UNIVERSITI TEKNOLOGI MARA

THE INFLUENCE OF ORGANIZATIONAL REWARD SYSTEM ON EMPLOYEES COMMITMENT: A CASE STUDY AT MAYBANK TERENGGANU

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ABSTRACT

Reward system influences employee commitment towards an organization. This research aims to determine employee commitment level, and elements of rewards system (fringe benefit, promotion, salary and recognition) that significantly influence employee commitment in banking industry. A quantitative research methodology was used for this study, whereby 76 employees (47 female and 29 male), aged between 20 to 60 years old from Kemaman, Kerteh (Mesra Mall), Paka and Dungun Maybank branch were selected through stratified sampling to complete a Likert-style questionnaire which was adapted from Reward System, Inventory Job Satisfaction Survey (JSS) and Organizational Commitment Inventory questionnaire (OCQ). The items in the questionnaire are closeended type with a 7-point Likert scale. Through the survey made to the employees at the identified Maybank branch in Terengganu, a total of 76 set questionnaires were distributed. A total of 76 questionnaires were returned and the returned rate is 100%. The data collected for this study were analysed using Statistical Package for Social Sciences (SPSS), version 20. Pearson Correlation Coefficient and Multiple Regression were applied in analysing and interpreting the data. The result of fringe benefit, promotion, and salary on employee commitment generally support the hypotheses in this study. As conclusion, it can be said that objective of the study has been answered by the Coefficient Correlation in Pearson and Multiple regression had come to a conclusion where reward system gave the most significant factor that affect employee commitment among the Maybank employees in Terengganu instead of recognition. Some of suggestions and recommendations were provided for future research in order to produce more accurate and comprehensive results for upcoming research.

Keywords: Reward System, Employee Commitment, Fringe Benefit, Salary, Promotion, Recognition

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