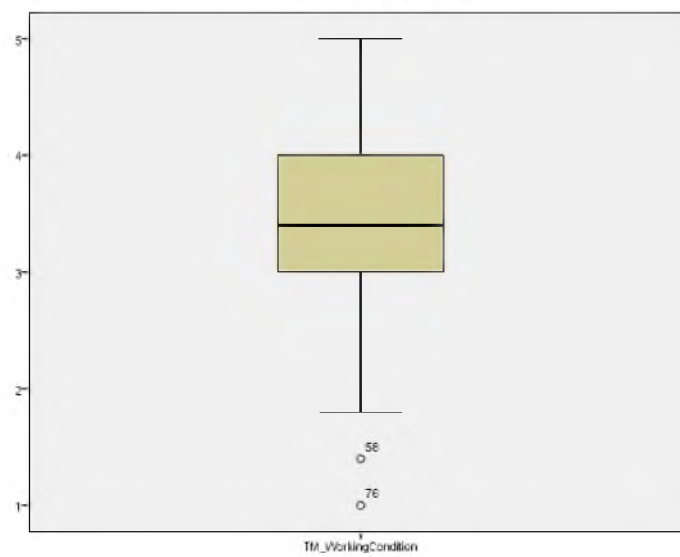
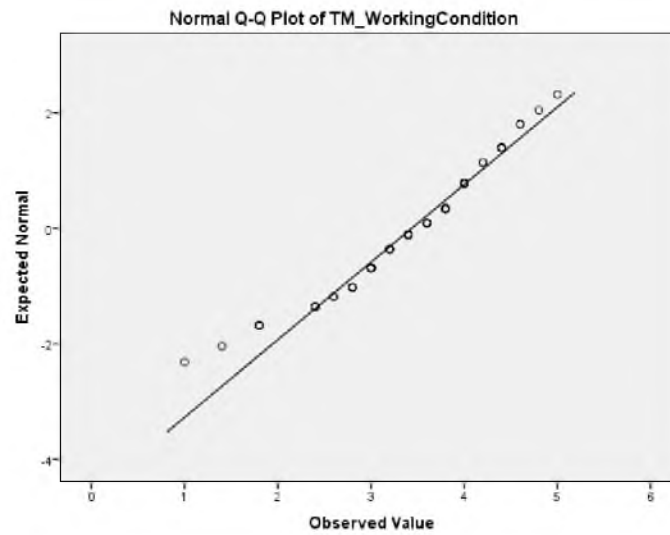
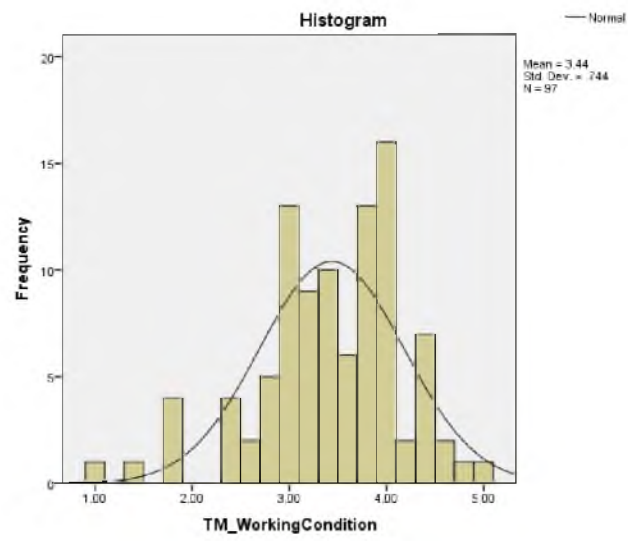
## 1. Performance Bonus



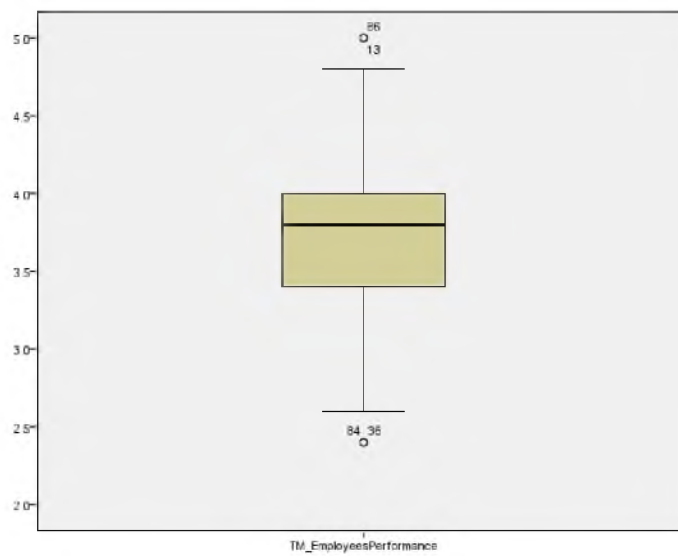
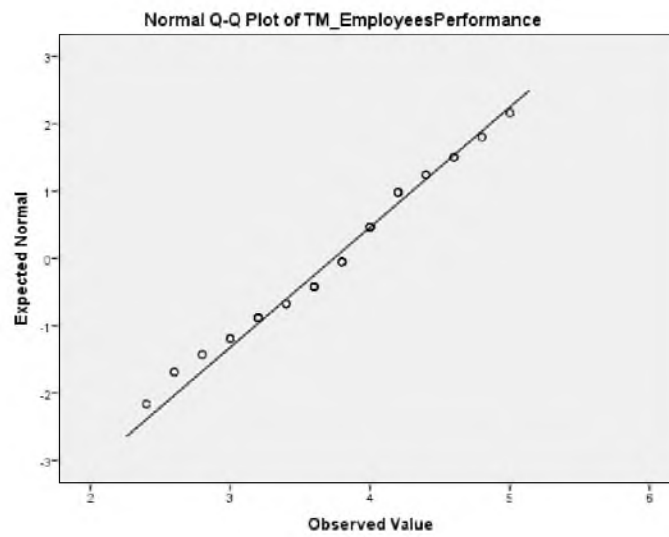
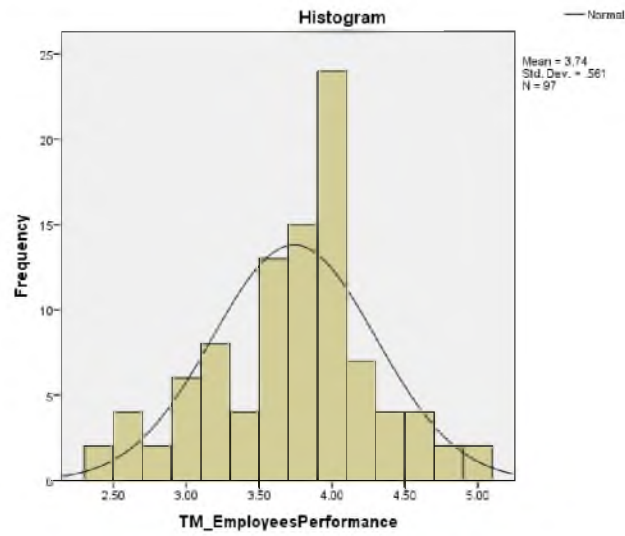
## 2. Salary



### 3. Working Condition



#### 4. Employees' Performance



## DESCRIPTIVE STATISTICS

### Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Gender	97	1	2	1.51	.503
Marital Status	97	1	2	1.33	.473
Age	97	1	5	1.88	1.184
Educational Level	97	1	6	3.95	1.149
Valid N (listwise)	97				

## RELIABILITY TEST

### 1. Performance Bonus

#### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.921	.920	5

### Inter-Item Correlation Matrix

	The amount of pay that I received able to increase my motivation to perform well.	The amount of pay is given based on performance that I contributed.	The amount of pay that I received is equitable with my competencies towards my jobs.	I feel that my performance is reflective of my abilities	I will reduce my efforts if I received the inequitable bonus
The amount of pay that I received able to increase my motivation to perform well.	1.000	.857	.839	.591	.733
The amount of pay is given based on performance that I contributed.	.857	1.000	.814	.559	.707
The amount of pay that I received is equitable with my competencies towards my jobs.	.839	.814	1.000	.540	.660



I feel that my performance is reflective of my abilities	.591	.559	.540	1.000	.682
I will reduce my efforts if I received the inequitable bonus	.733	.707	.660	.682	1.000

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
The amount of pay that I received able to increase my motivation to perform well.	14.38	9.030	.880	.813	.886
The amount of pay is given based on performance that I contributed.	14.48	8.961	.850	.774	.892
The amount of pay that I received is equitable with my competencies towards my jobs.	14.46	8.855	.819	.738	.899
I feel that my performance is reflective of my abilities	14.29	10.457	.651	.484	.929
I will reduce my efforts if I received the inequitable bonus	14.51	9.294	.786	.646	.905

## 2. Salary

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.835	.843	5

### Inter-Item Correlation Matrix

	Salary is the main reward to motivate my work performance	My annual salary increment is adequate	I felt satisfied with my current salary	I feel I am being fairly paid for what I have contributed to this organization	Even though I received low salary from my employer, I would still try to do my best at my job.
Salary is the main reward to motivate my work performance	1.000	.492	.592	.289	.479
My annual salary increment is adequate	.492	1.000	.589	.393	.580
I felt satisfied with my current salary	.592	.589	1.000	.449	.724
I feel I am being fairly paid for what I have contributed to this organization	.289	.393	.449	1.000	.592
Even though I received low salary from my employer, I would still try to do my best at my job.	.479	.580	.724	.592	1.000

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Salary is the main reward to motivate my work performance	15.29	5.853	.562	.383	.826
My annual salary increment is adequate	15.19	5.986	.638	.424	.801
I felt satisfied with my current salary	15.20	5.847	.754	.620	.771
I feel I am being fairly paid for what I have contributed to this organization	15.52	6.169	.512	.355	.838
Even though I received low salary from my employer, I would still try to do my best at my job.	15.31	5.945	.761	.633	.771

**3. Working Condition****Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.827	.819	5

**Inter-Item Correlation Matrix**

	I am very satisfied with my current working condition	Sufficient facilities and equipment increase my efficiency in performing the tasks	A harmonious working atmosphere will increase my performance.	Safety and healthy working environment reduce my stress in order to able to perform outstanding performance	Supervisors and peers support increase my performance
I am very satisfied with my current working condition	1.000	.629	.328	.285	.146
Sufficient facilities and equipment increase my efficiency in performing the tasks	.629	1.000	.389	.353	.318
A harmonious working atmosphere will increase my performance.	.328	.389	1.000	.774	.705
Safety and healthy working environment reduce my stress in order to able to perform outstanding performance	.285	.353	.774	1.000	.824
Supervisors and peers support increase my performance	.146	.318	.705	.824	1.000

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
I am very satisfied with my current working condition	13.26	11.235	.392	.444	.847
Sufficient facilities and equipment increase my efficiency in performing the tasks	13.44	10.687	.498	.452	.825
A harmonious working atmosphere will increase my performance.	13.93	7.880	.757	.633	.749
Safety and healthy working environment reduce my stress in order to able to perform outstanding performance	13.97	7.926	.789	.761	.739
Supervisors and peers support increase my performance	14.14	8.479	.696	.712	.770

**4. EMPLOYEES' PERFORMANCE****Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.749	.750	5

**Inter-Item Correlation Matrix**

	I feel motivated to increase my performance when I received reward.	I am agreed that rewards are important to retain high performers.	Financial reward is more important to influences my performance rather than nonfinancial reward.	I am satisfied with recognition on my good performance.	My performance is fairly assessed by employer.
I feel motivated to increase my performance when I received reward.	1.000	.440	.604	.144	.260
I am agreed that rewards are important to retain high performers.	.440	1.000	.681	.363	.215
Financial reward is more important to influences my performance rather than nonfinancial reward.	.604	.681	1.000	.297	.228
I am satisfied with recognition on my good performance.	.144	.363	.297	1.000	.525

My performance is fairly assessed by employer.	.260	.215	.228	.525	1.000
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**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
I feel motivated to increase my performance when I received reward.	14.75	5.688	.489	.397	.714
I am agreed that rewards are important to retain high performers.	15.10	4.739	.592	.495	.674
Financial reward is more important to influences my performance rather than nonfinancial reward.	14.91	5.106	.647	.583	.658
I am satisfied with recognition on my good performance.	15.27	5.427	.452	.358	.728
My performance is fairly assessed by employer.	14.77	5.761	.410	.314	.741

## CORRELATION ANALYSIS

		<b>Correlations</b>			
		Performance Bonus	Salary	Working Condition	Employees Performance
Performance Bonus	Pearson relation	1	.506**	.399**	.427**
	Sig. (2-tailed)		.000	.000	.000
	N	97	97	97	97
Salary	Pearson Correlation	.506**	1	.335**	.351**
	Sig. (2-tailed)	.000		.001	.000
	N	97	97	97	97
Working Condition	Pearson Correlation	.399**	.335**	1	.597**
	Sig. (2-tailed)	.000	.001		.000
	N	97	97	97	97
Employees Performance	Pearson Correlation	.427**	.351**	.597**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	97	97	97	97

\*\* . Correlation is significant at the 0.01 level (2-tailed).



# APPENDIX D

## Krejcie and Morgan Sample Size

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	2500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368

# APPENDIX E