THE INFLUENCE OF REWARD SYSTEM ON EMPLOYEES' PERFORMANCE AMONG NON-ACADEMIC STAFFS IN MASTERSKILL UNIVERSITY COLLEGE OF HEALTH SCIENCES

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ABSTRACT

Employees are the most valuable asset to organizations. Employee’s performance is the main factor in determining the organization’s performance and ensuring the organization to run smoothly and successfully. In order to maintain a good employee’s performance, an effective performance management is compulsory. The purpose of this study is to examine the relationship between reward system (monetary and non-monetary rewards) and employee’s performance in Masterskill University College of Health Sciences (MUCH). A survey involving 91 executive and non-executive staff was carried out. Three monetary reward factors (basic pay, merit/cost of living, performance bonus) and four non-monetary reward factors (recognition, learning opportunity, challenging works and career advancement) were tested. The data was analyzed using SPSS version 19. Pearson Correlation Coefficient analysis was run and employed to examine the affect of reward systems on the performance of MUCH employees. The result from Pearson Correlation Coefficient revealed that there is a positive significant relationship between reward system (monetary and non-monetary rewards) and employee’s performance. Based on the results, it can be concluded that employees’ performance is influenced by both monetary reward and non-monetary reward at 57% and 69.8% respectively. This study proposes that HRM must review the important of monetary and non-monetary rewards which can affect the employee’s performance in their organization. In view of the results, other implications and recommendations are also discussed.
ABSTRAK

Pekerja adalah aset yang paling berharga kepada organisasi. Prestasi pekerja yang baik dapat memainkan peranan yang penting dalam menentukan prestasi sesebuah organisasi serta memastikan ianya berjalan lancar dan berjaya. Bagi mengekalkan prestasi pekerja pada tahap yang baik, suatu pengurusan prestasi yang efektif diperlukan. Tujuan kajian ini dijalankan adalah untuk mengenalpasti hubungan antara sistem ganjaran (ganjaran kewangan dan ganjaran bukan kewangan) dengan prestasi pekerja di MUCH. Satu kaji selidik melibatkan 91 orang staf eksekutif dan bukan eksekutif telah dijalankan. Tiga faktor ganjaran kewangan (gaji asas, merit/kos sara hidup dan bonus prestasi) dan empat faktor ganjaran bukan kewangan (penghargaan, peluang belajar, tugas mengeabar, peluang kerjaya) telah diuji. Data dianalisis menggunakan SPSS versi 19. Analisis "Pearson Correlation Coefficient" dijalankan dan digunakan untuk mengkaji keberkesanan sistem ganjaran terhadap prestasi pekerja MUCH. Keputusan daripada analisis ini menunjukkan bahawa terdapat hubungan positif yang kukuh antara sistem ganjaran dengan prestasi pekerja. Berdasarkan kepada keputusan tersebut, didapati bahawa prestasi pekerja dipengaruhi oleh ganjaran kewangan (57%) dan ganjaran bukan kewangan (69.8%). Kajian ini menyarankan supaya pihak Pengurusan Sumber Manusia mengkaji semula kepentingan sistem ganjaran kerana ia dapat mempengaruhi prestasi pekerja dalam organisasi. Berdasarkan kepada keputusan yang didapati, implikasi dan saranan lain turut dibincangkan.
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CHAPTER 1
INTRODUCTION

1.1 Introduction

1.1.1 Background of the study

The main purpose of this study is to examine the association between reward system and the performance of employees in Masterskill University College of Health Sciences (MUCH). Masterskill University College of Health Sciences (MUCH) is one of the famous University College and also the biggest nursing college in Malaysia. MUCH is established since 1997 and was officially attained its university college status in the year 2008. The college’s mission is to become a premier college for Nursing and Allied Health Education in the Malaysia and also in Asia. It also in a path of realizing an objective in fulfilling the future demand of providing professional candidate for Malaysian health industry.

Employees are the most valuable the asset to Masterskill University College of Health Sciences (MUCH) and they play an important role in preserving the successful image of an MUCH. Employee performance is the main factor in ensuring the organization to run smoothly and successfully. Good employee performance will improve the organization performance. To maintain a good employee performance, a suitable performance management is needed. According to the Hermann (2007), performance management is defined as a continuous process of identifying, measuring and developing the performance of individuals and teams and aligning performance with the strategic goals of the organization.

Performance management requires all managers to ensure that all of their employee activities and outputs are congruent with the organization’s goal and therefore help the organization to gain a competitive advantage, (Aguinis, 2009), organization that have a good performance management will have many advantages such as increased in self esteem, clear mind regarding
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