

**INFLUENCE OF REWARDS SYSTEM TO CAREER
PLANNING AND SUCCESS OF EMPLOYEE**

By

ZAINAL SHAHRIR BIN AHMAD MOKHTAR

**Thesis/ Dissertation Submitted to the Othman Yeop Abdullah Graduate School of
Business, in Fulfillment of the Requirement for the Degree of
MASTER OF HUMAN RESOURCE MANAGEMENT
UNIVERSITI UTARA MALAYSIA
AUGUST 2012**

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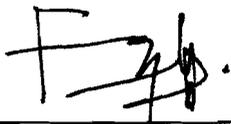
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ABSTRACT

This quantitative research aims to determine the relationship between rewards system and career planning and career success of an individual. The study is to help to reveal whether rewards system do have any influences of an individual career planning and career success. It will help to identify the most significant rewards that influenced the individual career planning and career success. With this information it would help an organization to relook at their rewards system and decision can be made to either to enhance the most significant rewards or to eliminate it that is not giving any impact. In this study there are two dimensions are measured for Rewards system and they are monetary rewards and non-monetary rewards. Under the two dimensions there are four sub dimensions and they are basic salary, incentives & allowance, recognition and exposure. While the Career Planning and Success has also two dimensions with three sub dimensions. The sub dimensions that measured Career Planning and Success are awareness of self and environment, goal setting and career success.

Data was gathered through questionnaires survey that was distributed out to al employee, who either employed with private sector or government in Klang Valley. This is to measure and identify whether rewards systems has any influence towards the individual career planning and success. There were five (5) hypotheses tested and the result based on the respond received is three (3) hypotheses is substantiated and the remaining two (2) hypothesis are not. Based on the study that shows, there is a correlation between rewards system and career planning and success. It further indicated that the element in the rewards system have a positive correlation towards the individual career planning and success particularly the non-monetary rewards (Recognition and Exposure). The difference of opinion between the respondent of a private sectors and government shows private sector employees do feel that rewards system have a significant positive influence towards the individual career planning and success while the government sector does not regard it not

significant important of the rewards system towards the individual career planning and success. However in terms of gender and age there is no difference in opinion and they are equal respond in opinion with regards to the rewards system towards the individual career planning and success. Implication of the findings, suggestion for future studies and recommendations are suggested.

ABSTRAK

Penyelidikan kuantitatif ini adalah bertujuan untuk menentukan hubungan antara sistem ganjaran dan perancangan kerjaya serta kejayaan kerjaya seseorang individu. Kajian ini adalah untuk membantu dan mendedahkan sama ada sistem ganjaran mempunyai sebarang pengaruh terhadap perancangan kerjaya dan kejayaan kerjaya seseorang individu. Ia akan membantu untuk mengenal pasti ganjaran yang paling penting yang mempengaruhi perancangan kerjaya dan kejayaan kerjaya seseorang individu. Dengan maklumat ini, ia akan membantu sesebuah organisasi itu mengkaji semula, sistem ganjaran mereka dan membuat keputusan samada untuk meningkatkan ganjaran yang paling berkesan atau untuk menghapuskan yang mana kurang berkesan. Dalam kajian ini terdapat dua dimensi yang diukur untuk sistem ganjaran dan dimensi itu adalah ganjaran kewangan dan ganjaran bukan kewangan. Di bawah dua dimensi tersebut terdapat empat sub-dimensi dan sub-dimensi itu adalah gaji pokok, insentif & elaun, pengiktirafan dan pendedahan. Manakala dalam Perancangan Kerjaya dan Kejayaan pula mempunyai dua dimensi dengan tiga sub-dimensi. Sub-dimensi dibawah Perancangan Kerjaya dan Kejayaan yang diukur adalah kesedaran diri & kesedaran persekitaran, penetapan matlamat dan kejayaan kerjaya.

Data telah dikumpul melalui kajian soal selidik yang diedarkan kepada semua pekerja, sama ada bekerja dengan sektor swasta atau kerajaan disekitar Lembah Klang. Ini adalah untuk mengukur dan mengenal pasti sama ada sistem ganjaran mempunyai pengaruh terhadap perancangan kerjaya dan kejayaan seseorang individu. Terdapat lima (5) hipotesis yang telah diuji dan berdasarkan kepada keputusan daripada maklum balas yang diterima, ada tiga (3) hipotesis yang berasas dan dua (2) hipotesis tidak berasas. Berdasarkan kepada keputusan kajian, terdapat korelasi diantara sistem ganjaran dan perancangan kerjaya dan kejayaan. Ia juga menunjukkan bahawa elemen dalam sistem ganjaran mempunyai korelasi yang positif ke arah perancangan kerjaya dan kejayaan seseorang individu terutamanya

ganjaran bukan kewangan (Pengiktirafan dan Pendedahan). Perbezaan pendapat antara responden sektor swasta dan kerajaan menunjukkan bahawa pekerja sektor swasta merasakan sistem ganjaran mempunyai pengaruh positif yang signifikan ke arah perancangan kerjaya dan kejayaan individu manakala sektor kerajaan menganggap sistem ganjaran ke arah merancang kerjaya dan kejayaan individu adalah tidak terlalu signifikan. Walau bagaimanapun, dari segi jantina dan umur tidak terdapat perbezaan pendapat diantara mereka malah mempunyai pendapat yang sama mengenai sistem ganjaran terhadap perancangan kerjaya dan kejayaan individu. Implikasi penemuan dan cadangan untuk kajian pada masa hadapan disyorkan.

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to individual career planning and career success. Which of the rewards are more effective in influencing an individual career planning and success and which are not?

Therefore, the result of this paper will help to understand rewards systems (monetary and non-monetary) that are more influencing in an individual career planning and success and will also help to understand whether the government or the private agency that is more successful in introducing effective rewards system that influence the individual career planning and success. From the result of this study, organization would be able to see which of the rewards system that is more effective and which are not and those that are not can be considered to be eliminated.

1.1 Problem Statement

The main purpose of this study is to examine the Rewards System influence the Career Planning and Success of individual of both government and private sector. Is the rewards system implemented by an organization or the government is effective? Does it have any effect towards the individual career planning and success? Which of the rewards system have more influencing factor to an individual career planning and success? There are so many questions to that need to be answered.

So what is Reward System (can also be recognized as Total Reward)? As defined by “World at Work” (The total reward association), reward system is all the tools available to the employer that may be used to attract, motivate and retain employees. The rewards system comprises everything the employee perceives to be of value resulting from the employer that is connected to employment. The rewards system that is superior will eventually helped an organization to attract, motivate and retain talent in an organization. As elaborated by About.Com – Human resources, there are five (5) elements that comprise of total rewards, where each of the elements consist of programs, practices, elements and dimensions that collectively defined an organization’s strategy to attract, motivate and retain employees.

According to the Malaysian Employers Federation (MEF), Malaysian companies are seeing an attrition rate of between 9.6% and a phenomenal 75%, based on its survey conducted on executive positions between June 2010 and July 2011, a total of 143 companies across the various sectors nationwide. Figure 1.1 in the following page shows the detailed summary of Malaysia’s Executive yearly average turnover rate.

Average Yearly Turnover Rate of Executives	
July 2010-June 2011 by Industry (%)	
Type of Industry	Annual average
MANUFACTURING	
Basic & Fabricated Metallic Products	23.88%
Electrical & Electronics	23.04%
Food & Beverage	17.88%
Petroleum/Chemical	7.08%
Pharmaceutical/Tonetics/Non Metallic/Mineral	9.6%
Plastic/Rubber	19.92%
Printing/Publishing/Paper/Timber/Wood Products	11.88%
Transport/Machinery/Manufacturing	16.68%
Sub Total	18.84%
NON-MANUFACTURING	
Associations/Societies	35%
Banking/Finance/Insurance	12.12%
Business Services	15.72%
Holdings & Investment/Etactation	17.4%
Hotel/Restaurant	32.4%
IT/Communication	75.72%
Medical Services	19.8%
Professional/Consultancy/Education/Training	29.28%
Property/Construction	15.6%
Transport/Warehouse Services	26.88%
Wholesale/Retail/Trading	1.8%
Sub Total	22.44%
TOTAL	20.88%
<i>Source: Malaysian Employers Federation (MEF)</i>	

Figure 1.1: Average Yearly Turnover Rate of Executive

Why the attrition rate is still exist? Is the rewards system introduced is not attractive enough. No much research has been done on this subject. Majority of the research is done on the rewards system to measure the employee's satisfaction and also motivation but none on individual career planning and success.

There is also no indication of the government sector turnover rate and in this study help to identify whether the view of the government employee is the same as private sector employee.

As mentioned above, the rewards system that are divided into two (2) categories (monetary rewards and Non-monetary rewards – will explain in details in the following chapter) has some influence on individual motivation and satisfactory. In comparison of the two categories, which is more influential to the individual career planning and success? An article in The STAR by Lisa Goh (2011) reports of two (2) young executives who are willing to jump to another organization that would provide better position that would allow the individual to get higher responsibility and decision making and also to have better flexible working hours and work life balance. As mentioned in the article, both of the executives are willing to forgo their good remuneration package, with high bonuses and good increment for less for better job and career opportunity. This article basically indicates that non-monetary rewards are more important for individual career success.

On the other hand, most organization feels that monetary rewards play a bigger factor in influencing the individual career success. Organizations still dismiss award, recognition and incentive programmes as “feel good” activities. Evidence suggests that there exists a strong link between non-monetary rewards and individual improved job performance (Wiscombe, 2002). Improved job performance will lead to career success.

1.2 Research Questions

This objective of this study is to examine the relationship between the independent variable that is the Rewards System. Under the Rewards System there are two dimensions namely monetary rewards (Basic Salary and Incentives & Allowances) and non monetary rewards (Recognition and Exposure). The dependent variables in this study are the Career Planning and Career Success. The design of the questions in this study will be able to provide knowledge on the effect of rewards system to career planning and success of an individual.

The following research questions can be put forward for the studies, which are based on the independent variable and dependent variable above:

- Is there a correlation between Rewards System and Career Planning and Success?
- Which of the rewards system that give impact to the individual career Planning and Success?
- Are there any differences between private sector and government sector with the opinion in regards to the influence on the rewards system towards the individual career planning and success?
- Are there any differences between male and female with the opinion on the rewards system towards the individual career planning and success?
- Are there any differences with the opinion among the respondent's age group on the rewards system towards the individual career planning and success?

1.3 Research Objectives

The objective of the study is to find whether there is any significant correlation between rewards system and individual career planning and success. The research will help to identify, which of the rewards system (monetary and non-monetary), that is most significant or important to an individual career planning and success and which is less. The result of this study will be able to assist an organization understand the sentiment of the individual views of the rewards system and then make a strategic decision to either enhance the rewards that is most relevant and that gave most impact to the individuals or to reduce or eliminate that is not giving any impact or importance to the individual career planning and success. With the implementation will create a new or change the organization work culture.

From the research questions above the following key research objectives have been developed

- To determine whether there is a correlation between Rewards System and Career Planning and Success
- To determine which of the rewards system that give impact to the individual career planning and success
- To determine whether there are any differences between private sector and government sector with the opinion of in regards to the influence on rewards system towards the individual career planning and success
- To determine whether there are any differences between male and female with the opinion on rewards system towards the individual career planning and success.
- To determine whether there are any differences with the opinion among the respondent's age group on the rewards system towards the individual career planning and success.

1.4 Significant of the Study

The studies will focus on the influence of the rewards system towards the individual career planning and success. The study will help to identify which of the rewards that are significantly influence the individual career planning and success and also assist to see the differences of opinion between private sector and government sector with regards to the reward system towards the individual career planning and success.

For this study the quantitative analysis approach is adopted. The used of the quantitative analysis method in this study is selected based on the belief that the questions researched are understood as social phenomena. This research is approached by using survey method using questionnaire to examine the relationship between independent and dependent variables. The findings and conclusion of the study will depend on the fully utilization of statistical data collected and the analysis of the collected data.

Figure 1.2 below explains the relationship between independent variable and dependent variable.

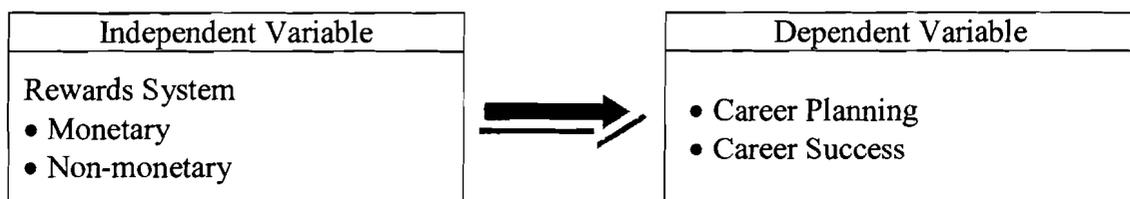


Figure 1.2: The relationship between independent variable and dependent variable

It is also expected that the result of this study would give a clear picture to an organization of identifying the most significant reward system; either monetary or non-monetary that effect or contribute to the individual career planning and success. This will assist an organization in deciding the type of rewards to consider to enhance or introduce and to eliminate from its rewards system.

The significant of the study lies in its theoretical and practical contribution as follow:

- It will identify rewards that provide significant contribution to the individual career planning and success and help an organization to make the necessary decision on whether to further enhance or reduce (rewards system) as mentioned above.
- Whether the implementation of rewards system has influenced positively towards the individual career planning and success.
- In which sector (government and private) that implements most effective rewards system that contributes or influence the individual career planning and success.

1.5 Scope of the Study

This study covers both employees of the government sector and private sector. The minimum of the sample size required for this study is 385 respondents in order to complete the research. The respondent is based on the set of questionnaires that will be distributed out randomly. The unit of analysis is on individual basis and the population of this study as mentioned above covers individuals from the private sector and the government sector.

The project thesis on this study is arranged and organized into chapters as stipulated below.

- Chapter 1 is the Introduction chapter and the chapter consists of the Overview, Problem Statement, Research Questions, Research Objectives, Significant of the Study and Scope of the Study.
- Chapter 2 is Literature Reviews and the chapter contains the literature review discussing on what is the Rewards System, Career Planning and Career Success and the underlying Theories.
- Chapter 3 is the Research Methodology chapter and the chapter includes the Research Design, Type of Research, Research Framework, Hypothesis Development, Questionnaire Development, Study Population, Statistical Analysis, limitation and Conclusion.
- Chapter 4 is the Result chapter. This chapter will illustrate in details of the finding and data analysis of the research that include Overview of Collected Data, Respondent profile, Reliability Analysis, Descriptive Statistic, Inferential Statistic, Hypotheses Testing and the Summary of Chapter 4.

- Chapter 5 is the Discussion and Recommendation chapter and in this last chapter will discuss the results from the research that concur with the objectives of the study.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

The focus of this chapter is to provide a review of the literature that is relevant to the research topic. The chapter proceeds with the overview of Rewards System (in-depth information of rewards system) and overview of Career Planning and Success. The final section of this chapter is the explanation of the theories that have shaped the understanding of the rewards system Career Planning and Success.

2.1 Rewards System and Career Planning and Success

The literature, hypotheses and framework of this above subject will help to understand the relationship between Rewards System (monetary and non-monetary) and Career Planning and Success as elaborated in the following:

- Overview of Rewards System

As mentioned by Sarvadi, 2005, all organization or company needs a strategic reward system/Management for employee and it is known fact that rewards plays an important role in any organization. It would be the main factor for an organization to motivate, attract and retain talented individuals and to a certain extend rewards can be an instrumental tool to also influence or encourage individual to optimize performance, develop career plan and goal. According to Beer et al (1984, p. 117),

“Organizations must reward employees because; in return they are looking for certain kinds of behavior: They need competent individuals who agree to work with a high level of performance and loyalty. Individual employees, in exchange for their commitment,

expect certain extrinsic rewards in the form of promotions, salary, fringe benefits, bonuses or stock options. Individuals also seek intrinsic rewards such as feeling of competence, achievement, responsibility, significance, influence, personal growth and meaningful contribution. Employees will judge the adequacy of their exchange with the organization by assessing both sets of rewards”

Deeprise (1994), further posits the view that effective reward management can help an organization to achieve its business objectives by attracting and retaining competent talent. This will lead to individual talent to plan their career and to be successful.

Hence, Reward management system can be seen as a set of relationships between the various rewards management process and corporate strategy. Rewards management strategy and policy is thus driven by corporate and human resource management strategies, such as Employer of Choice (Armstrong & Murlis, 1991).

Beer et al (1984), indicated that rewards management systems model should comprise of four (4) key policies and they are:

- i. Design to attract, retain and motivate employees
- ii. Human Resource flow, akin to the human resource development set of policies
- iii. Employee involvement in decision making
- iv. Work system, designed in order to produce the best outcomes.

According to Armstrong and Murlis (1991) the four (4) main areas that should be addressed in rewards management system are:

- i. Pay Structure, which the structure is designed and developed, based on the result of a market survey through job evaluation and analysis and pay philosophy of an organization. The pay structure will help to define the level of pay in accordance to their competencies in the organization.
- ii. Employee benefits, that satisfy the needs of employees for personal security by ensuring the benefits is at par or higher than the market practice. It is a form of remuneration other than the salary or pay.
- iii. Non-financial rewards which satisfy employee's needs to variety, challenge, responsibility, influence in decision making, recognition, development and career opportunities; and
- iv. Performance management that provides the basis for continuing as well as formal reviews of performance against targets and standard. The performance management system is one of the tools for development of training programme that to meet the need for growth and achievement and it is also leads to design a performance related pay systems that has an impact on bonus and incentive payments.

Based on the above, the reward management system or reward system in short, for this study comprises of two main elements. One is financial rewards such as salary, fringe benefits, bonuses, share option, Allowances and incentives and also known as Monetary Rewards in this study. The other is Non-Financial rewards that comprise of recognition, development, career opportunities and others and in this study is known as Non-Monetary Rewards,

i. Monetary Rewards – can be referred as tangible returns includes cash compensation such as bonus, increment, short term incentive, long term incentive and other benefits such as income protection , Allowance and others (Milkovich, George. T., and jerry M. Newman, 1993). Monetary reward as mentioned above can be categorized merit-pay, market-based pay and profit-related pay.

a. Merit-pay is a performance related payment. It is a quantum payment or rewards given to employees who have shown good performance, productive and talented employees that have performed well and shown increased contribution to the organization. Merit-pay can take several basic forms and examples of merit-pay are annual merit increment (annual increase based on individual performance rating that being measured), Performance Bonus (a one-time quantum payment that is also given to employees in accordance to their achievements and contributions) and direct compensation payment (This payment is more related to production environment, sales and real estate. Once they have achieved their target or more they will be rewarded in accordance to their achievements).

b. Market-based pay solely referred to base salary. Market based pay is salary payment that is paid to the employee for the value of the work does and competency level of an employee. The salary must also be at par or higher to the market value of the same job. However the market pay based pay must also be in line with the organization remuneration pay structure that is based on the organization pay philosophy.

c. Profit related pay is related to the profit sharing plans are based on predetermined economic sharing rules that define the split of gains between the company as a principal and the employee as an agent. This is normally known as employee share option scheme (ESOS), also known to certain organization as Long Term Incentive Plan.

Monetary rewards are given for a variety of reasons. The example of reasons are meeting sales goals, achieving quality, outstanding performance in a given situation or delivering a special project. Normally, monetary rewards that preferred by employees especially in the lower level category, is money in a form of bonus, trips paid for by the company, gifts from a rewards catalog or services such as cell phone or paid cable. Thus monetary rewards also refer to the financial inducement that organizations offer to employee in exchange for their contribution and recognition in influencing their productivity in the organization.

- ii. Non-monetary Rewards – are rewards that are no monetary value attached. Example of non-monetary rewards are movie tickets, restaurant coupons, certificates, thanks from the bosses, flexible schedules, a day off, picnics, recognition of birthday and free lunches. Non-monetary rewards also refer to intangible returns or rational returns such as recognitions, status, employment securities and other. According to Yap J.E, Bove L.L & Beverland M.B (2009), non-monetary rewards refer to the identification of a job well done hence representing s non-financial means of appreciating and acknowledging of their employee contribution. Non-monetary reward focuses on the needs of people for recognition, achievement, responsibility, exposure and personal growth (White and Drucker, 2000).

In this study only two elements of the non-monetary will be used. And they are recognition and exposure.

a. Recognition– is to acknowledge the positive behavior and actions of the employees and boost morale among their peers and colleague. The three (3) types of recognitions are:

- ❖ Honour Wall - employee is being recognized by the employer with the employee's efforts and their work performance in public.
- ❖ Visit From Owner - employer is required to schedule a special surprise visit at the employee's job area or while them performing their regular duties. Employer need to shake the employee's hand and personally congratulate the employee on their work.
- ❖ Recognition Output – Employer can schedule outing activities during work for the employee that had been chosen and recognized that will help to inspire others to strive for excellent so that they can receive the same benefits in future

b. Exposure – is to allow an individual to experience new dimension of their work scope through training, increase the job scope to higher level etc. Below are the elements that can be considered as Exposure:

- ❖ Training – Training is one of the tools to expose an individual to master the skill of an individual and also to expend an individual horizon to new practices, challenges and information. It is a learning opportunity that an organization should promote and it can become a tool for improving employee performance.

- ❖ Job rotation – Allow an individual to rotate from one division or function to another so that they are exposed to different work environment and challenges. The rotation of job is done after an individual has mastered and exceeds expectation of their current job.
- ❖ Increase of Job scope – to expand an individual job scope to the highest level of their ability and capability in order to encourage the individual to become more energetic in handling and performing their job.

All the above will allow an individual to be challenged in their work. According to Werner, 2019, staff retention start with challenging work where there are 5 actions that will ensure that employees would feel challenged, grateful because employer had recognized their work through their performance. These actions are

- ❖ An organization must set a culture that will sit in the individual minds of the organization that they are chosen to face a challenge in their work.
- ❖ Encourage creativity which the organization encourage the individuals use their creativity in handling their work, so that they can expand and improve themselves in their performance
- ❖ Organization must give opportunity to individuals to try out all of their skills by taking a higher level of job responsibility.
- ❖ Active training programme to improve individual's skill that will help the individuals to become expert in their work scope.

❖ Allow individuals to make mistakes as they try to improve things which let employee have a freedom to make mistake and from the mistakes they will learn something and become a better person that would lead to their work performance improvement.

- Overview on Career Planning and Success

Career Planning and Success is two elements that complement each other. An individual do plan their career path and that eventually will lead to career success. Career Planning is a deliberate process of self and environmental awareness and identification of career goals (Desimone, Warner & Harris, 2002). Puah and Anantrham (2006) concur with this definition when they define career planning as a thoughtful process for identifying opportunities and constraints that occur in the work environment, and career related goals that include direction, timing and actions. According to these definitions, career planning is perceived as an activity carried out by the individual to exert personal control over his/her career. Moreover, researchers such as Aryee and Debrah (1930), Orpen (1994), Blair (2000), Mondy et al (2002), Chen, Chang and Yeh (2004) and Zikic and Klehe (2006) agreed that career planning can be described as an individual initiative, whereby individuals identifies his/her strength and weakness, sets up career goals and plans to foster his/her career development needs. Basically, career planning is an activity that makes individual responsible for his/her own career development. Thus, it is clearly stated that the key element of career planning is the awareness of self and environment and also goal-setting.

- i. Awareness of self and environment – An individual’s awareness of self-abilities, strengths, weaknesses, interests, opportunities and constraints that are present in the work environment such (economic and societal trends)

- ii. Goal-setting – objectives and aims, which individuals set to achieve or accomplish in future.

However, Success is very subjective and it varies from one individual to another. Success means different things to different people and it can be career, health, spiritual, emotional, time and financial. In this study the element that to measure is career success.

Based on Hughes 1937, 1957, framework, career success is defined by observable and measurable criteria such as pay, promotion or status. In the literature, traditional concepts of career success were premised on the notion of linear hierarchical career progression in a competitive environment. Published major journals between 1980 and 1994, measured career success by objective measures such as salary, rank or promotion (Arthur and Rousseau, 1994). In the recent study done by Mary Dean Lee, Pamela Lirio and Fahri Karakas, Career success have to do with three distinct organization dependents outcome and they are peer respect, upward mobility and recognition/appreciation.

- i. Peer Respect – the importance of how others view the individual or having a good reputation, being seen as responsible, dedicated and success.
- ii. Upward Mobility – or career advancement through promotions and increased salary and other financial enhancements. Individual valued tangible monetary rewards and visible increase in status.
- iii. Appreciation/recognition – not necessary linked to promotions and financial incentive. The focus is more on getting approval and support from the organization or from the specific leaders in the organization.

CHAPTER 1

INTRODUCTION

1.0 Overview

There are so many people out there who have succeeded in their career. There are top leaders in the multinational companies who are managing people and big corporation while some are leaders in their technical field heading the group of technical staff and create new technologies or process etc. Individually have their own definition of success and whether the success comes from their individual effort or their success is being influenced by other factors.

Companies and government have spent millions of dollars to introduce benefits, remuneration packages etc to motivate and encourage individuals in an organization to increase their work performance with positive attitude as described in Adam Equity Theory (1963). In the theory it said that less reward may result to the decreasing of employee performance such as high number of absenteeism, as well as lack of interest in doing task that is not included in their job description. Basically what it meant in the theory is that Rewards plays big factors in motivating staff and encourage performance. Rewards can also help to retain and attract talents in an organization. It one of the reason why organization spent millions to come out with innovative benefits and remuneration package and rewards (Monetary and non-monetary) to outdo each other so that the organization would have good talents with positive environment and able to performing and achieve the organization goal and success.

With all the introduction of benefits, remuneration package and rewards, whether it is monetary or non-monetary, does it affect individual success? It is interesting to find out whether any of the benefits, remuneration package and rewards has any affect

to individual career planning and career success. Which of the rewards are more effective in influencing an individual career planning and success and which are not?

Therefore, the result of this paper will help to understand rewards systems (monetary and non-monetary) that are more influencing in an individual career planning and success and will also help to understand whether the government or the private agency that is more successful in introducing effective rewards system that influence the individual career planning and success. From the result of this study, organization would be able to see which of the rewards system that is more effective and which are not and those that are not can be considered to be eliminated.

1.1 Problem Statement

The main purpose of this study is to examine the Rewards System influence the Career Planning and Success of individual of both government and private sector. Is the rewards system implemented by an organization or the government is effective? Does it have any effect towards the individual career planning and success? Which of the rewards system have more influencing factor to an individual career planning and success? There are so many questions to that need to be answered.

So what is Reward System (can also be recognized as Total Reward)? As defined by “World at Work” (The total reward association), reward system is all the tools available to the employer that may be used to attract, motivate and retain employees. The rewards system comprises everything the employee perceives to be of value resulting from the employer that is connected to employment. The rewards system that is superior will eventually helped an organization to attract, motivate and retain talent in an organization. As elaborated by About.Com – Human resources, there are five (5) elements that comprise of total rewards, where each of the elements consist of programs, practices, elements and dimensions that collectively defined an organization’s strategy to attract, motivate and retain employees.

According to the Malaysian Employers Federation (MEF), Malaysian companies are seeing an attrition rate of between 9.6% and a phenomenal 75%, based on its survey conducted on executive positions between June 2010 and July 2011, a total of 143 companies across the various sectors nationwide. Figure 1.1 in the following page shows the detailed summary of Malaysia’s Executive yearly average turnover rate.

Average Yearly Turnover Rate of Executives July 2010-June 2011 by Industry (%)

Types of Industry	Annual average
MANUFACTURING	
Basic & Fabricated Metallic Products	23.88%
Electrical & Electronics	23.04%
Food & Beverage	17.88%
Petroleum/Chemical	7.08%
Pharmaceutical/Tobaccoes/Non Metallic/Mineral	9.6%
Plastic/Rubber	19.92%
Printing/Publishing/Paper/Timber/Wood Products	11.88%
Transport/Machinery/Manufacturing	16.68%
Sub Total	18.84%
NON-MANUFACTURING	
Associations/Societies	35%
Banking/Finance/Insurance	12.12%
Business Services	15.72%
Holdings & Investment/Plantation	17.4%
Hotel/Restaurant	32.4%
IT/Communication	75.72%
Medical Services	19.8%
Professional/Consultancy/Education/Training	29.28%
Property/Construction	15.6%
Transport/Warehouse Services	26.88%
Wholesale/Retail/Trading	1.8%
Sub Total	22.44%
TOTAL	20.85%
<i>Source: Malaysian Employers Federation (MEF)</i>	

Figure 1.1: Average Yearly Turnover Rate of Executive

Why the attrition rate is still exist? Is the rewards system introduced is not attractive enough. No much research has been done on this subject. Majority of the research is done on the rewards system to measure the employee's satisfaction and also motivation but none on individual career planning and success.

There is also no indication of the government sector turnover rate and in this study help to identify whether the view of the government employee is the same as private sector employee.

As mentioned above, the rewards system that are divided into two (2) categories (monetary rewards and Non-monetary rewards – will explain in details in the following chapter) has some influence on individual motivation and satisfactory. In comparison of the two categories, which is more influential to the individual career planning and success? An article in The STAR by Lisa Goh (2011) reports of two (2) young executives who are willing to jump to another organization that would provide better position that would allow the individual to get higher responsibility and decision making and also to have better flexible working hours and work life balance. As mentioned in the article, both of the executives are willing to forgo their good remuneration package, with high bonuses and good increment for less for better job and career opportunity. This article basically indicates that non-monetary rewards are more important for individual career success.

On the other hand, most organization feels that monetary rewards play a bigger factor in influencing the individual career success. Organizations still dismiss award, recognition and incentive programmes as “feel good” activities. Evidence suggests that there exists a strong link between non-monetary rewards and individual improved job performance (Wiscombe, 2002). Improved job performance will lead to career success.

1.2 Research Questions

This objective of this study is to examine the relationship between the independent variable that is the Rewards System. Under the Rewards System there are two dimensions namely monetary rewards (Basic Salary and Incentives & Allowances) and non monetary rewards (Recognition and Exposure). The dependent variables in this study are the Career Planning and Career Success. The design of the questions in this study will be able to provide knowledge on the effect of rewards system to career planning and success of an individual.

The following research questions can be put forward for the studies, which are based on the independent variable and dependent variable above:

- Is there a correlation between Rewards System and Career Planning and Success?
- Which of the rewards system that give impact to the individual career Planning and Success?
- Are there any differences between private sector and government sector with the opinion in regards to the influence on the rewards system towards the individual career planning and success?
- Are there any differences between male and female with the opinion on the rewards system towards the individual career planning and success?
- Are there any differences with the opinion among the respondent's age group on the rewards system towards the individual career planning and success?

1.3 Research Objectives

The objective of the study is to find whether there is any significant correlation between rewards system and individual career planning and success. The research will help to identify, which of the rewards system (monetary and non-monetary), that is most significant or important to an individual career planning and success and which is less. The result of this study will be able to assist an organization understand the sentiment of the individual views of the rewards system and then make a strategic decision to either enhance the rewards that is most relevant and that gave most impact to the individuals or to reduce or eliminate that is not giving any impact or importance to the individual career planning and success. With the implementation will create a new or change the organization work culture.

From the research questions above the following key research objectives have been developed

- To determine whether there is a correlation between Rewards System and Career Planning and Success
- To determine which of the rewards system that give impact to the individual career planning and success
- To determine whether there are any differences between private sector and government sector with the opinion of in regards to the influence on rewards system towards the individual career planning and success
- To determine whether there are any differences between male and female with the opinion on rewards system towards the individual career planning and success.
- To determine whether there are any differences with the opinion among the respondent's age group on the rewards system towards the individual career planning and success.

1.4 Significant of the Study

The studies will focus on the influence of the rewards system towards the individual career planning and success. The study will help to identify which of the rewards that are significantly influence the individual career planning and success and also assist to see the differences of opinion between private sector and government sector with regards to the reward system towards the individual career planning and success.

For this study the quantitative analysis approach is adopted. The used of the quantitative analysis method in this study is selected based on the belief that the questions researched are understood as social phenomena. This research is approached by using survey method using questionnaire to examine the relationship between independent and dependent variables. The findings and conclusion of the study will depend on the fully utilization of statistical data collected and the analysis of the collected data.

Figure 1.2 below explains the relationship between independent variable and dependent variable.

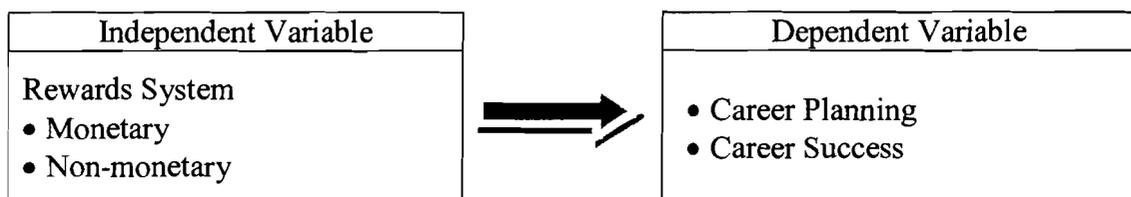


Figure 1.2: The relationship between independent variable and dependent variable

It is also expected that the result of this study would give a clear picture to an organization of identifying the most significant reward system; either monetary or non-monetary that effect or contribute to the individual career planning and success. This will assist an organization in deciding the type of rewards to consider to enhance or introduce and to eliminate from its rewards system.

The significant of the study lies in its theoretical and practical contribution as follow:

- It will identify rewards that provide significant contribution to the individual career planning and success and help an organization to make the necessary decision on whether to further enhance or reduce (rewards system) as mentioned above.
- Whether the implementation of rewards system has influenced positively towards the individual career planning and success.
- In which sector (government and private) that implements most effective rewards system that contributes or influence the individual career planning and success.

1.5 Scope of the Study

This study covers both employees of the government sector and private sector. The minimum of the sample size required for this study is 385 respondents in order to complete the research. The respondent is based on the set of questionnaires that will be distributed out randomly. The unit of analysis is on individual basis and the population of this study as mentioned above covers individuals from the private sector and the government sector.

The project thesis on this study is arranged and organized into chapters as stipulated below.

- Chapter 1 is the Introduction chapter and the chapter consists of the Overview, Problem Statement, Research Questions, Research Objectives, Significant of the Study and Scope of the Study.
- Chapter 2 is Literature Reviews and the chapter contains the literature review discussing on what is the Rewards System, Career Planning and Career Success and the underlying Theories.
- Chapter 3 is the Research Methodology chapter and the chapter includes the Research Design, Type of Research, Research Framework, Hypothesis Development, Questionnaire Development, Study Population, Statistical Analysis, limitation and Conclusion.
- Chapter 4 is the Result chapter. This chapter will illustrate in details of the finding and data analysis of the research that include Overview of Collected Data, Respondent profile, Reliability Analysis, Descriptive Statistic, Inferential Statistic, Hypotheses Testing and the Summary of Chapter 4.

- Chapter 5 is the Discussion and Recommendation chapter and in this last chapter will discuss the results from the research that concur with the objectives of the study.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

The focus of this chapter is to provide a review of the literature that is relevant to the research topic. The chapter proceeds with the overview of Rewards System (in-depth information of rewards system) and overview of Career Planning and Success. The final section of this chapter is the explanation of the theories that have shaped the understanding of the rewards system Career Planning and Success.

2.1 Rewards System and Career Planning and Success

The literature, hypotheses and framework of this above subject will help to understand the relationship between Rewards System (monetary and non-monetary) and Career Planning and Success as elaborated in the following:

- Overview of Rewards System

As mentioned by Sarvadi, 2005, all organization or company needs a strategic reward system/Management for employee and it is known fact that rewards plays an important role in any organization. It would be the main factor for an organization to motivate, attract and retain talented individuals and to a certain extend rewards can be an instrumental tool to also influence or encourage individual to optimize performance, develop career plan and goal. According to Beer et al (1984, p. 117),

“Organizations must reward employees because; in return they are looking for certain kinds of behavior: They need competent individuals who agree to work with a high level of performance and loyalty. Individual employees, in exchange for their commitment,

expect certain extrinsic rewards in the form of promotions, salary, fringe benefits, bonuses or stock options. Individuals also seek intrinsic rewards such as feeling of competence, achievement, responsibility, significance, influence, personal growth and meaningful contribution. Employees will judge the adequacy of their exchange with the organization by assessing both sets of rewards”

Deeprise (1994), further posits the view that effective reward management can help an organization to achieve its business objectives by attracting and retaining competent talent. This will lead to individual talent to plan their career and to be successful.

Hence, Reward management system can be seen as a set of relationships between the various rewards management process and corporate strategy. Rewards management strategy and policy is thus driven by corporate and human resource management strategies, such as Employer of Choice (Armstrong & Murlis, 1991).

Beer et al (1984), indicated that rewards management systems model should comprise of four (4) key policies and they are:

- i. Design to attract, retain and motivate employees
- ii. Human Resource flow, akin to the human resource development set of policies
- iii. Employee involvement in decision making
- iv. Work system, designed in order to produce the best outcomes.

According to Armstrong and Murlis (1991) the four (4) main areas that should be addressed in rewards management system are:

- i. Pay Structure, which the structure is designed and developed, based on the result of a market survey through job evaluation and analysis and pay philosophy of an organization. The pay structure will help to define the level of pay in accordance to their competencies in the organization.
- ii. Employee benefits, that satisfy the needs of employees for personal security by ensuring the benefits is at par or higher than the market practice. It is a form of remuneration other than the salary or pay.
- iii. Non-financial rewards which satisfy employee's needs to variety, challenge, responsibility, influence in decision making, recognition, development and career opportunities; and
- iv. Performance management that provides the basis for continuing as well as formal reviews of performance against targets and standard. The performance management system is one of the tools for development of training programme that to meet the need for growth and achievement and it is also leads to design a performance related pay systems that has an impact on bonus and incentive payments.

Based on the above, the reward management system or reward system in short, for this study comprises of two main elements. One is financial rewards such as salary, fringe benefits, bonuses, share option, Allowances and incentives and also known as Monetary Rewards in this study. The other is Non-Financial rewards that comprise of recognition, development, career opportunities and others and in this study is known as Non-Monetary Rewards,

- c. Profit related pay is related to the profit sharing plans are based on predetermined economic sharing rules that define the split of gains between the company as a principal and the employee as an agent. This is normally known as employee share option scheme (ESOS), also known to certain organization as Long Term Incentive Plan.

Monetary rewards are given for a variety of reasons. The example of reasons are meeting sales goals, achieving quality, outstanding performance in a given situation or delivering a special project. Normally, monetary rewards that preferred by employees especially in the lower level category, is money in a form of bonus, trips paid for by the company, gifts from a rewards catalog or services such as cell phone or paid cable. Thus monetary rewards also refer to the financial inducement that organizations offer to employee in exchange for their contribution and recognition in influencing their productivity in the organization.

- ii. Non-monetary Rewards – are rewards that are no monetary value attached.

Example of non-monetary rewards are movie tickets, restaurant coupons, certificates, thanks from the bosses, flexible schedules, a day off, picnics, recognition of birthday and free lunches. Non-monetary rewards also refer to intangible returns or rational returns such as recognitions, status, employment securities and other. According to Yap J.E, Bove L.L & Beverland M.B (2009), non-monetary rewards refer to the identification of a job well done hence representing s non-financial means of appreciating and acknowledging of their employee contribution. Non-monetary reward focuses on the needs of people for recognition, achievement, responsibility, exposure and personal growth (White and Drucker, 2000).

In this study only two elements of the non-monetary will be used. And they are recognition and exposure.

a. Recognition– is to acknowledge the positive behavior and actions of the employees and boost morale among their peers and colleague. The three (3) types of recognitions are:

- ❖ Honour Wall - employee is being recognized by the employer with the employee's efforts and their work performance in public.
- ❖ Visit From Owner - employer is required to schedule a special surprise visit at the employee's job area or while them performing their regular duties. Employer need to shake the employee's hand and personally congratulate the employee on their work.
- ❖ Recognition Output – Employer can schedule outing activities during work for the employee that had been chosen and recognized that will help to inspire others to strive for excellent so that they can receive the same benefits in future

b. Exposure – is to allow an individual to experience new dimension of their work scope through training, increase the job scope to higher level etc. Below are the elements that can be considered as Exposure:

- ❖ Training – Training is one of the tools to expose an individual to master the skill of an individual and also to expend an individual horizon to new practices, challenges and information. It is a learning opportunity that an organization should promote and it can become a tool for improving employee performance.

- ❖ Job rotation – Allow an individual to rotate from one division or function to another so that they are exposed to different work environment and challenges. The rotation of job is done after an individual has mastered and exceeds expectation of their current job.
- ❖ Increase of Job scope – to expand an individual job scope to the highest level of their ability and capability in order to encourage the individual to become more energetic in handling and performing their job.

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- The Underlying Theories

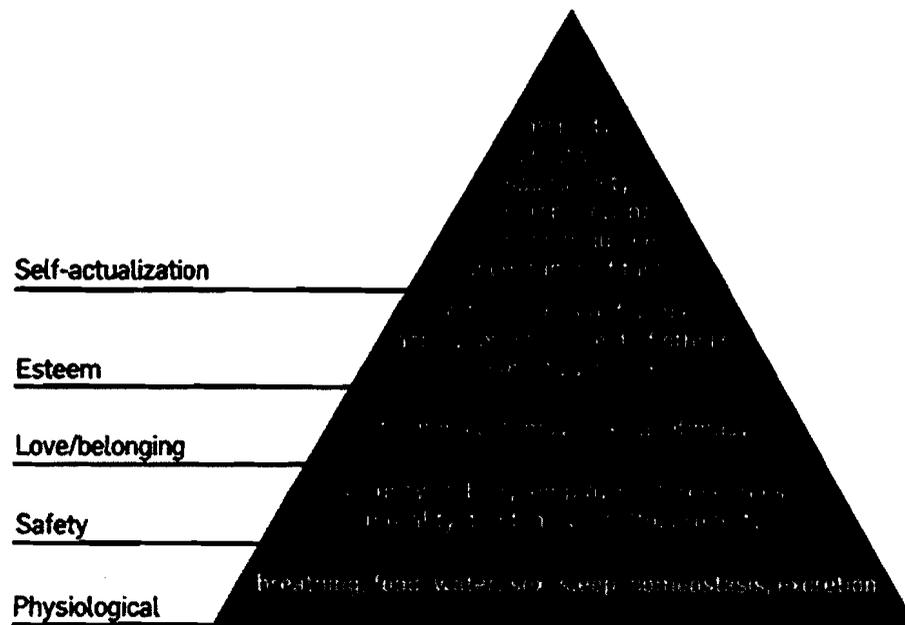
Researchers have concluded that factors such as personal characteristics are the major indicators of individual's career success. Below are the theories that are relevant to the current study in understanding the individual career planning success that has been influenced by Rewards system.

- i. Hierarchy o Needs Theory – Maslow's theory consists of five (5) levels of needs; physiology needs, safety needs, love/ belonging needs, esteem needs and self-actualization needs as illustrated in figure 2.1. For more details explanation of the Maslow's hierarchy of need is elaborated below:
 - a. Psychological needs – food, water, home, sleep or sex
 - b. Safety needs – employment, health, property or protection against danger
 - c. Love/ belonging needs – friendship, family, sexual intimacy or to be belong to a group
 - d. Esteem needs – confidents, achievement, independence, status. Recognition or respect
 - e. Self-actualization needs – to realize one's full potential, for continuous development, to be whatever one is one capable of being.

According to Maslow, self-actualization is the need a person has fulfills his or her capabilities and potential, that is, his or her desire for growth and success.

Colquitt, LePine & Wesson (2010), indicated that the influence of Maslow's hierarchy of need theory only take president in the event a need is lacking or left unsatisfied.

Figure 2.1 Maslow's hierarchy of needs



- ii Social Cognitive Career Theory (SCCT) – is derived from the basic ideas of social cognitive theory with the intention to describe how an individual:
 - a. develops vocational interest,
 - b. does occupational choices; and
 - c. achieves career satisfaction and success

One of the assumptions of SCCT is that career-related behaviors (such as engage in particular career strategies, intention to leave, performance and career satisfaction) are influenced by several aspects of an individual including genetic characteristics (personal traits), personal factors (goal-setting, self- efficacy beliefs and outcome expectation), and perceptions towards environmental or organizational events (Human Resource Management (HRM) practices and social support) (Brown, 2003; Barnett & Bradley, 2007, Brown, Tramayne, Hoxha, Telander, Fan & Lent, 2008; Zikic & Saks, 2009). In short, SCCT explains how individual's

perception, personality and behavioral variables predict their career related-behaviors.

Regardless of the fact that SCCT propose that personal behaviors, cognitive and organizational variables would predict an individual career satisfaction, few researchers have focused on how individual's organizational career development support (especially HRM practices) exposes them to career relevant activities that influence the achievement of career success. To date, researches have only examined the influence of organizational support variables that are specifically relevant to career planning, information exploration, counseling, mentoring, coaching and networking. SCCT emphasizes to adopt an approach to unify personality and organizational career development support variables to predict individual's career success. Therefore, it is an attempt in this study to examine whether HRM practices particularly the rewards system has any influence factor towards the individual career success.

CHAPTER 3

RESEARCH METHODOLOGY

3.0 Introduction

In this Chapter, the description of used methodology for study is elaborately explained. The description includes the research design, setting, sample, and data collection procedures. This chapter also describes and discusses the instruments used to measure the variables. The limitations of the study are also discussed.

3.1 Research Design

Chapter three (3) explains the research, methodology and designs that support this study. This chapter also includes the explanation of the detailed description of the research process undertaken by the study. The research framework is further discussed and refined by a literature review before the hypotheses were developed.

3.2 Type of Research

There are two (2) methods of data analysis; qualitative and quantitative analysis (Sekaran 2003, Zikmund, 2003; Malhotra, 2009). Qualitative analysis is unstructured and exploratory in nature that only involves small number of respondents' samples (Wong, 2002; Zikmund, 2003). In qualitative analysis, respondents provide information about their thoughts, views and feelings that are very difficult to observe. In addition, results of the qualitative analysis are difficult to generalize the whole population because the sample is small and is selected through a purposive procedure (Zikmund, 2003). On the other hand, quantitative research can analyze the data, and determine the quantity and the extent to which certain phenomenon in the form of numbers is statistically accurate and reliable (Zikmund, 2003). Quantitative analysis is

used when the primary objective of research is to examine if a particular relationship or difference between two or more variables is significant (Zikmund, 2003)

Between the two methods mentioned above, the quantitative analysis method is found to be more suitable for this study based on the reason elaborated below:

- i. Allows the testing of relationship between variables using statistical methods. This corresponds with the primary objective of this study, which is to examine the relationship between rewards systems and career planning and success.
- ii. Allows the analysis to be carried out on a large sample which can be generalized to the whole population.
- iii. Permits the use of standard and formal sets of questionnaires to be distributed to every respondent.

Questionnaires were distributed to respondents to obtain the necessary information. Respondent were identified by using Simple Random Sampling.

3.3 Research Framework

The tentative model was accepted as confirmed to formulate the final research model. Based on the final research model, the hypothesis were developed and tested in the following quantitative study phases:

- i. Rewards System (Independent Variables)

This study involves the Rewards System as independent variables. In the rewards system there are two (2) dimensions and they are Monetary Rewards and Non-monetary Rewards. In each of the dimension, have two (2) sub-dimensions.

ii. Career Planning and Success (Dependent Variables)

This study involves Career Planning and Success as dependent variables, Career Planning is considered one of the dimensions of the combined title while Career Success is the other dimension of the dependent variables. Only one of the dimension namely career planning has two (2) sub-dimensions. While career success does not have any sub-dimension.

Simple diagram explaining of the relationship between the independent variables and dependent variables is illustrated in figure 3.1 below.

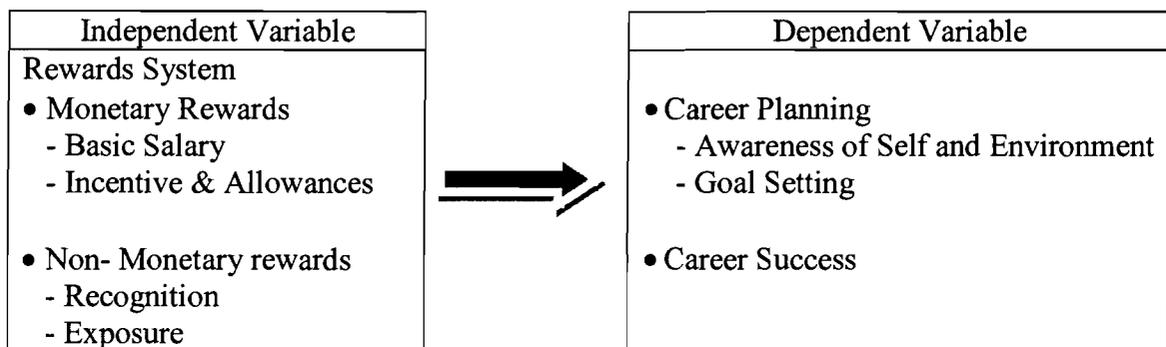


Figure 3.1: Research Framework

3.4 Hypothesis Development

The next phase in the research process is the quantitative study. Quantitative research provides numerical measurement and statistical predictability that can be representative of the total target population (Barson, 2003). As many researchers indicated, quantitative studies attempt to establish casual associations among objectively specified variables through testing hypotheses derived from predictive theories (Kerlinger, 1986). Therefore, once the research model was finalized in the previous step, the hypotheses then were derived. There will possible be five (5) hypotheses developed for this study based on quantitative study and the research objectives as mentioned above.

Below are the proposed hypotheses for this study.

- Hypotheses 1 : There is a correlation between Rewards System and Career Planning and Success.
- Hypotheses 2 : The rewards system that give more impact to the individual Career Planning and Success.
- Hypotheses 3 : There is a difference in opinion between private sector and government sector with regards to the influence of the rewards system towards the individual career planning and success.
- Hypotheses 4 : There is a difference in opinion between male and female with regards to the influence of the rewards systems towards the individual career planning and success.
- Hypotheses 5 : There are differences with the opinion on the rewards system towards the individual career planning and success among the respondent's age group.

3.5 Questionnaire Development

A tentative questionnaire was designed based on the research hypotheses. Surveys and questionnaires are the tools to enable the researcher to investigate trends and characteristics that are presented within a population. The questionnaire developed was aimed at capturing the data and information required to establish the parameters of the model and the relationship between the independent and dependent variables. It was also to examine and evaluate the final model and hypotheses.

The questionnaire also included the demographic information of the Participants. It consists of five (5) sections according to the main constructs developed in the initial research model.

- Questionnaire Design

The research instrument used was developed through the adaptation and modifications of questionnaire from previous studies. It is the most inexpensive way to gather data from respondents.

The questionnaire consists of five (5) sections namely demographic profile, Monetary Rewards and Non-monetary Rewards and Career Planning and Career Success. The summary of the questionnaires are illustrated in table 3.1 below.

Table 3.1: Summary of Questionnaires

	<p>This section contains nine (9) questions which include demographic background of the respondents consisting of Gender, Race, Age, Marital Status, Current Position, Length of Service, Years in current position, Type of organization and function of current job.</p> <p>Section B contains eleven (11) questions to measure the independent variables on Monetary Rewards. The dimension of this section is broken down into two (2) sub-dimensions as indicated below:</p> <ul style="list-style-type: none">• Basic Salary – consist of six (6) questions• Incentive & Allowances – consist of five (5) questions
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Section C is another independent variable to measure Non-monetary rewards. It has ten (10) questions in this section and the dimension is divided into two (2) sub-dimension and they are

• Recognition – consist of nine (9) questions

• Flexibility – consist of seven (7) questions

Section D contains ten (10) questions to measure the dependent variable on Career Planning. In this section the dimension is divided into two (2) sub-dimension and they are

- Awareness of Self and Environment – consist of four (4) questions
- Goal setting – consist of six (6) questions

Section E is another dependent variable that measure Career Success and have five (5) questions. No sub-dimension in Career Success.

- Rewards system

The rewards system is an independent variable for the current study. The independent variable covers the two (2) dimensions of section B (Monetary rewards) and section C (Non-monetary rewards). This variable is conceptualized as the how employee feels from what they had received from organization that was part of the studies of Tower, (2010), Armstrong, Brown and Reily (2011) and also from the studies of Wan Shakizah (2011). This questionnaire measures the employees overall satisfaction with regard to their pay level, benefit, raise satisfaction, salary administration, recognition, learning opportunity, exposure, skill enhancement etc. The measurement items are as listed below:

- i. I receive a worth basic salary
- ii. My cost of living adjustment is sufficient enough to support my living
- iii. I feel my current salary is commensurate to my job
- iv. My current salary reflects the market trend

- v. My take home pay is reasonable
- vi. I receive merit increment that reflect my productivity and contribution in the organization
- vii. My performance bonus reflects my productivity in organization
- viii. My performance bonus reflects my job quality in organization
- ix. There are many types of incentives offered by my organization that motivate my productivity
- x. Allowance is paid according to my entitlement
- xi. I do enjoy my allowances
- xii. I get the recognition I deserve when I do a good job
- xiii. I have an opportunity for advancement to higher level jobs
- xiv. I always clear on what are my duties and responsibilities
- xv. I feel that I have chances of getting ahead on this job
- xvi. I know that there are many opportunities to advance within the company
- xvii. The feeling of satisfaction in every accomplishment I get from the job
- xviii. I receive recognition for my job accomplishment and contribution
- xix. Promotions and transfers are made fairly
- xx. I have a good understanding of my potential career moves in the company
- xxi. I have the opportunity to grow and learn new things and skill
- xxii. I received good exposure of the job challenges.
- xxiii. I received good learning opportunity
- xxiv. The challenging task given by the organization can improve my job quality
- xxv. Recognition and motivation helps to improve my productivity
- xxvi. I enjoy doing my current job
- xxvii. I have a job that expose me to a great deal of day to day learning

- Career Planning and Success

Career Planning and Success is the dependent variable for this study. The dependent variable also covers two (2) dimensions of the questionnaire in section D (Career Planning) and section E (Career Success). The measurement tools for the two (2) dimensions were adapted from Gould (1970), Puaah and Ananthram (2006) and Greenhaus et al (1990). Below are the lists of measurement used for this variable.

- i. I know my strengths, weaknesses and abilities
- ii. I have accurate information about organization's management policies that can affect my career.
- iii. My awareness of career interest had helped to clarify my career plans
- iv. I have accurate view of the opportunities and constraints that may occur in the work environment which can affect my career.
- v. I have not yet really decided what my career objectives should be.
- vi. I have plans for my career.
- vii. I have strategies for achieving my career goals
- viii. I know what I need to do to reach my career goals.
- ix. My career objectives are not clear
- x. I change my career objectives frequently.
- xi. I am satisfied with the success that I have achieved in my career.
- xii. I am satisfied with the progress I have made toward meeting my overall career goals
- xiii. I am satisfied with the progress I have made toward meeting my goals for income
- xiv. I am satisfied with the progress I have made toward meeting my goals for advancement.
- xv. I am satisfied with the progress I have made toward meeting my goals for the development of new skills.

Measurement scale for section is based on a Five (5) point Likert Scale (1 to 5) as illustrated below:

- i. 1= strongly disagree,
- ii. 2= disagree,
- iii. 3= not sure,
- iv. 4= agree and
- v. 5= strongly agree.

A sample of questionnaire used in this study is presented as **Appendix 1**.

3.6 Study Population

This study was conducted within the populations of employees from private sectors and government. The private sector is divided into local and foreign owned companies. Employee of the private companies that have participated in this surveys are from Denso (M) Sdn Bhd, MMC Oil and Gas, Khazanah Nasional Berhad, Maybank (Kajang Branch), Oilfield Technical Inspection and two private colleges and total number of employees of all the private companies that mentioned above is approximately 2,500 (based on the individual companies manpower numbers given by the Human Resource Department). According the Official website of Chief Secretary of the Malaysian Government, to date, the Malaysian Public Service has the staff strength of 1.2 million employees. Overall total of employees in private and government sector is more than 1.2 million.

According to Krejcie, Robert V., Morgan, Daryle W., 1970, Population size exceed 100,000 requires a sample size of 384 or more. In view that the population of my study exceeded the 100,000 population therefore the minimum sample size required for this study are 384.

The total respondent received for this study is four hundred and fifty (450). The number of respondent received has exceeded the minimum requirement as mentioned earlier. Following are the summary details of my respondents

- The position level received - Support Group, Clerical, Officers, Executive, Senior Executive, Assistant Manager, Manager, Senior Manager, General Manager and finally Managing Director.
- The age of the respondent - ranges from 18 to more than 55 years old.
- The length in service - ranges from 18 to more than 20 years.
- The three main races - Malay, Chinese and Indian.
- The work function of the respondent - comprise of services, Technical, sales and operation.

3.7 Statistical Analysis

The data gathered was analyzed by using The Statistical Package for Social Science (SPSS) for the purpose of statistical analysis. The following statistics and statistical procedure were used in analyzing data.

- The descriptive and frequency analysis – This analysis were performed to provide respondents background information such as gender, age, race, marital status, academic qualifications, monthly salary and working tenure.
- The Pearson Correlation Analysis – This is applied to measure the relationship among some variables. Correlation is measure of relation between two (2) or more variables (between independents and dependents variables). The symbol of a correlation is r , and its range is from -1.00 to $+1.00$. The value -1.00 represents a perfect negative correlation while a value of $+1.00$ represents a perfect positive

correlation. A value of 0.0 represents a lack of correlations. The closer the measure is 1.00, the more likely the relationship is statistically significant (Muchinsky, 1993). According to “Guilford Rule of Thumb” the strength of correlation between two (2) or more variable shown in Table 3.2 below.

Table 3.2 Interpretation of Strength of Correlation Coefficient

Value of Coefficient	Relation between Variables
0.00 – 0.30	Vary Low Relationship
0.30 – 0.50	Low Relationship
0.50 – 0.70	High Relationship
0.70 – 1.00	Very High Relationship

- The Reliability Analysis – the reliability test will use the Cronbach’s Alpha test. The Cronbach Alpha testing was used as it is most well accepted reliability test tools applied by social researchers (Sekaran 2003). In Cronbach’s Alpha reliability analysis, the closer Cronbach’s Alpha is to 1.0 the higher the internal consistency reliability (Cronbach’s Alpha, Cronbach, 1946). Cronbach measurement indicates the following:-
 1. Reliability less than 0.6 is considered poor
 2. Reliability in the range 0.7 is considered to be acceptable
 3. Reliability more than 0.8 is considered to be good
- Multiple Regression Analysis – This test is conducted to examine which among the two (2) independent variables was the most significantly influenced the perception of the employees on rewards. According to Sekaran (2003), the correlation coefficient, r, will indicate the strength of relationship between the two variables and it will also show how much of the variance in the dependent variable

will explain when several independent variables are theorized to simultaneously influence it. Meanwhile, r square indicates the amount of variance which will explain the dependent variable by the predictors and this is known as Multiple Regression. In the event of r square value, the f statistics and its significant level are known; the result can then be interpreted.

- The ANOVA test– is a one way analysis of variance involves one independent variable, which has a number of different levels. These levels correspond to the different groups or conditions.
- The Independent T-test – this test is used to compare the mean scores of two (2) different groups of people or conditions.

3.8 Limitation

The limitations of this project paper were:

- The study was conducted in Klang Valley only, as different location may have different impact and the result may be different. This cannot be generalized the findings of other areas.
- Time constraints limit the scope of this research study

3.9 Conclusion

As a conclusion, the whole details in this chapter are about research methodology from the item of rewards system and also the career planning and success. This includes with the definition of terminology; what is rewards system? what is monetary rewards? and Non-monetary rewards, the definition of career planning and career success. All the terms in this chapter come from the previous study and research.

CHAPTER 4

RESULT

4.0 Introduction

This chapter reports the result of data analysis obtained from the data collected from respondent. It is based on research objectives aligned in Chapter 1 where to study the impact of independent variables which are the monetary rewards and non-monetary rewards with dependent variables which are Career Planning and Career Success. This study aims to answer the research objectives and the research questions highlighted in chapter 1. This study is also intended to verify the hypotheses made in chapter 2.

Three (3) analysis techniques used to analyze the data to test the research hypotheses and by doing so, researcher used the reliability analysis, descriptive statistic (frequency distributions) and inferential statistic (t-test, ANOVA, Pearson correlation and multiple regression analysis). Basically the statistical method of Pearson Correlation was used in this study to determine the existence of any relationship between the independent variable (Rewards system) and dependent variable (Career Planning and Success). While the Regression Analysis was conducted to examine, among the three independent variables of rewards system, which is most significantly influences the individual career planning and success. The descriptive analysis was done to describe the profile of respondents.

4.1 Overview of Collected Data

Data collection was an important aspect of this study. Inaccurate data collection could impact the results of a study and ultimately lead to invalid results. The data were gathered by distributing the questionnaires at random to friend, relatives, colleague and spouse in private organizations and government sector.

Total of six hundred and fifty (650) questionnaires were distributed out and were briefed on the purpose of the study. Respondents were assured confidentiality of the data and were requested to respond to each item based on their own perception. A total of four hundred and fifty (450) questionnaires were collected and received. However only for hundred and forty (440) questionnaires are useable and it is still exceeds the sample requirement.

Table 4.1: Responses Rate

	Total	%
Questionnaire distributed	600	100
Collected questionnaires	450	75
Usable questionnaires	440	73
Discarded questionnaires	10	1.7
Uncollected questionnaires	150	25

4.2 Respondent's Profile

The survey verified the details of demographic characteristic or respondent's profile as illustrated in Table 4.2 in the following page

Table 4.2: Respondent's Profile

No	Demographic	Categories	Frequency	Percentage
1	Gender	Male	182	41.2
		Female	258	58.6
2	Race	Malay	374	85.0
		Chinese	44	10.0
		Indian	19	4.3
		Others	3	0.7
3	Age	18 to 24 years old	39	8.9
		25 to 34 years old	203	46.1
		35 to 44 years old	120	27.3
		45 to 54 years old	57	13.0
		55 years old and above	21	4.8
4	Marital Status	Single	125	28.4
		Married	311	70.7
		Divorced	3	0.7
		Widowed	1	0.2
5	Current Position	Managing Director	1	0.2
		General Manager	2	0.5
		Senior Manager	6	1.4
		Manager	11	2.5
		Assistant Manager	33	7.5
		Senior Executive	24	5.5
		Executive	116	26.4
		Officer	43	9.8
		Clerk	147	33.4
		Support Group	44	10.0
		Others	13	3.0

N= 440

No	Demographic	Categories	Frequency	Percentage
6	Length in Service	Less than 1 Year	24	5.5
		1 – 4 years	149	33.9
		5 – 9 years	100	22.7
		10 -14 years	51	11.6
		15 – 19 years	58	13.2
		20 years and above	58	13.2
7	Years in Current Position	Less than 1 Year	33	7.5
		1 – 4 years	203	46.1
		5 – 9 years	89	20.2
		10 -14 years	37	8.4
		15 – 19 years	38	8.6
		20 years and above	40	9.1
8	The Company Status	Government	166	37.7
		Private – Local	221	50.2
		Private – Foreign	53	12.0
9	Work Function	Services	278	63.2
		Technical	64	14.5
		Sales	39	8.9
		Operations	34	7.7
		Others	25	5.7

N= 440

Frequency distributions were obtained for all the demographic information of the respondents. Total respondent is 440. Where 58.6% (258) is female responded while the remaining 41.4% (182) is male. The race distribution is 85.0% (374) is Malay, 10.0% (44) is Chinese and 4.3% (19) is Indian while the remaining 0.7% (3) is from other ethnic group mainly from Sabah and Sarawak. The largest respondents are from the 25 to 34 years old age group that is about 46.1% (203), the next largest respondents of 27.3% (120) is from the 35 – 44 years old age group, while 13.0% (57) from 45 – 54 years age group followed by 8.9% (39) from 18 – 24 years old age group and 4.8% (21) are from above 46 years old age group.

From the Marital Status points of view, the highest respondents are from married respondents with 70.5% (310) and while the single respondent comprises of 28.2% (124) of the total respondents. While 0.7% (3) and 0.1% (1) are from Divorced and Widowed respondents respectively. The level of position that responded majority is from the Clerical level 33.4% (147). The next group of the responded is the executive level that made up of 26.4% (116) of the total respondent. Next comes from the officers and support group with equal respondents that 9.8% (43), the next levels is the Assistant Manager with 7.5% (33) and follow by Senior Executive – 5.7% (25), Others – 3.0% (13), Manager – 2.5% (11) and Senior Manager – 1.4% (6). The least respondents are from the General Manager and Managing Director that made up of 0.5% (2) and 0.2% (1) respectively.

Majority of the respondents have been with the organization between 1 to 9 years. This group comprises of 56.6% (249) of the respondent and out of the 440 respondents Civil servant made up of 37.7% (166) while the remaining respondents are from the private sectors 62.3% (274). The percentage breaks up details are illustrated in the above table.

In this study, majority of the respondents are in the Services work function that made up of 63.2% (278). Services in this survey comprises of Finance, Accounting, Administration, Human Resource, IT and Legal. Technical comes second with 14.5% (64). Technical comprises of Engineering, Maintenance and Electrician. Next comes from the Sales with 8.9% (39) and sales is made up of Marketing, Corporate Communication, Public Relation, Customer Service, Procurement and Purchasing. Operations come next with 7.7% (34) respondents. Operations comprise of Production, Quality Control, Planning and Audit. The remaining is from other different work function like, Oil and Gas, Education, Nursing etc. they made up of 5.7% (25) of the respondents.

Details of the Demographic characteristic of this survey can be viewed at the questionnaires form as attached in **Appendix I**

4.3 Reliability Analysis

The table below shows the independent variables (Rewards System: Monetary and Non- Monetary) and dependent variables (Career Planning and Success) were reliable. According to Sekaran (2004) the value of 0.7 and above is considered as reliable. Cronbach's Alpha coefficients can be obtained, by using the SPSS reliability procedure. George & Mallery (2003) stated that reliability is the degree to which measure are free from error and therefore yield consistent results.

Details of the Cronbach measurement have already explained above. Based on the result as shown in Table 4.3 below, alpha value for both independent variables and dependent variables are above 0.9 which is considered as good. The highest variable is the Incentive and Allowance, which is part of the monetary reward dimension with alpha value at 0.922

Table 4.3: Reliability Analysis

Variables	Croanbach's Alpha
• Basic Salary	.922
• Incentive and Allowance	.921
• Recognition	.914
• Exposure	.915
• Career Planning and Success	.922

4.4 Descriptive Statistics: Measure of Rewards System and Career Planning and Success

Maximum, minimum, means, standard deviation and variance that are considered as Descriptive Statistic can be derived from the interval-scaled independent and dependent variables. The study results for the descriptive Statistic are shown in Table 4.4 below:

Table 4.4: Descriptive Statistics.

Variables	N	Minimum	Maximum	Mean	Std Deviation	Variance
Basic Salary	440	1.00	5.00	3.0932	0.78941	0.623
Incentive & Allowances	440	1.00	5.00	3.1877	0.73812	0.545
Monetary Rewards	440	1.00	5.00	3.1362	0.70289	0.494
Recognition	440	1.44	5.00	3.4417	0.58248	0.339
Exposure	440	1.29	5.00	3.4951	0.59866	0.358
Non Monetary Rewards	440	1.38	5.00	3.4651	0.58632	0.344
Career Planning and Success	440	2.27	4.73	3.4280	0.38869	0.151

All variables were tapped on a 5-point scale as mentioned in the previous chapter. The results as shown in table 4.4, all mean on all variables are above average. Mean for “Basic salary” is 3.10 on a 5-point scale and the mean on “Incentives & Allowances” is 3.19. In combination as “Monetary Rewards” the mean is 3.14. While the total combination of “Non-Monetary Rewards” is 3.47 with “Recognition” is 3.44 and “Exposure” is 3.50. The survey result shows that non-monetary rewards mean score is slightly higher than monetary rewards that indicates that non-monetary rewards has more positive impact in term of the rewards system.

On the other hand the mean of Career Planning and Success is also above average (3.43 on a 5-point scale). It indicates that most responded feels that their career Planning and success thus far is only at the above average achievement. It can also indicate that the respondents are complacent with their work environment and happy with the rewards that they received. The minimum of 2.27 indicates that there are some respondents who feel that they have not happy with their planning of their career and success while the maximum of 4.73 indicates that they have extremely well in planning their career and enjoy their career success.

The variance for this study indicates that the non-monetary reward that comprise of "Recognition" and "Exposure" is slight lower compared to monetary rewards (Basic Salary and Incentives & Allowances). However the variance for Career Planning and Success is rather low.

4.5 Inferential Statistics

For this study the following statistic are being used to test the five hypotheses that was developed in Chapter Three (3).

- t-Test,
- ANOVA,
- Pearson Correlation and
- Multiple regression

4.6 Hypotheses Testing

As mentioned above there are five (5) hypotheses that were generated for this study and the use of the following is necessary.

- Pearson Correlation to test hypotheses 1
- Multiple Regressions to test hypotheses 2
- ANOVA for hypotheses 3 and 5
- t-test for hypotheses 4

The results of these tests mentioned above and their interpretation are discussed and elaborated as follows.

- Hypotheses 1: Use of Pearson Correlation. Hypotheses 1 is stated in the null and alternate as follows:

H_{1o}: There is no correlation between Rewards System and Career Planning and Success.

H_{1A}: There is a correlation between Rewards Systems and Career Planning and Success.

The Pearson correlation matrix obtained for the five interval-scaled variables is shown in Table 4.5 in the following page. The result shows that the Rewards system is moderately high correlated with Career Planning and Success. To look further, The “Monetary Reward” shows low correlation with Career Planning and Career Success. While “Non-monetary Rewards” show low correlation with Career Planning but high correlation with Career Success and the overall variable (Career Planning and Success). Thus this indicates that the Non-monetary Rewards gave better impact to the individual career planning and success than the Monetary rewards. This also proved that high attrition rate of an organization is

not due to money or incentives. Base on the result it indicates that **hypothesis 1 was substantiated**. In short, it has to **Reject H1o** and means that the Rewards System does have a relation with Career Planning and Success.

Table 4.5: Pearson Correlation Test

		Career Planning	Career Success	Career Planning and Success
Monetary Reward	Pearson Correlation	.266**	.439**	.416**
	Sig. (2-tailed)	.000	.000	.000
	N	440	440	440
Non Monetary Reward	Pearson Correlation	.403**	.540**	.560**
	Sig. (2-tailed)	.000	.000	.000
	N	440	440	440
Reward System	Pearson Correlation	.377**	.547**	.547**
	Sig. (2-tailed)	.000	.000	.000
	N	440	440	440

** Correlation is significant at the 0.01 level (2-tailed).

- Hypotheses 2: Use of Multiple Regression Analysis. The second hypotheses is stated in the null and alternate as follows:

H2o: The rewards system does not give any impact to the individual career planning and success

H2A: The rewards system does give impact to the individual career planning and success

This hypothesis is being tested by using the multiple regression analysis. The results of the regressing for the four dimensions of the independent variables

against the career planning and success are seen in tables 4.6 as elaborated in the following page.

Table 4.6: Multiple Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.573 ^a	.329	.323	.31989

a. Predictors: (Constant), Basic Salary, Incentive & Allowances, Recognition, Exposure

b. Dependent Variable: Career Planning and Success

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	21.813	4	5.453	53.290	.000 ^b
Residual	44.513	435	.102		
Total	66.325	439			

a. Dependent Variable: Career Planning and Success

b. Predictors: (Constant), Basic Salary, Incentive & Allowances, Recognition, Exposure

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
(Constant)	2.119	.093		22.862	.000
1 Basic Salary	.078	.027	.158	2.858	.004
Incentive & Allowances	-.037	.031	-.071	-1.221	.223
Recognition	.359	.129	.538	2.780	.006
Exposure	-.014	.122	-.022	-.115	.909

The first output in the table lists the four (4) dimensions of independent variables that are entered into regression model and **R** (.573) is the correlation of the four dimensions of independent variables with the dependent variable, after all the inter-correlations among the four dimensions of independent variables are taken into account.

In the *Model Summary* output, the **R Square** (.329) which is the explained variance, is actually the square of the multiple $R(.573)^2$. The *ANOVA* table shows that the *F* value of 53.290 is significant at .001 levels. In the *df* (degree of freedom) in the same table, the first number represents the number of dimensions of independent variables (4), the second number (435) is the total number of complete responses for all the variables in the equation (Y), minus the number of independent variables (X) minus 1. $(X - Y - 1) [(440 - 4 - 1) = 435]$. The *F* statistic produced ($F=53.290$) is significant at .001 level. What the result mean is that 32.9% of the variance (*R-square*) in career planning and success has been significantly explained by the four dimensions of independent variables.

The *Coefficients* table helps to identify which among the four (4) dimensions of independent variables significantly impact the variance in career planning and success. If we look at the column **Beta** under *Standardized Coefficients*, we see that the highest number in Beta is .538 for "Recognition", which is significant at the .001 level. It may also be seen that this is the only dimension of independent variable that is significant. The positive beta weight indicates that the individual career planning and success is significantly impact by non monetary rewards namely "Recognition". It is also interesting to see that "Basic Salary" is also indicate a positive result that have a slight impact of the individual career planning and success. Thus, **hypothesis 2 is substantiated**. In short, it has to **Reject H₀**

and a mean that rewards system do have the significant impact to the individual career planning and success.

- Hypotheses 3: The third hypotheses the ANOVA is used and it is stated in the null and alternate as follows:

H3o: There is no difference in opinion between private sector and government on the rewards system towards the individual career planning and success

H3A: There is a difference in opinion between private sector and government on the rewards system towards the individual career planning and success

In view that there are more than two (2) groups (three (3) groups of the company status: Government, Private – Local and Private – Foreign) and career planning and success is measured on an interval scale, therefore it is the opinion that ANOVA is the appropriate tool to test this hypotheses. The test results of the hypotheses using ANOVA are shown in Table 4.7 below:

Table 4.7: ANOVA – company status

ANOVA

Table 4.7: Career Planning and Success

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.958	2	.479	3.203	.042
Within Groups	65.367	437	.150		
Total	66.325	439			

The *df* as indicated earlier hypotheses in column three (3) refers to the degrees of freedom, and each source of variation has associated degrees of freedom. Between group variance, $df = (Y - 1)$, where Y is the total number of groups or levels. Due to the number of groups that consist of 3 in the company status as mentioned above, we have to use the formula: $(3 - 1) = 2$ *df*. The *df* for the within the groups sum of square equals $(X - Y)$, where X is the total number of respondents and Y is the total number of groups in the company status. Since there is no missing responses, the associates *df* is $(440 - 3) = 437$

The result of mean square for each source of variation as indicated in column 4 is derived by dividing the sum of squares by its associated *df*. Finally the F value in column 5, equals the explained mean square divided by the residual mean square. For this study, $F = 3.203$ ($0.479/0.150$). The result does indicate significant difference in the opinion between private sector and government on the individual career planning and success ($F = 3.203$; $p = 0.042$). Therefore **hypothesis 3 is substantiated** and it has to **Reject H3o** and means that there is a significant difference in opinion between private sector and government on the rewards system and career planning and success

- Hypotheses 4: Use of t-test. Hypotheses 4 is stated in the null and alternate as follows:

H4o: There is no difference between male and female with the opinion of the rewards system towards the individual career planning and success

H4A: There is a difference between male and female with the opinion of the rewards system towards the individual career planning and success

A t-test indicates if the opinion on rewards system differences are significantly different between male and female. The result of the t-test for this study is shown in table 4.8 below:

Table 4.8: t-test

Group Statistics					
	Gender	N	Mean	Std. Deviation	Std. Error Mean
Career Planning and Success	Male	182	3.4311	.40504	.03002
	Female	258	3.4258	.37752	.02350

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Diff.	Std. Error Diff.	95% Confidence Interval of the Difference	
								Lower		Upper
Career Planning and Success	Equal variances assumed	.715	.398	.141	438	.888	.00530	.03767	-.06874	.07933
	Equal variances not assumed			.139	372.334	.890	.00530	.03813	-.06968	.08027

Table 4.8 above shown that there is no difference in the means of 3.43 and 3.43 with standard deviation of 0.41 and 0.38 for men and women on career planning and success. In fact they have the same opinion. Thus, the **hypothesis 4 is not substantiated**. In other words, it is **Fail to Reject H4o** and means that there is no

difference between men and women's opinion on rewards system and career planning and success.

- Hypotheses 5: ANOVA is used again for this hypothesis and it is stated in the null and alternate as follows:

H5₀: There is no difference in opinion among the respondent's age group on the rewards system towards the individual career planning and success

H5_A: There is difference in opinion among the respondent's age group on the rewards system towards the individual career planning and success

Since more than two groups (five (5) age bracket) and opinion of respondent on career planning and success is also measured on interval scale, therefore the use ANOVA is appropriate test this hypothesis. The result is shown in table 4.9 below.

Table 4.9: ANOVA – Age Group

ANOVA

Career Planning and Success

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.604	4	.151	.999	.408
Within Groups	65.722	435	.151		
Total	66.325	439			

Based on the result shown above does not indicate any significant difference in the opinion of the individual career planning and success among the five (5) age

groups ($F=0.999$; $p=0.257$). Thus, **hypothesis 5 is not substantiated**. In short, it is **Fail to Reject H_{5o}** and means that the opinion of the individual career planning and success are the same among the respondent age group.

4.7 Summary of Chapter 4

Based on the five (5) hypotheses tested, three (3) of the hypotheses are substantiated and the remaining two (2) were not. Pearson Correlation results indicated that there is a strong correlation between Rewards system and Career planning and success. The result indicated that the non monetary reward has good relationship or correlation to the individual career planning and success. While monetary reward has low relationship or correlation to the individual career planning and success. The result from the multiple regression analysis, it shows that "Recognition" is the most influential factor to the opinion of the respondent on the individual career planning and success. Recognition is part of the Non monetary rewards variable. Both of the results as indicated above, show that money is not the main factor that influence the individual career planning and success. The individual career planning and success is heavily influenced by recognition and exposure. Therefore it is an organization should consider to possibly enhancing their non monetary rewards or an individual should consider working in an organization that offer excellent non-monetary reward package. At the same time it is also interesting to note that the respond between private sector and government in the opinion on career planning and success, where the private sectors respondents indicated higher influence of rewards system on career planning and success in comparison to Government. This is based from the ANOVA result above. It is not surprising as private sectors to rewards their employees based on performance and also have competitive reward package

compared to government. However in terms of the age and genders, there are not much difference in terms of their opinion in regards to rewards system on career planning and success.

Rewards system especially the non monetary rewards should be looked into seriously as the result shows it by the respondents that non monetary rewards particularly “Recognition” it highly significant to the individual career planning and success. However only 32.9% of the variance in Career planning and success was significantly explained by the two (2) dimensions (4 sub dimensions) of independent variables considered, while the remaining 67.1% is still unexplained.

In summary, table 4.10 below is the summarized result of all hypotheses:

Table 4.10: Finding Summary

Hypotheses		Significant	Reject/ Fail to reject H ₀
H1 ₀ :	There is no correlation between Rewards System and Career Planning and Success.	Substantiated	Reject H ₀
H1 _A :	There is a correlation between Rewards Systems and Career Planning and Success		
H2 ₀ :	The rewards system does not give any impact to the individual career planning and success	Substantiated	Reject H ₀
H2 _A :	The rewards system does give impact to the individual career planning and success.		
H3 ₀ :	There is no difference in opinion between private sector and government on the rewards system and career planning and success.	Substantiated	Reject H ₀
H3 _A :	There is a difference in opinion between private sector and government on the rewards system and career planning and success		

Hypotheses		Significant	Reject/ Fail to reject H₀
H _{4o} :	There is no difference between male and female with the opinion of the rewards system and career planning and success.	Not substantiated	Fail to reject H ₀
H _{4A} :	There is a difference between male and female with the opinion of the rewards system and career planning and success.		
H _{5o} :	There is no difference in opinion among the respondent's age group on the rewards system towards the individual career planning and success	Not substantiated	Fail to reject H ₀
H _{5A} :	There is difference in opinion among the respondent's age group on the rewards system towards the individual career planning and success		

CHAPTER 5

DISCUSSION AND RECOMMENDATION

5.0 Introduction

In this chapter, the findings of the study will be discussed and recommendations for future research will be suggested.

5.1 Discussion

The purpose of this study is to determine whether there is there any influencing factor in regards to the rewards systems that is implemented by a private organization or government on the career planning and success of an individual. The rewards system are divided in to two (2) namely the monetary rewards (Basic Salary and Incentives & Allowances) and non-monetary rewards (Recognition and Exposure). The result of this study confirmed that the variables considered in the theoretical framework are important. The table 5.1 below concludes everything that has been discussed in Chapter 1 to Chapter 4.

Table 5.1: Conclusion of the study

No.	Research Questions	Research Objectives	Null Hypotheses	Reject/Fail to reject null hypotheses
1	Is there a correlation between Rewards system and Career Planning and Success?	To determine whether there is a correlation between Rewards System and Career Planning and Rewards	<u>H1A</u> : There is a correlation between Rewards Systems and Career Planning and Success.	Reject H1o
2	Which of the rewards system that gives impact to the individual career planning and success.	To determine which of the rewards system that gives impact to the individual career planning and success.	<u>H2A</u> : The rewards system does give impact to the individual career planning and success	Reject H1o

3	Are there any differences between private sector and government sector with the opinion in regards to the influence on rewards system towards the individual career planning and success?	To determine whether there is any difference in opinion between private sector and government sector with regards to the influence on rewards system towards career planning and success.	<u>H3A</u> : There is a difference in opinion between private sector and government on the rewards system and career planning and success	Reject H3 _o
4	Are there any differences between male and female with the opinion on the rewards system towards the individual career planning and success?	To determine whether there are any difference between male and female with the opinion on rewards system towards the individual career planning and success	<u>H4_o</u> : There is no difference between male and female with the opinion of the rewards system and career planning and success.	Fail to reject H3 _o
5	Are there any differences with the opinion among the respondent's age group on the rewards system towards the individual career planning and success?	To determine whether there are any differences with the opinion among the respondent's age group on the rewards system towards the individual career planning and success	<u>H5_o</u> : There is no difference in opinion among the respondent's age group on the rewards system towards the individual career planning and success	Reject H5 _o

- **The Correlation between Rewards System and Career Planning and Success.**

The result indicates that there is a correlation between rewards system and career planning and success. The rewards system that comprise of monetary rewards and non-monetary rewards do have influences towards the career planning and success based on the respondent feedback received. Breaking down further the monetary and non-monetary rewards which are, basic salary and incentives & allowances for monetary and recognition and exposure for non monetary, they results shows

that recognition has the highest correlation towards the individual career planning and success. Total combination shows the non-monetary rewards have positive correlation towards the individual career planning and success. Actually the result is not a surprise discovery as based on the attrition survey it is well known that Monetary is not the main factor for an individual stays in an organization. Factors Affecting job Attitudes as report that effect an individual stay in an organization as according to the report by AON Hewitt (Talent and Reward Consulting) taken from Total Reward Survey 2012 – Transforming Potential into Value is listed below

- Factors on the job that led to extreme satisfaction
 - i. Achievement
 - ii. Recognition
 - iii. Work Itself
 - iv. Responsibility
 - v. Advancement
 - vi. Growth
- Factors on the job that led to extreme dissatisfaction
 - i. Company Policy and Administration
 - ii. Supervision
 - iii. Relationship with Supervisor
 - iv. Salary
 - v. Relationship with peers

vi. Personal Life

vii. Relationship with subordinates

According to Jeffries (1997), organizations can retain their best employees by recognizing their contributions to the organization. Recognition motivates employees as it involves the acknowledgement of the efforts, creativity and willingness of employees to put in extra effort. Jeffries further reports on a survey were conducted by the Performance Enhancement Group that shows that employees favor daily recognition over bonus or higher pay or salary.

- **The rewards that give impact to the individual career planning and success**

As mentioned above based on the four rewards system (Basic Salary, Incentives & Allowances, Recognition and Exposure), Recognition has the highest positive respond. Combination of Recognition and Exposure that made up of non-monetary rewards has the most positive feedback from the respondent. Therefore it is necessary for an organization to pay more attention to non monetary rewards when designing a rewards system. Organization that has balanced and good rewards system will create better work environment and with less attrition rate. This somehow will lead to create high performing culture and the organization will gain a positive result.

- **The difference opinion between private sector and government sector with regards to the rewards system towards the individual career planning and success.**

Based on the results, there is a difference in opinion with regards to the rewards system towards the individual career planning and success. From the respondents feedback, the private sectors respondents felt that the rewards system have the influence on the individual career planning and development. Maybe it in my

opinion that the private sectors rewards systems are more competitive in comparison to the government rewards system. Furthermore the practices are totally different especially the promotion criteria and process. Promotions in private sectors are mostly on performance and contribution, while in the government sector is on time base basis where performance and contribution is secondary. Therefore, in this study clearly shows that based on the respondents that worked in government have low opinion on rewards system towards the individual career planning and success.

However, in private sector, the employees are constantly plans their career moves and with the hope to achieve success. Reason being is that the job is not secure as to the job in the government.

No study of the above hypotheses was found to either to support or to oppose the findings above.

- **The difference in opinion between male and female with regards to the rewards system towards the individual career planning and success**

The result shows that there is no difference in their opinion in regards to the gender. In fact the result shows nearly the same in opinion on the rewards system towards the individual career planning and success.

Not many studies were conducted on the subject of rewards system and career planning and success. However, a study conducted by Kalantari (1995), where result do show difference in opinion where female reported to be responded lower levels of work satisfaction and motivation in comparison to the male respondent. The result could be attributed to number of factors. According to him, the result found that there is substantial evidence to indicate that female have not been compensated fairly for their work when compared to male in similar position. He

found that traditionally female in the United States have played a different role to male in the labour force. However in the context of Malaysia, there is equal opportunity in terms of the employment and pay and the study would not be valid in Malaysia and for this study. Cultural and practices in countries varies and therefore the opinion too may be different to one another.

In light of the above study result, it is in my opinion, the respondents result shows no difference in their opinion and have the same respond. Both male and female have the same desire to plan and to achieve success in the career. Both want an equal opportunity to be successful in their career. This is because Malaysia practices equal opportunity of employment.

- **The difference in opinion among the respondent's age group with regards to the rewards system towards the individual career planning and success**

According to Hall's Age theory of motivation, recognition for employees between forty and fifty five would be to be left alone to do their jobs in the best possible way and to be self-directed. Rapidly changing work environments and their resistance to change may thus account for low level of motivation in the age group between 40 to 50 years (La Motta, 1995).

A study conducted by Schulze and Steyn (2003), which supports the findings of this study as well as Hall's theory on motivation, found that the years between 40 and 47 were a time of disillusionment for many employee due to unfulfilled ambitions. From 47 to retirement it was found that employees generally resisted change and were fixed in values and purpose.

Based on the survey of this study does not support the above theory and findings from Schulze and Steyn (2003). In this study, the result shows that there is no difference in opinion among the respondents' age group with regards to the

rewards system towards the individual career planning and success. I believe that the respond shows that regardless what age bracket the respondents are, they still want the same and their opinion with regards to the rewards system towards the individual career planning and success are the same. In another words, they do feel strongly that rewards system have some influence towards the individual career planning and success.

5.2 Recommendation

The research found that there is a correlation between rewards system towards the individual career planning and success. It also indicated that non-monetary rewards especially “Recognition” has the most positive correlated towards the individual career planning and success.

As a whole 32.9% of the responded feels that the career planning and success is influenced by the rewards system while the remaining 67.1% of the respondent may be influenced by other factors. In order to gather more information of other factors that may be influenced the individual career planning and success, it is recommended for further study on this subject by other researcher.

Based in the research findings and input from respondents, there are four (4) recommendations for an organization (either private sector or government) to consider to do if required.

- Review the organization rewards system

The result hay help for an organization to review it rewards system and determine which of the rewards system that is more effective to retain and enhance and which that is not that may be considered to eliminate. The elimination of the rewards system that is no tightly effective would not be detrimental. However under the law, any rewards system cannot be eliminated unless it is consented by

all the employee of the organization. Most organization would introduce a new reward system that would be more effective in replacement of the no effective.

The result may also help to review and revise their rewards system to be more effective and competitive. This will help to create performance based culture in the government. However, in view that government has the largest employment in the country; it is a mammoth's task to do so.

- Motivate, retain and attract talent to the organization

Most organizations do not pay much attention to non monetary rewards. The studies clearly show that non monetary rewards have good correlation towards the individual career planning and success. If we translate that further, the Career Plan and success is an individual self satisfaction. It is automatically translated as a motivation factor. So organization that implements good non monetary rewards will have a positive outcome by motivating its employees and also would be able to retain their talent and would also be able to attract talents from outside. Attrition rate of the organization would be low and would reduce the overall cost of the hiring, development and training etc.

- Encourage performance based culture

When an organization introduced competitive rewards system namely non-monetary rewards, it would create performance based culture in the organization. Performance of an individual, division and the organization itself would increase tremendously. Will good performance the outcome would be good results in terms of the profits, overhead cost etc. The rippling effect would be the monetary rewards such as performance bonus and incentives, share options, long term incentive plan etc. Therefore it is essential for an organization to consider reviewing and introducing good non-monetary rewards based on the results of the

study to attain the possibly the effect as mentioned above. This will also create a harmonious and positive working environment.

- Personal achievement and satisfaction

The result will help an organization to design rewards system that would help individual to achieve their personal self actualization as mention in the Maslow's hierarchy of needs theory. As described in chapter 2.3

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APPENDIX 1

- COVER LETTER
- QUESTIONNAIRE

INFLUENCES OF REWARDS SYSTEM TO CAREER PLANNING AND SUCCESS OF EMPLOYEE

Dear Sir/ Madam,

I, **Zainal Shahrir Ahmad Mokhtar**, a master's student of University Utara Malaysia who is currently pursuing a post graduate degree in Human Resource Management with University Utara Malaysia. As part of the master's programme requirement, I have to submit a project paper (Thesis) to complete the programme. My thesis title is "Influences of Rewards System to Career Planning and Success of Employee". I am doing a research to understand whether the rewards system do have any influences to an individual career planning and success.

I seek for your kindness, to spare some of your valuable time to complete the enclosed questionnaire. It would only take about 20 minutes or less of your time. The questionnaires are available both in English and Malay. If you are unsure about certain questions, please try to give an answer that best reflects your feeling. Kindly answer all the questions because each of the statement is important for the study. **I would like to assure you that your responses will remain strictly confidential.** Furthermore, no individuals will be identified in any report of the results. When you have completed the questionnaires, please return to my representative or to me.

Hopefully you enjoy answering the questionnaire and I sincerely would like to thank you in advance for your help, support and cooperation in this study. If you have any queries or would like further information about this study, please do not hesitate to email me at zshahrir2004@yahoo.com or call me at **019-2677851**

Thank you

Yours faithfully

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PENGARUH SISTEM GANJARAN UNTUK PERANCANGAN KERJAYA DAN KEJAYAAN PEKERJA

Tuan /Puan,

Saya, **Zainal Shahrir Ahmad Mokhtar**, adalah penuntut sarjana dari Universiti Utara Malaysia dimana saya sedang mengikut pengajian diperingkat sarjana dalam bidang Pengurusan Sumber Manusia di Universiti Utara Malaysia. Sebagai sebahagian daripada keperluan program sarjana, saya perlu mengemukakan kertas projek (Tesis) untuk melengkapkan program ini. Tajuk tesis saya adalah "**Pengaruh Sistem Ganjaran Perancangan Kerjaya dan Kejayaan Pekerja**". Saya membuat penyelidikan untuk memahami sama ada sistem ganjaran mempunyai sebarang pengaruh kepada perancangan kerjaya dan kejayaan individu

Saya amat menghargai sekiranya anda dapat meluangkan masa untuk melengkapkan soalselidik yang dilampirkan bersama. Ia hanya akan mengambil kira-kira 20 minit atau kurang daripada masa anda. Soalselidik boleh didapati dalam bahasa Inggeris dan Melayu. Jika anda tidak pasti tentang soalan-soalan tertentu, sila cuba berikan jawapan yang menggambarkan perasaan terbaik anda. Sila jawab semua soalan kerana setiap kenyataan itu adalah penting untuk kajian ini. **Saya ingin memberi jaminan kepada semua bahawa maklumbalas anda adalah sulit dan rahsia.** Tambahan pula, tiada sebarang individual yang akan dikenal pasti dalam keputusan mana-mana laporan. Apabila anda telah lengkapkan soalselidik, sila kembalikan kepada wakil saya atau pun kepada saya.

Adalah diharapkan anda suka menjawab soalselidik dan terlebih dahulu, saya ingin mengucapkan terima kasih dengan seikhlas-ikhlasnya bagi bantuan, sokongan dan kerjasama anda dalam kajian ini. Jika anda mempunyai sebarang kemusykilan atau ingin mengetahui maklumat lebih lanjut berhubung dengan kajian ini, sila hantarkan ke emel saya di zshahrir2004@yahoo.com atau hubungi saya di **019-2677851**

Terima Kasih

Yang benar

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UNIVERSITY UTARA MALAYSIA
KUALA LUMPUR CAMPUS

**Influences of Rewards System to Career Planning and
Success of Employee**

***(Pengaruh Sistem Ganjaran terhadap Kerjayaan dan
Perancangan Kerjaya Pekerja)***

**Professor Dr. Fadzli Shah Abd Aziz
Zainal Shahrir Ahmad Mokhtar**

QUESTIONNAIRE

Definition

The following definitions have been used operationally in this study

- **Non-monetary Rewards (NMR)**
Non-monetary compensation can include any benefit an employee receives from an employer or job that does not involve tangible value. This includes career and social rewards such as job security, flexible hours and opportunity growth, praise and recognition, task enjoyment and friendships.
- **Monetary Rewards (MR)**
Monetary compensation can be referred as tangible returns includes cash compensation such as bonus, increment, short term incentive and long term incentive and other benefits such as allowances, merit incentive and others.
- **Career Planning (CP)**
Consist of two criteria that are awareness of self and environment and goal setting. Awareness of self and environment is an individual's awareness of self-abilities, strengths, weaknesses, interests, opportunities and constraints that are present in the work environment. While goal setting is an individual's attempt to involve in the goal-setting.
- **Career Success (CS)**
An individual's perception of his/her own satisfaction with reference to personal financial goals and career success

SECTION A: DEMOGRAPHIC CHARACTERISTICS

The following questions deals with the basic characteristics of your business and some information about yourself

1.1 Gender

Male Female

1.2 Race

Malay
 Chinese
 Indian
Others (Please specify): _____

1.3 Age

18 to 24 years old
 25 to 34 years old
 35 to 44 years old
 45 to 54 years old
 55 years old and above

1.4 Marital Status

Single
 Married
 Divorced/Separated
 Widowed

1.5 Current Position

Managing Director/ED (JUSA A) General Manager/DIR (JUSA B & C)

ALL INFORMATION AND DATA THAT YOU PROVIDE WILL BE TREATED AS PRIVATE AND CONFIDENTIAL.
THANK YOU FOR YOUR COOPERATION AND SUPPORT

Example of how to use the rating scales:

Every human being has five senses.

Strongly Disagree ←————→ Strongly Agree				
1	2	3	4	5

By circling the rating 5, therefore you would be saying that you are strongly agreed with the given statement.

SECTION B: MONETARY REWARDS

	<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly Agree</i>
BS1 - I receive a worth basic salary	1	2	3	4	5
BS2 – My cost of living adjustment his sufficient enough to support my living	1	2	3	4	5
BS3 - I feel my current salary is equivalent to my job	1	2	3	4	5
BS4 – My current salary reflects the market trend	1	2	3	4	5
BS5 – My take home pay is reasonable	1	2	3	4	5
BS6 – I receive merit increment that reflect my productivity and contribution in the organization	1	2	3	4	5
PB1 – My performance bonus reflects my productivity in organization	1	2	3	4	5
PB2 - My performance bonus reflects my job quality in organization	1	2	3	4	5
IR3 – There are many types of incentives offered by my organization that motivate my productivity	1	2	3	4	5
IR4 – Allowance is paid according to my entitlement	1	2	3	4	5
IR5 - I do enjoy my allowances	1	2	3	4	5

SECTION C: NON-MONETARY REWARDS

Strongly Disagree *Disagree* *Neutral* *Agree* *Strongly Agree*

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THANK YOU FOR YOUR COOPERATION AND SUPPORT

R1 - I get the recognition I deserve when I do a good job	1	2	3	4	5
R2 - I have an opportunity for advancement to higher level jobs	1	2	3	4	5
R3 - I always clear on what my duties and responsibilities are	1	2	3	4	5
R4 - I feel that I have chances of getting ahead on this job	1	2	3	4	5
R5 - I know that there are many opportunities to advance within the company	1	2	3	4	5
R6 - I receive recognition for my job accomplishment and contribution	1	2	3	4	5
R7 - Promotions and transfers are made fairly	1	2	3	4	5
R8 - I have a good understanding of my potential career moves in the company	1	2	3	4	5
AM1 - I have a job which allows me to make a real contribution to the success of my company	1	2	3	4	5
AM2 - I understand how my role contributes to the company success	1	2	3	4	5
AM3 - Individual contributions are encouraged and recognized	1	2	3	4	5
AM4 - I believe that there is a constrain striving for greater accomplishment in the company	1	2	3	4	5
AM5 - I am held accountable or the end results I produce or fail to produce	1	2	3	4	5
AM6 - The measures used to monitor my performance are the most appropriate for my job	1	2	3	4	5
AM7 - Motivation helps a lot improving my productivity	1	2	3	4	5

SECTION D: CAREER PLANNING

Strongly Disagree Disagree Neutral Agree Strongly Agree

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THANK YOU FOR YOUR COOPERATION AND SUPPORT

ASE1 - I know my strengths, weaknesses and abilities	1	2	3	4	5
ASE2 - I have accurate information about organization's management policies that can affect my career.	1	2	3	4	5
ASE3 - My awareness of career interests had helped to clarify my career plans	1	2	3	4	5
ASE4 - I have accurate view of the opportunities and constraints that may occur in the work environment which can affect my career.	1	2	3	4	5
GS1 - I have not yet really decided what my career objectives should be.	1	2	3	4	5
GS2 - I have plans for my career.	1	2	3	4	5
GS3 - I have strategies for achieving my career goals	1	2	3	4	5
GS4 - I know what I need to do to reach my career goals.	1	2	3	4	5
GS5 - My career objectives are not clear.	1	2	3	4	5
GS6 - I change my career objectives frequently.	1	2	3	4	5

SECTION D: CAREER SUCCESS

	<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly Agree</i>
CS1 - I am satisfied with the success I have achieved in my career.	1	2	3	4	5
CS2 - I am satisfied with the progress I have made toward meeting my overall career goals.	1	2	3	4	5
CS3 - I am satisfied with the progress I have made toward meeting my goals for income	1	2	3	4	5
CS4 - I am satisfied with the progress I have made toward meeting my goals for advancement.	1	2	3	4	5
CS5 - I am satisfied with the progress I have made toward meeting my goals for the development of new skills.	1	2	3	4	5

ALL INFORMATION AND DATA THAT YOU PROVIDE WILL BE TREATED AS PRIVATE AND CONFIDENTIAL.
THANK YOU FOR YOUR COOPERATION AND SUPPORT