



**A STUDY ON EXTRINSIC REWARDS ON EMPLOYEES'  
PERFORMANCE: A CASE OF PERMINTEX SANKO  
TECHNOLOGIES SDN BHD (BUKIT BERUNTUNG,  
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## **ABSTRACT**

Extrinsic rewards are one of the essential factors that can affect employees' performance in an organization. Extrinsic rewards have significant impact on employees' satisfaction as they can sustain their interest in helping the organization to achieve the organizational goals. Every company has their own system on how to reward their staff to show appreciation towards the staff. Rewards such as salaries, bonus payment, ordinary commission and working conditions have a positive relationship on employee's performance and satisfaction in the organization.

The first objective of this research is to identify how extrinsic rewards affect employee performance in attainment of organizational objectives. The second objective is to identify the major extrinsic rewards affect employee performance in attainment of organizational objectives.

This research will be conducted by distributing questionnaire among Permintex Sanko Technologies Sdn Bhd employees. There will be 60 employees selected randomly to participate in this research. This study is significant to Permintex Sanko Technologies in helping them to reward their staff effectively and giving them insights on how to improve the current reward practice.

## CHAPTER 1: INTRODUCTION

### 1.1 BACKGROUND OF THE STUDY

Most of the organizations are concerned about factors that can affect employee performance. The rewards are considered as one of the important elements that can contribute to employee performance. The rewards are one of the essential ingredients to inspire workers for giving their best push to create development thoughts that prompt better business effectiveness and further extemporize organization performance both money related and non-monetarily. Henceforth, the representatives will dependably look for the best rewards that suit their efficiency of work (Garlick, 2009). From the organization or business point of view, the reward is the return of the investment of the risk. The greater the risk, the greater the rewards.

Reward system are extremely vital for an organizations (Maund, 2001). The purpose of reward systems is to provide a systematic way to deliver positive impacts. According to Njanja, Maina, Kibet, & Njagi (2013), Human Resources (HR) manager seek to design reward structures that encourage the organizations strategics goals and the goals of individual representatives. In this case, there is a tendency for the employees seek for the best benefit they could get when they are working in some company or organization. The rewards can be demanded based on the scope of work.

Malhotra et al. (2007) interprets rewards as 'all types of financial return, tangible services and advantages an employees gets as a feature of a business relationship'. It is without doubt that each employees expects some level of reward in the wake of conveying a capability or duty. Employees anticipate that employers will convey or