A STUDY ON THE EFFECT OF REWARD SYSTEMS ON EMPLOYEE PERFORMANCE IN TELEKOM MALAYSIA CONVENTION CENTRE

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ABSTRACT

Based on a critical review of published literature, it is obvious how necessary the right combination of rewards is to employee performance of an organization. This study focused on the effect of reward system on employee performance in Telekom Malaysia Convention Centre. This thesis examines what type of reward system affects the employees' performance the most and what type of reward system is more beneficial to the employees in the organization. The researcher used employee performance as the dependent variable meanwhile the researcher used bonus, promotion and salary as the independent variables. The study was conducted in Telekom Malaysia Convention Centre which is one of the department in Telekom Malaysia Berhad. The researcher collected the data needed from 60 respondents in Telekom Malaysia Convention Centre which is from the employees there directly. The number of respondent was taken from the Table of Determining Sample Size of a Known Population by Krejcie and Morgan (1970). The researcher used the convenience sampling technique to collect the data where it is a type of non-probability sampling that involves the sample being drawn from a part of population which is close to hand. The data collected from respondents was analysed using Statistical Packages for Social Science (SPSS). The expected result from this study was obtaining a significant relationship between the dependent variable and independent variables.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This study was about the effects of rewards system on employee performance in one of the largest organization in Malaysia which is Telekom Malaysia Berhad. This chapter covers the background of the study, background of the company, problem statement, research objectives, research questions, significance of the study, scope of the study and definition of terms.

1.1 Background of the Study

Every organization or company have their own way in rewarding their employees and workers. Reward system can motivate employees and can make them put extra effort that will lead to achieving the company's goals. Furthermore, reward system can be used as motivational tools to increase and improve productivity. A well-organized reward system will motivate and energize employees and workers because this shows that the company recognises the achievements of the employees.

Reward is one of the essential elements to motivate employees in contributing their best effort to generate innovative and creative ideas that will lead to better and improvise company performance (Aktar, Sachu, & Ali, 2012). Reward system carry out by the company will influence employees' attitude and behaviour towards their job and task if the rewards satisfy their