

**FACTORS THAT INFLUENCE COMPENSATION
STRATEGY FROM THE PERSPECTIVE OF
PERSONALITY AND NATIONAL CULTURE AT
INTEL (MALAYSIA AND VIETNAM)**

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2010



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ABSTRACT

The main purpose of this study is to examine the relationships between individual personality and compensation package preferences at Intel Corporation and determine if cross-cultural differences exist in these preferences in Malaysia and Vietnam plants. A survey methodology was used and samples were taken from Intel employees in Malaysia and Vietnam. Data were collected from 110 employees by using simple random sampling. The study showed that there is relationship between Big Five personality and compensation package preferences but the value of each relationship are not strong in most cases. Nevertheless, cross-cultural differences do not exist in the employee's pay preference in Malaysia and Vietnam.

ABSTRAK

Kajian ini menguji hubungan antara keperibadian individu dan pilihan pakej pampasan di Intel Corporation. Ia juga menguji sama ada perbezaan kebudayaan memberi impak pada pilihan pakej antara Malaysia dan Vietnam. Kaedah soal-selidik digunakan dan sampel kajian terdiri daripada pekerja Intel di Malaysia dan Vietnam. 110 orang pekerja dipilih dengan menggunakan persampelan secara rawak. Keputusan kajian menunjukkan bahawa hubungan wujud di antara keperibadian Big Five dan pilihan pakej pampasan. Namun, hubungan kuat tidak dikesani dalam kebanyakan kes. Keputusan juga menunjukkan bahawa perbezaan kebudayaan tidak memberi impak pada pilihan pakej pampasan antara dua Negara ini.

ACKNOWLEDGMENT

I would like to express my sincere gratitude to all the University Utara Malaysia's lecturers who were involved in my master degree's program. All the useful knowledge and information from them have enhanced my knowledge in the subject matter of Human Resource Management. My special appreciation extends to my Supervisor, Puan Norizan Haji Azizan, for her willingness to supervise my project paper and provide her guidance along the way.

My sincere appreciation is also addressed to Intel HR Malaysia, who sponsors the Master Program. Many thanks to my management team, colleagues, classmates and friends, for giving me all kind of support, motivation and inspiration for the past two years. All of you have made my two years of study the most amazing experiences in my life.

Last but not least, I would like to express my thankfulness to my family especially my mother, my husband and my two children for giving extraordinary support at home that helped me to finish the master program without fail. My special gratitude is extended to the loving memory of my late father who gave me the strength and thoughtfulness in everything that I do.

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CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

Compensation is recognized as one of the critical vehicles to attract, retain, motivate and mobilize employees to deliver an organization's business strategy and change initiatives, as to achieve corporate goals and organizationally beneficial directions (Milkovich & Newman, 2005). In current environment towards globalization and the increasing demand for skilled labor, changes in remuneration practices worldwide are expected. The reward management literature emphasizes the need to shift from short-term, ad hoc approaches to a longer-term, strategic approach. As Lawler (1995: 14) states, "The new pay argues in favor of a pay-design process that starts with business strategy and organizational design. It argues against an assumption that certain best practices must be incorporated into a company's approach to pay".

Worldat Work is the association representing the professions comprising total rewards. It has served as a focal point for intellectual-capital development and dialogue about this topic. The World at Work model recognizes that total rewards operate in the context of overall business strategy, organizational culture and HR strategy. A company's exceptional culture or external brand value may be considered a critical component of the total employment value proposition (Total Rewards Management, 2007). Total Rewards are the tools available to the employer that may be used to attract, motivate and retain employees to achieve desired business results. It includes everything the employee perceives to be of value resulting from the

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