THE INFLUENCE OF WORK REWARDS TOWARDS JOB SATISFACTION AMONG MATRADE EMPLOYEES

By
MUNIRA BINTI ABD GHAFAR

Thesis Submitted to the Othman Yeop Abdullah Graduate School of Business,

Universiti Utara Malaysia, in Fulfillment of the Requirement for the Master of Human

Resource Management.

DISCLAIMER

The author is responsible for the accuracy of all opinion, technical comment, factual report, data, figures, illustrations and photographs in the dissertation. The author bears full responsibility for the checking whether material submitted is subject to copyright or ownership right. University Utara Malaysia (UUM) does not accept any liability for the accuracy of such comment, report and other technical and factual information and the copyright or ownership right claims.

The author declares that this dissertation is original and his own except those literatures, quotations, explanations and summarizations which are duly identified and recognized. The author hereby granted the copyright of this dissertation to College of Business, Universiti Utara Malaysisa (UUM) for publishing if necessary.

Date:	Student
Signature:	

PERMISSION TO USE

In presenting this project paper in partial fulfillment of the requirements for a postgraduate degree from University Utara Malaysia, I agree that the University Library make a freely available for inspection. I further agree that permission for copying of this project paper in any manner, in whole or in part, for scholarly purpose may be granted by my supervisor(s) or, in their absence by the Dean of Othman Yeop Abdullah Graduate School of Business. It is understood that any copying or publication or use of this project paper or parts thereof for financial gain shall not be given to me and to Universiti Utara Malaysia for any scholarly use which may be made od any material from my project paper.

Request for permission to copy or to make other use of materials in this project paper in whole or in part should be addressed to:

Dean of Othman Yeop Abdullah Graduate School of Business Universiti Utara Malaysia 06010 UUM Sintok Kedah Darul Aman

ABSTRACT

This study examines the influence the work rewards toward Job Satisfaction among MATRADE employees. It will help to identify the most significant work rewards that influenced the MATRADE employee's job satisfaction. Meanwhile, this study also examines whether gender moderates the relationship of job satisfaction or not. In this study there are two dimension measured for work rewards; intrinsic rewards and extrinsic rewards. For intrinsic rewards, it involves task autonomy, task significance and task involvement while for extrinsic rewards it involves social rewards and also organizational rewards. Data for this study was gathered through questionnaires that were distributed at MATRADE. Descriptive analysis performed to determine level of employees' job satisfaction. In addition, independent-sample t-test was utilized to empirically test relationship between employees' job satisfaction and their gender. The results of this study reveal that work rewards are moderate determinant of job satisfaction. Job satisfaction is more related to extrinsic rewards for employees than intrinsic rewards. Findings also found that there is no significant level difference between male and female employees' job satisfaction

Keywords: Job Satisfaction, Intrinsic Rewards and Extrinsic Rewards.

ABSTRAK

Kajian ini mengkaji pengaruh ganjaran kerja terhadap pekerja MATRADE. Ia akan membantu untuk mengenal pasti ganjaran kerja yang paling mempengaruhi kepuasan kerja di kalangan pekerja MATRADE. Sementara itu, kajian ini juga mengkaji sama ada ada perbezaan jantina mempengaruhi tahap kepuasan kerja di kalangan pekerja lelaki dan perempuan. Dalam kajian ini terdapat dua dimensi yang diukur untuk ganjaran kerjaiaitu ganjaran intrinsik dan ganjaran ekstrinsik. Untuk ganjaran intrinsik, ia melibatkan tugas autonomi, kepentingan tugas dan penglibatan tugas manakala bagi ganjaran ekstrinsik ia melibatkan ganjaran sosial dan juga ganjaran organisasi. Data untuk kajian ini diperolehi melalui soal selidik yang diedarkan di MATRADE. Analisis deskriptif dilakukan untuk menentukan tahap kepuasan kerja pekerja. Di samping itu, ujian-t telah digunakan untuk menguji hubungan empirikal antara kepuasan kerja pekerja dan jantina mereka. Hasil kajian ini menunjukkan bahawa ganjaran kerja mempengaruhi secara sederhana terhadap lkepuasan kerja dia kalangan pekerja MATRADE. Kepuasan kerja tersebut adalah lebih berkaitan dengan ganjaran ekstrinsik daripada ganjaran intrinsik. Hasil kajian juga mendapati bahawa tidak terdapat perbezaan yang signifikan di antara tahap kepuasan kerja pekerja lelaki dan perempuan.

ACKNOWLEDGEMENTS

First, I would like to express my appreciation to Allah S.W.T, for granted me the ability and willing to start and complete this study. I would like to express my greatest gratitude to my Supervisor, Dr. Fadzli Shah Abd. Aziz for the advices, knowledge, information and encouragement. Without him understanding, consideration and untiring advice, this dissertation would not have been completed successfully.

I am also thankful to my colleague Nor Zakiahanim and others friends at UUM City Campus, especially for their help and support. My thanks and gratitude goes to all my dearest family members especially my husband Ahmad Nazriq Shafaf, my mother Rosnah Ismail and my son Fahiem Hadie for their support. Not to forget to the one important people in my life that is my late father I Abd Ghafar Ismail. I would like to thank everyone who has been involved and supported me through the writing of this study.

Finally, I would also like to thank to the respondents and the organizations involved in this study because without their cooperation and support from them, I am unable to complete this thesis.

TABLE OF CONTENT

DISCLAIMER PERMISSION TO USE ABSTRACT ABSTRAK ACKNOWLEDGEMENT		
LIST	E OF CONTENT OF TABLE OF FIGURE	vii ix x
CHAP	TER 1 ONE: INTRODUCTION	1
1.1	Introduction	1
1.2	Background of Study	3
1.3		
1.4 Objective of Study		6
1.5	Research Questions	7
1.6	Significant of Study	8
1.7	Scope of Study	9
1.8	Organization of the Thesis	10
СНАР	TER TWO: LITERATURE REVIEW	12
2.1	Introduction	12
2.2		13
2.3	Work Rewards	16
	3.1 Intrinsic Rewards	16
	3.2 Extrinsic Rewards	18
2.3	Theoretical Framework	20
2.4	Hypotheses	21
СНАР	TER THREE: METHODOLOGY	22
3.1	Introduction	22
3.2	Research Design	22
3.3	Variables	23
3.4	Population and Sampling	23
3.5	Research Instruments	24
3.6	Data Collection Method	25
3.7	Statistical Analysis	26
СНАР	TER FOUR: FINDINGS AND DISCUSSION	29
4.1	Introduction	29
4.2	Overview of Data Collection	30
4.3	Response Rate	30
4.4	Respondent's Profile	30
4.5	Reliability Analysis	32
4.6	Correlation Analysis	34
4.7	T-test on Job Satisfaction and Gender	35
		36
4.9	Hypotheses Testing	37

4.10	Summary of Chapter Four	41
СНАР	TER FIVE: CONCLUSION AND RECOMMENDATION	43
5.1	Introduction	43
5.2	Discussion	43
5.2	2.1 Relationship between Work Rewards and Job Satisfaction	44
5	2.2 Different level of Job Satisfaction by gender	45
5.2	2.3 Influence of Work Rewards on Job Satisfaction	46
5.3	Discussion	47
5.4	Limitation	49
5.5	Future Studies	50
REFE	RENCES	51
APPE	NDIX	
Appendix 1: Questionnaires		57
Appendix 2: SPSS Data		66

LIST OF TABLES

Tables	<u>Title</u>	Page
Table 1.1	Average yearly turnover rate of executive	4
Table 3.1	Questionnaire measurement items	24
Table 3.2	Subsection of questionnaire	25
Table 3.3:	Cronbach's slpha measurements	27
Table 3.4:	Pearson correlation coefficient measurement	28
Table 4.1:	Table of respondent's profile	31
Table 4.2:	Cronbach's coefficient value	33
Table 4.3:	Cronbach coefficient alpha value after deleted the (3) items	33
Table 4.4:	Pearson correlation analysis result	35
Table 4.5:	T-test on job satisfaction and gender result	35
Table 4.6:	Regression of work rewards and job satisfaction	37
Table 4.7:	Hypotheses testing 1	38
Table 4.8:	Hypotheses testing 1a	39
Table 4.9:	Hypotheses testing 1b	40
Table 4.10:	Finding summary	41

LIST OF FIGURES

<u>Figures</u>	<u>Title</u>	Page
Figure 2.1:	Underlying theories	15
Figure 2.2:	Framework of the study	20

CHAPTER ONE

INTRODUCTION

1.1 Introduction

Job satisfaction is central to work lives of employees and to the effective use of personnel within organisations (Foster 2000, Koeske et al 1994). Employees that satisfied with their work are likely more stable, productive and able to accomplish organisational goals. According to Acker (1999), human service workers who derive satisfaction from their work more committed and provide better services to their clients, than those who are dissatisfied.

Job satisfaction is critical to attract and retain well-qualified personnel. This is an issue in many organizations. Every employee strives to seek satisfaction in every aspect of their life. The complex society today has its benchmark of goals and fulfillment that should be achieved by individuals. This set of goals and fulfillment includes securing a good job, preferably with good pay and hopefully with job satisfaction.

Job satisfaction is about feeling towards the nature of the job. It is the combination of feelings and beliefs that workers hold in relation to their current job. In order to be successful, it must continuously ensure the satisfaction of their employees (Berry, 1997). Organization with more satisfied employees tends to be more effective in one particular industry (Robbins & Judge, 2007). In today's world organization realize that it is important to keep their worker satisfied as human resource is the important assets to keep their business running.

1

The contents of the thesis is for internal user only

REFERENCE

- Acker, G. M. (1999). The Impact of Client's Mental Illness on Social Worker's Job Satisfaction and Burnout. Health and Social Work, 24(2), 112-120.
- Begley, T., & Czajika, J. (1993). Panel Analysis of the Moderating Effects of Commitment on Satisfaction, Intent to Quit and Health Following Organizational Change. Journal of Applied Psychology, 78, 552-556.
- Berry, L.M (1997). Psychology at Work, San Francisco: McGraw-Hill Companies Inc.
- Balloch, S., Pahl, I. & McLean, J. (1998) "Working in the social services: Job-satisfaction, stress and violence", British Journal of Social Work, vol. 34 (6), 871-895.
- Clifford JM (1985). "The Relative Importance of Intrinsic and Extrinsic Rewards as Determinants of Work Satisfaction", Soc. Quart., 26(3):365-385.
- Colquitt, J.A., Lepine, J.A. & Wesson, M.J (2010). Organizational behavior: Improving performance and commitment in the workplace. New York: McGraw-Hill.
- Davis, J.A. (1971). Elementary Survey Analysis. Englewood, NJ: Prentice-Hall.Fisher, C. D., & Ashkanasy, N. M. (2000). The Emerging Role of Emotions in Work life: An introduction. Journal of Organizational Behavior, 21, 123 129.

- Foster, J. J. (2000) Motivation in the Workplace, in Chmiel, N. (Ed), Introduction to Work and Organisational Psychology: a European Perspective (pp.302-326) Oxford Blackwell Publisher INC.
- Gawel, Joseph E. (2008). Herzberg's Theory of Motivation and Maslow's Hierarchy of Needs. ERIC Digest.
- Gerald M, Dorothee L (2004). "Relationship of Professionalism, Rewards, Market Orientation and Job Satisfaction among Medical Professionals; The case of Certified Nurse–Midwives", J. Bus. Res., 57(2):1042-1053.
- Goldsmith, Arthur H., Jonathan R. Veum and William Darity. 2000. 'Working Hard for the Money? Efficiency Wages and Worker Effort'. Journal of Economic Psychology 21 (4): 351–385.
- Herzberg, F. (1959): The Motivation to Work, John Wiley, New York.
- Himle, D., Jayaratne, S., Thyness, P. (1989): The Effects of Emotional Support on Burnout, Work Stress and Mental Health among Norwegian and American Social Workers. Journal of Social Service Research, Vol. 13 (1), 27-45.
- Kalleberg, A.L. (1977). Work Values and Job Rewards: A Theory of Job Satisfaction.

 American Sociological Review, 42,124-143.

- Kalleberg AL, Karyn A, Loscocco C., (1983), Aging, Values, and Rewards: Explaining Age Differences in Job Satisfaction, American Soc. Review, 48 (1), pp 78-90.
- Koeske, G.F. & Kelly, T. (1994): The Impact of Over Involvement on Burnout and Job Satisfaction. American Journal of Orthopsychiatry, vol 65, 282-292.
- Kivimaki et al, (1997), Martocchio, (1989). Motivation and Cognitive Abilities, An Integrative/aptitude-treatment Interaction Approach to Skill Acquisition. Journal of Applied Psychology Monograph, 74, p657-690.
- Jensen, T. K., & Johnsen, T. J. (2003). Sundhedsfremme i teori og praksis. Aarhus: Philosophia.
- Luthans, F. (1998). Organisational Behavior. 8th ed. Boston: Irwin McGraw-Hill.
- Mahaney CR, Lederer AL (2006). The Effect of Intrinsic and Extrinsic Rewards for Developers on Information Systems Project Success. Proj. Manage. J., 37: 42-54.
- Malaysian Employers Federation (MEF), (June 2010 and July 2011) Survey Report Turnover Rate of Executive in Malaysia.
- Meyer, J.P., & Allen, N.J. (1991). A Three Component Conceptualization of Organizational Commitment. Human Resource Management Review 1, 61-89.

Meyer, M. (1999). Managing Human Resource Development - An outcomes-based Approach. Durban: Butterworth Publishers (Pty) Ltd.

Morana C. (1987) Employee Satisfaction: A Key to Patient Satisfaction. Preoperative Nursing Quarterly 3 (1), 33-37.

Mottaz C (1981). "Some Determinants of Work Alienation", Social Quarterly, 22: 515-529.

Mottaz JC (1985). The Relative Importance of Intrinsic and Extrinsic Rewards as Determinants of Wok Satisfaction.

Muhammad Zia ur Rehman, Muhammad Riaz Khan, Ziauddin and Javed Ali Lashari, (2010), "Effect of Job Rewards on Job Satisfaction, Moderating Role of Age Differences: An empirical evidence from Pakistan". African Journal of Business Management, Vol. 4, No. 6, pp 1131-1139.

Newstrom, J.W. & Davis, K. (2002). Organizational Behavior: Human behavior at Work 11th ed. New York Mc Graw Hill.

Pohlmann, C.(1999). Study on Workplace Satisfaction in Private, Public Sectors.

Robbins, S. P. & Judge. T. A. (2007). Organizational Behavior (12thed). New Jersey: Pearson Education, Inc.

- Sahinidis, A. G. & Bouris, J. (2008), Employee Perceived Training Effectiveness Relationship to Employee Attitudes, Journal of European Industrial Training, 32, 63-76.
- Schneider, D.S., & Vaught, B.C. (1993). A Comparison of Job Satisfaction between Public and Private. Public Administration Quarterly Journal, 17(1), 68-84.
- Sekaran (2003), Research Methods for Business. India: Library of Congree-in Publication Data.
- Sekaran, U. (2007) Research Methodology for Business: A Skill Building Approach (4thed.). Australia: Wiley & Sons.
- Smith, P.C., Kendall, L.M., Hulin, C.L (1969). The Measurement of Satisfaction in Work and Retirement. Chicago: Rand McNally
- Spector (1996); Stamps. (1997). Important Area of Research Job Satisfaction.
- Stajkovic, A.D, and Luthans, F. (2001). The Differential Effects of Incentive Motivators on Work Performance. Academy of Management Journal, 4, 580 590.
- Wang, H.M. and Feng, W.W. (2003),"Review on Employee Job Satisfaction", Commercial Research, China, Vol. 9, pp.43-5.

- Weiss, DJ. Dawis, RV., England, G.W., & Lofquist, L.H. (1967). Manual for the Minnesota Satisfaction Questionnaire. Industrial Relations Center, University of Minnesota.
- Yi. (1998). Evaluation for Structural Equation Models. Journal of the Academy of Marketing Science, 19, 74-94.