

UNIVERSITI TEKNOLOGI MARA

**THE EFFECT OF EXTRINSIC AND INTRINSIC
REWARDS TOWARD WORK MOTIVATION AT
AGROPOLITAN'S PROJECT:
A STUDY ON SABAH LAND DEVELOPMENT
BOARD'S EMPLOYEES**

**JAZULI W SUNARTO
MOHAMMAD FAROUK BIN FAISAL KIT
MARINA BINTI HABIBON**

Dissertation submitted in fulfilment of the requirements
for the degree of
Master of Business Administration

GRADUATE BUSINESS SCHOOL

May 2011

ABSTRACT

This study seeks to get an understanding the effect of extrinsic and intrinsic rewards on work motivation by further exploring the employees' views and perception in particular to work in the oil palm plantation industry. Finding from this study will be crucial in the preparation of terms and conditions of services for employees of Sabah Land Development Board (SLDB) in the pursuit to be the leader in the Agropolitan's plantation project.

Studies on extrinsic and intrinsic rewards on employee motivation have been deliberately and extensively undertaken to identify the common compensation factors that may directly or indirectly affects motivation of employees in the workplace. Maslow (1943) theory of hierarchy need assumes that a person needs to fulfill the basic needs before directing their behavior towards satisfying upper-level needs. Herzberg (1959) two-factor theory of motivation further deliberates motivators in the perspective of extrinsic as well as intrinsic rewards factor. The study employed Flynn (2010) employee motivation model with some adjustments for the purpose of adaptation. For this study the context is provided with the selection of SLDB's employees as respondents in data collection. The selection of SLDB has been made in response to the fact that the organization has been entrusted by State Government of Sabah as a specific vehicle purposes in implementing Agropolitan programme.

The study found that rewards has great significance in attracting and retaining talent in the realities of plantation workplace, in the form of monetary (Rynes et. al., 2004; Flynn, 2010; Locke et. al., 1990); attractive and better facilities (Ransley and Ingram, 2001; Sundram and Altman, 1989); self progress in term of opportunity for career advancement (Flynn, 2010); company reputation (Bell, 2005); and through acknowledgement in social significance (Deci, 1971; Flynn, 2010). The Flynn's employee motivation model provided better understanding of the employee motivation at various maturity levels. The result derived from modification and adaptations of the model has significantly indicated the existence of different needs and preferences among various categories of employees. Therefore, revision of better and competitive remuneration packages according to job positions for SLDB is proposed.

ACKNOWLEDGEMENTS

Bismillahirrahmannirrahim. We feel honored and privileged, all praised and glory to Allah the Almighty for His constant guidance and bountiful blessings that given us the strength to accomplished this job.

We would like to take this great opportunity to express our sincere and gratitude to our supervisor Dr. Hj. Abdul Kadir Rosline for the exceptional guidance and invaluable expert advices throughout the process stages of completing this study. Whereby, in the absence, we doubt that this study could be completed.

We would also like to thank to all the Universiti Teknologi Mara's lecturers whom had also given us the assistance, inputs and tips throughout this study until its completion. Our special thanks and appreciation to Sabah Land Development Board (SLDB) management and its employees whom had agreed to be our respondents for this study in some way or another, and those who had put up with our instrument and interviewing technique.

Finally, we must say a BIG thank you to all members of our family and friends, especially those in Tawau and Keningau, and wherever they are from whom we draw strengths and inspirations. Our heartiest gratitude to our beloved parents, for all your love and prayers for everything.

Many thanks to all for made it possible.

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