IMPACT OF HUMAN RESOURCE PRACTICES ON FOREIGN WORKERS’ JOB SATISFACTION:
EVIDENCE FROM A MANUFACTURING FIRM IN MALAYSIA

A project paper submitted to the College of Business to fulfill the requirements for the Master Degree of Human Resource Management, Universiti Utara Malaysia.

By:

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ABSTRACT

The purpose of this study is to examine and gain a better understanding of the impact of human resource practices on foreign workers' job satisfaction in Plastic Centre Sdn. Bhd. Ninety foreign workers consist of 52 Bangladeshi and 38 Nepalese workers participated in this study. Data was obtained using questionnaires and analyzed using Statistical Package for Social Science (SPSS) version 16. Statistical analysis using regression analysis found the research model is marginally significant to explain the job satisfaction of these workers. Among the independent variable, only compensation were found to have an impact on foreign workers' job satisfaction in Plastic Centre Sdn. Bhd. T-Test results also revealed that Nepalese workers and workers who possess only primary education, have higher job satisfaction working in Plastic Centre Sdn. Bhd. Based on these findings, recommendations and suggestions were made to the Board of Directors for Plastic Centre Sdn. Bhd. The scope of the study and future research opportunities in this area were also discussed.
DEDICATIONS AND ACKNOWLEDGEMENT

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List of Abbreviations

PCSB - Plastic Centre Sdn. Bhd.
3D - Dirty, Demeaning and Dangerous
MPMA - Malaysia Plastic Manufacturers Association
OTC - Over the Counter Products
GMP - Good Manufacturing Practices
ASEAN - Association of South East Asian Nations
MACC - Malaysian Anti Corruption Commission
SUHAKAM - Human Rights Commission
HRM - Human Resource Management
SPSS - Statistical Package for the Social Sciences
ECHP - European Community Household Panel
CHAPTER ONE
BACKGROUND OF THE STUDY

1.0 Introduction

This chapter presents an overview of the research background. It focuses on the introduction of topic in detail, including background of foreign workers employment in Malaysia, particularly in plastic industries and the company chosen for this study, namely Plastic Centre Sdn. Bhd. (PCSB). This chapter also aims to highlight the problem statement and the existing gap in literature related to the topic of human resource practices and job satisfaction.

1.1 Background of Foreign Workers Employment in Malaysia

The arrival of foreign workforce to Malaysia started in the early 1990’s as the country’s population could not keep pace with the wake of industrial revolution driven by the export oriented manufacturing sectors, especially in electric and electronic sectors. The government perceiving migrant workers as a cheap source of labor that could enhance the country’s export competitiveness. In addition, these foreign workers were also needed to overcome the manpower shortage problem and most importantly a reasonable labor cost. The foreign workers get the opportunity not only to be employed but also to earn income to improve the livelihood of family members at country of origin.

Rapid economic development and tight labor supply across various sectors were the primary reasons for countries such as Malaysia, to increase its dependence on
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