



**A STUDY ON MAJOR TYPES OF REWARD THAT  
AFFECTED ON EMPLOYEES PERFORMANCE:  
A CASE ON ZND ENGINEERING SDN BHD.**

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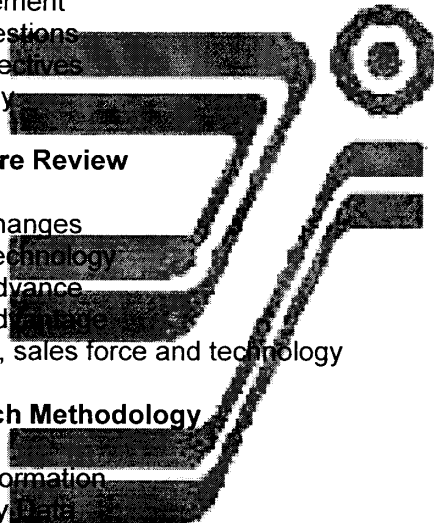
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## ABSTRACT

In every company, the human resources department is a must in order to care about the employees or staff needs and their benefits. Every company has their own system on how to reward their staffs in order to show company's appreciation towards the staffs. The rewards system has to show the win situation on both side of the company and the staff as the benefit the staff received when they gave their energy and skills to the company and this statement is supported by Nawab and Bhatti (2011) which they found that employee reward positively and significant affect organizational commitment. To make this statement more significant, research of Paik, Y. S. et al (2007) found a positive and noteworthy relationship between reward received by the Korean workers expatriate and Mexico local workers on the affective commitment which is similar to the employee's performance. The research objective of this study is to identify the type of rewards that usually captured the new employee's attention. Next, the second research objective is to determine the major types of reward system effect on employee's performance. This research has been conducted by distributing questionnaire among Telekom Malaysia's staff at five different divisions in Telekom Malaysia Tower or known as 'Menara Rebung' which Government, Global Wholesale (GW), New Media (NM), Information Technology (IT&NT), Consumer and SME ( Mass Market). There are 20 respondents in each division was selected randomly to participate in this research which makes 100 respondents in total. This study is significant to Telekom Malaysia since it was a big company which owns the largest telecommunication company in Malaysia and how the company treated their workers to show company's appreciation towards their staffs.

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## CHAPTER 1: INTRODUCTION

### 1.1 BACKGROUND OF STUDY

The reward is equal to the benefit that the employees will get when their work at the company. The employees are seeking the scheme to support and reinforce desirable behaviour such as wage rate that received with the productivity their work. Moreover, based on company view, it's a concept that returns or yield on the investment is proportional to risk. Thus, the investor will demand greater rewards where the risk of loss is greater'.

Based on the statement above, the employees are seeking the best benefit that they could get when they work at the company. They can be demand based on their scope of work and according to the statement, the greater the risk, the greater the demand. The employees make a demand in order to protect themselves if anything bad happen when they working. As for the company and human resources department, they should investigate more on the benefit that they should offer to the employees. Besides that, a company also should conduct the research to know the compatibility between rewards that company offer and the employees' job scope.

As stated by Ghazanfar et al. (2011) showed that satisfaction with reward received has a strong and significant effect on work motivation. Flexible pay (incentives, overtime, bonuses) and benefits have been shown to be insignificant on workers motivation. A study conducted by Vecchio et al. (2013) found that pay variable significantly effects on motivation intrinsic of a salesperson in California. Khan and Mufti (2012) show relationship between effort, performance and motivation are very weak, negative and insignificant and the relationship between Performance Outcome and Motivation is insignificant meanwhile relationship between Outcome Valence (fixed pay, flexible pay, benefits) and Motivation is a powerful, positive and significant.