



THE EFFECTIVENESS OF GOOD REWARD SYSTEM TOWARDS
EMPLOYEE'S MOTIVATION

Prepared for:
PUAN NORAFIZA BINTI MOHD HARDI

Prepared by:
NUR ZAILIATON BINTI SALLEH
BACHELOR IN OFFICE SYSTEMS MANAGEMENT (HONS.)

UNIVERSITI TEKNOLOGI MARA (UiTM)
FACULTY OF BUSINESS MANAGEMENT

July 2013

ABSTRACT

The researcher has studied about the effectiveness of good reward system towards employee's motivation at Muda Agricultural Development Authority (MADA). Good reward systems were studied in attempt to find the factors that influence the employee's motivation. The objectives of this study were to identify the factors that influence employee's motivation, to examine the good reward system towards employee's motivation and to determine the level of job motivation among employees. A total of 70 support staffs at various stages of education level, ages ranged and years of service participated in this study. The instrument used was a questionnaire. The questionnaire solicited demographic background of the respondent for Section A. Section B was to identify the factors that influence employee's motivation, Section C was to examine the good reward system towards employee's motivation and Section D to determine the level of job motivation among employees. Questionnaires were distributed to the respondents and 100% respondents have returned the completed questionnaires. Data was analyzed using SPSS version 20.0 for frequencies, mean and standard deviation. Based on the findings, the researcher has found that job recognition was a good reward system towards employee's motivation. This is because from the analysis, it shown that when employees and their work are valued, their satisfaction and productivity rises, and they are motivated to maintain or improve their good work. As a conclusion, the effectiveness of good reward system can give a lot of positive effects towards employee's motivation. Compensation, job recognition and employee benefits can influence employees to increase their motivation towards their job.

ACKNOWLEDGEMENT

Firstly, I would like to thank to Allah S.W.T with His Mercy for giving me His blessings to execute this research despite many challenging moments, which I faced especially during the early stage of this undertaking to fulfill requirements of the Issues in Academic Project (OSM 662).

I would like to thank the following people for their constructive comments, invaluable advice and assistance in completing this research.

- i. Puan Norafiza Binti Mohd Hardi
(Supervisor for this research)
- ii. Puan Zakiah Binti Mohamed
(Co-Supervisor for this research)

Last but not least, I would like to thank to my family members and people who have involved either directly or indirectly on this project proposal. Without their cooperation and support, I would have not been able to carry out this course. I thank them all.

Nur Zailiaton Binti Salleh

July, 2013
Faculty of Business Management
University Technology of Mara

TABLE OF CONTENTS

	Pages
LIST OF TABLES	i
LIST OF FIGURES	ii
CHAPTER 1	
INTRODUCTION.....	1
1.1 Background of Study.....	1
1.2 Statement of Problem.....	3
1.3 Research Objectives.....	4
1.4 Research Questions.....	4
1.5 Significance of Study.....	5
1.6 Limitations of Study.....	6
1.7 Definition of Term.....	6
CHAPTER 2	
LITERATURE REVIEW.....	8
2.1 Compensation.....	8
2.2 Job Recognition.....	10
2.3 Employee Benefits.....	11
2.4 Conceptual Framework.....	14
CHAPTER 3	
METHODOLOGY.....	16
3.1 Introduction.....	16
3.2 Research Design.....	16
3.3 Sampling Frame.....	17
3.4 Population.....	17
3.5 Sampling Technique.....	17
3.6 Sample Size.....	18
3.7 Unit of Analysis.....	18
3.8 Instruments.....	18
3.9 Validity of Instrument.....	19
3.10 Data Collection Procedures.....	19
3.11 Plans for Data Analysis.....	21
CHAPTER 4	
FINDINGS.....	23
4.1 Introduction.....	23
4.2 Rate of Survey Return.....	24
4.3 Section A: Demographic Profile.....	24
4.4 Section B: Factors That Influence Employee's Motivation.....	28
4.5 Section C: The Good Reward System towards Employee's Motivation.....	29
4.6 Section D: The level of Job Motivation among Employees.....	30

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

The globalization trend, technology changes and development as well as new business practices continuously influence organization in Malaysia. Many companies are facing various challenges in improving their employee's motivation and thus, it is the organizational commitment to find ways how to improve their employee's motivation.

Organisations certainly need to pay more attention to motivation. Especially in the service sector, employee's motivation is very important in terms of ensuring the continuous of service quality (Hays & Hill, 1999). Motivation is vital for business success and yet, as our survey indicates, it is in variably a tough challenge to get it right (Holton et al., 2009). Successful organizations realize that employee retention is important to sustain their leadership and growth in the business operation.