THE RELATIONSHIP BETWEEN REWARD SYSTEM AND EMPLOYEE'S PERFORMANCE IN POLITEKNIK KOTA BHARU

NOR IZ IAN IZZATY BINTI NOOR AZHAR

IN OFFICE SYSTEM MANAGEMENT (HONS)
UNIVERSITI TEKNOLOGI MARA

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ABSTRACT

This study was focused to investigate the relationship between reward system and employees' performance. This study was focused on employees in Politeknik Kota Bharu. The purpose of this study to know the types of reward preferred by employees in Politeknik Kota Bharu and identify relationship between reward system and employees' performance. The significant of this study will bring much benefits and better understanding for the relationship between reward system and employees' performance. In this study the researcher focused on both extrinsic and intrinsic rewards. Extrinsic rewards includes salary, bonus and compensation while intrinsic rewards was focused on achievement and recognition programs. For employees' performance, it focused on behavior and psychological. The researcher was used mean and standard deviation to know the result of every section and correlation to know the relationship between reward system and employees' performance. Sampling technique used in this study was stratified sampling technique and population was 600 employees so sample size in this study was $(N=600, S=234)$. From the finding, compensation extrinsic reward was higher which was $(M=4.19)$ $(SD=.607)$ and the lowest was bonus which was $(M=3.33)$ $(SD=.532)$. For intrinsic reward, the highest mean was achievement which was $(M=3.86)$ $(SD=3.79)$ and for the lowest mean was recognition $(M=3.79)$ $(SD=.504)$. From the result also all the relationship was accepted and there was significant relationship between reward (extrinsic & intrinsic) systems and employees' performance. As conclusion respondents more preferred compensation and achievement reward in the organization. For the future researcher, it is better to large the scope of study in the private company.

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Lastly, I hope this research project could be a learning sources to others and can refer this research project in their studies.

Nor Izian Izzaty binti Noor Azhar

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Faculty of Office Management and Technology
Universiti Teknologi MARA

TABLE OF CONTENTS

LIST OF TABLES