

**YANGON UNIVERSITY OF ECONOMICS  
DEPARTMENT OF MANAGEMENT STUDIES  
MBA PROGRAMME**

**THE EFFECT OF REWARD SYSTEM  
ON EMPLOYEE PERFORMANCE  
AT PANTEC COMPANY LIMITED**

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**YANGON UNIVERSITY OF ECONOMICS  
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**ACADEMIC YEAR (2017-2019)**

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“This thesis is submitted to the Board of Examiners in partial fulfillment of the requirements for the degree of Master of Business Administration (MBA)”

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## ACCEPTANCE

This is to certify that the thesis prepared entitled “**The Effect of Reward System on Employee Performance**” has been accepted by the Examination Board for awarding Master of Business Administration (MBA) degree.

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## **ABSTRACT**

This study focuses on the effect of reward system on employee satisfaction and job performance in Pantec Company Limited. The data are collected of 109 employees of non-managerial level at Pantec Company Limited. The two extrinsic rewards are specified as compensation and benefit and the three extrinsic rewards are identified as work-life balance, performance management, and development and career opportunities. The findings indicate that benefit and performance management have significant effect on employee job satisfaction although intrinsic rewards have more specified effect than extrinsic rewards. The employee job satisfaction also influences on employee job performance in Pantec Company Limited. To survive as healthy organization, company needs to emphasize more on intrinsic reward especially on development and career opportunities.

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# CHAPTER 1

## INTRODUCTION

The world has been changing rapidly in this day and age. The market is being hit regularly by new products, new technologies, new processes, new entrants, and new substitutes. With the aim of survival, corporate are virtually compelled to economize on every fronts- go after modern technology, restructure operations, explore new markets, find new use of existing products, creation, testing and find new ways of living and most highly use of human resource effectively. It is therefore important for a company to find out what motivates its employees so that employees can give their best things to the organization to fit in the changing world.

Holding a talented and high-quality employee has been considered as one of the long term defensible competitive advantages but in the modern business environment, it has become a challenge for companies (Armstrong, 2013). Because of competition for limited skills, the attraction and retention of quality employees has arisen as the biggest challenge in human capital management. This has led to in a high turnover rate in most organizations. To attract, retain and be profitable, organizations need novel reward systems that satisfy employees. Employees will provide their maximum to their organization when they feel that their efforts will be rewarded by the management.

Moreover, the cost of recruiting another employee is very high and usually takes time. Hence, the responsibility lies with the employer to ensure that they have the right quality and quantity of employees in an organization. This can be attained through developing a competent reward system which addresses employees` needs.

To increase job satisfaction among employees, reward system is considered one of the most important factors. It is because reward system fulfills employees` needs which increase the interaction between the employee and organization. Organizational reward system and employees` satisfaction are interrelated component in an organization. Organizational reward practices are known to help improve the employees` motivation thus leading to employees` satisfaction.

Armstrong and Taylor (2014) stated that performance is defined as behavior that accomplishes results. Performance management helps people to understand what good performance means and provides the information needed to improve it. Employee performance is very important for the organization's success and achieving the goals. When management uses the effective reward system, it can attract new employees to join organization and motivate existing employees to perform high levels.

The purpose of study is to attempt to identify how these reward impact employee performance and how well the current reward system does this. To provide positive consequence for contribution to desired performance is also fundamental purpose of it. Influencing factors on the employee job satisfaction and job performance include compensation, benefits, work-life balance, performance management, and development and career opportunities.

Pantec Company Limited incorporated in 2014. It is one of the major partners of Wood Based Industry of Myanmar Timber Enterprise. This study intends to investigate the reward system is crucial for Pantec Company Limited by providing job satisfaction of employees.

## **1.1 Rationale of the Study**

Employee is the most valuable assets of organization and job satisfaction is the most widely investigated job attitude, as well as one of the most extensively researched subjects in organizational psychology (Judge & Church, 2000). The employee satisfaction is directly impact on staff's satisfaction, creation and high performance, productivity, loyalty and commitment. Also employee satisfaction is important factor to acquire employee performance in order to achieve accomplishment of organizational goal and objectives.

Reward management deals with the strategies, policies and process required to ensure that the contribution of the employee to the organization is recognized by both intrinsic and extrinsic or financial and nonfinancial means. Furthermore, the process helps the organization to achieve its objectives by obtaining and keeping the people it needs and by increasing their motivation and satisfaction. On the other hand, it is largely seen that reward management is about managing expectations, which is what employees expect from their employers in return for their contribution and what employers anticipate from

their employees in return for their remuneration and the chance to work and develop their talents.

Therefore, the reward management system should be designed to support the achievement of the organization's strategies; it should be based on philosophy of reward which matches the culture of the organization. The reward that applies to both individual and team performance is critical in determining how effective employees are.

Reward seeks to attract people to join the organization to keep them coming to work, and satisfied them to perform to high levels. Employee reward can serve the purpose of attracting prospective job applicants, retaining valuable employees, motivating employees as well as achieving human resource objectives and obtaining a competitive advantage. To achieve job satisfaction and job performance of quality staff, sound human resource strategies and practices are required.

Job performance is the total expected value of an organization. Organization successful is usually based on the organizational performance which is largely depending on the performance of every single employee in the company. Highly performing employees are needed to attain organizational goals and to keep the company in achieving competitive advantages. In order to achieve high productivity in an organization, the organization needs to discover methods that can be used to improve the employee's performance.

Pantec Company limited is one of the major manufacturing of Wood Based Industry. Products are primary wood based products and Semi-finish wood based products. Face veneer is major product and it can be used directly in home decoration, parquet floor, home furniture and modern furniture, yacht, marquetry, phone cover, invitation card and can be used raw material for plywood, medium-density fiberboard, high density fiberboard, block board and other wood panel boards. Therefore, we named our company as Pantec; it is a combination of panel (Pan) and technology (Tec) and it is based on our products.

One of the best performing joint partner company, Pantec Company Limited, is also one of the major wood veneers exporting company of Myanmar Timber Enterprise. Factory is using semi-auto machines for the long term development of company and employees and products are exporting to India and Asia country mainly. However, since last two year, Gabon Okumin veneer or Africa veneer is taking market place more than

sixty percent. With the target of maintaining company reputation, catching market trends and market price, company have to try to give the best price and value to customer.

This study aims to analyze reward system of Pantec Company Limited that effects employee satisfaction and their performance to achieve success in the market and regain market share. To gain market share, manufacturing cost has to be effective and products have to be the best quality and delivery time need to be fast. These criteria are coming from best performed and satisfied employees through their best performance and high pay attention in all value chain process.

## **1.2 Objectives of the Study**

The objectives of the study research are as follows:

- 1) To examine the effect of reward system on employee satisfaction of Pantec Company Limited.
- 2) To analyze the effect of employee satisfaction on employee performance of Pantec Company Limited.

## **1.3 Scope and Method of the Study**

This study mainly focuses on reward system, job satisfaction and job performance of Pantec Company Limited. This study only covers the five reward system used in Pantec Company Limited. Sample sizes are calculated by Slovin's formula of 95% confident level. Primary data is collected from 109 employees out of 150 who are currently from non-managerial levels in Pantec Company Limited by using structured questionnaires designed with five-point Likert scale. Secondary data is collected from relevant textbooks, information gathered from international research papers, Journal articles and online sources. The questionnaires included four parts namely employee profile, reward system, job satisfaction and job performance. The collected data are analyzed by using descriptive analysis and multiple regression analysis. Data are collected in the month of December 2019.

#### **1.4 Organization of the Study**

This research paper is composed of five different chapters. Chapter one begins with an introduction which includes rationale of the study, objectives of the study, scope and method of the study and organization of the study as an introduction of the study. Chapter two comprises the theoretical background of the study and it presented conceptual frame work. Chapter three is about the profile, reward system and research design of Pantec Company Limited. Chapter four presents the analysis on employees' job satisfaction and job performance of Pantec Company Limited. Chapter five is for the final conclusion with findings and discussions, suggestions and recommendations, and needs for further research which is based on the result of the study.

## **CHAPTER 2**

### **THEORETICAL BACKGROUND**

This chapter consists of the theoretical background of all the applied variables in this study. It contains reward systems which composed of compensation, benefits, work life balance, performance management and development & carrier opportunities, employee satisfaction and performance. Conceptual framework of the study is described at the end of this chapter.

#### **2.1 Role of Reward in Human Resource Management**

Organizations must adapt changes in the market in order to maintain their competitiveness and surviving in the long run. Aimed at achieving competitive advantages, firms need to be well managing in acquisition and allocation of organizational resources. Among the different scare resources, human resource is one most critical resource. The overall organization performance depends fundamentally upon individual performance of employees. If a firm maintains high performance levels as associated to its rivals it has competitive benefit. There are various factors that affect the performance of employees which include remunerations, reward, motivation, job satisfaction, organizational commitment, among others (Khan, Farooq and Ullah,2010).

Many researchers have also claimed that reward provided by organizations may have a influential effect on employees' attitudes towards their jobs and the company for which they work. Rewarding the justifiable applicants in the work place based on their value for the business and in the fair and judge manner is reward system management primarily concerns (Armstrong and Cummins,2011). The management system is accounted to be an active tool used by Human Resource Management team while handling the performance of the workforces in the business. According to authors Kulchmanov and Kaliannan (2014) the most significant factor in employee performance is the inspiration of employees.

Rewarding is one the most important aspect which impact on employee performance. On the other hand, reward is one of the most influence factors that motivate employees. Employees expect from the employers to be rewarded them for their high

performance and provide adequate incentive to further improved performance. Therefore, if the management fails to provide adequate reward employee's dissatisfaction increases and high level of employee dissatisfaction leads to high level of demotivation ( Danish and Usman,2010).

Reward can be defined as extrinsic or intrinsic. Extrinsic reward is touchable reward and the reward is exterior to the job or task done by the employee. External reward can be in terms of salary, pay, incentives, bonuses, promotions, job security, etc. Untouchable reward or mental reward like showing gratitude, gathering the new experiments, optimistic and kind attitude from owner, and job turning after reaching the goal are intrinsic reward. According to Luthans (2000), two basic types of reward, financial and non-financial, both can be used confidently to improve performance deeds of employees. Pay-for-performance such as performance bonus, job promotion, commission, tips, gratuities and gifts etc means financial reward. Non- monetary and societal acknowledgment such as greeting, permit, and genuine appreciation etc. is non-financial reward. The materials award is also called non-financial reward (Neckermann and Kosfeld, 2008).

Namely the utilitarianism and romanticism are had two theories as a result come up to explain the appropriate reward system. Utilitarianism emphasizes extrinsic incentives such as monetary compensation to motivate the innovative behavior of employees (Winston and Baker, 1985) while romanticism views reward as self-motivated psychological behavior that is typically sparked by intrinsic spiritual reward. Extrinsic reward and resource investment have been seen as necessary to satisfy employee, especially in formalized tasks. According to Eisenberger et al., (1999) reveal that performance-linked salary increases and monetary reward positively influence employee satisfaction.

Armstrong (2002) points out that an organizations reward strategy capture a financial reward such as base pay and benefits which at all the time should remain slightly above the median for the location and benefits are more generous than its rivals. For the management, the criterion of success for reward policies is that they satisfy employees to commit high levels of physical or mental effort towards performing required tasks well .The most common types of reward include basic pay, incentives and benefits, performance based pay, development opportunities and work-life balance.

## 2.2 Reward System

The reward system is the business approach of the association. This classifies the corporate drivers and sets out the corporate goals. The drivers are unique to any organization, often include such as high performance, profitability, productivity, innovation, quality, price leadership and the need to satisfy investors, employees, and in local authorities, elected representatives.

According to Peterson, S.J., & Luthans, F.(2006) , two basic types of reward, financial and non-financial, both can be used confidently to improve performance deeds of employees. Based on Herzberb & Mausner's two factor theory, these reward are either intrinsic or extrinsic thus effecting the level of satisfaction employees capability with their jobs. Consistent with statement Sansone, C., & Harackiewicz, J. M(2000). categorized on reward as "intrinsic reward" and "extrinsic reward". Extrinsic reward is in terms of financial reward and which is included pay-for-performance such as performance bonus, job promotion, commission, tips, gratuities and gifts etc. Nonfinancial reward or intrinsic rewards are nonmonetary and it is a social recognition such as acknowledgement, certificate, and genuine appreciation etc.

It is vital to distinguish between intrinsic and extrinsic reward. Intrinsic reward are inherent to job or they exist within the job itself such as variety, challenge and autonomy. Pay and fringe benefits, promotion or advancement opportunities within organizations are on the other hand included in extrinsic reward, social aspect and workplace conditions. Additional exploration has advised that while intrinsic reward will perhaps be more soundless for job participation , satisfaction with extrinsic reward will central to persistence promise with organization causing in improved customer satisfaction and loyalty (O'Reilly, et al.1991).

The reward system should be designed in a way that it caters the needs of the employees that it aims to reward. The effective of each reward types may differ depend on the requirements and needs for fulfillment of individual people. A reward system must also be designed in a way that it provides a balance of cash and non-cash reward as well as incentives so that it can cater needs of all employees or all needs of an employee. Reward systems are a fundamental function of human resource management that deal with the assessment of job values, the design and management of payments, performance management,

employees' benefits and pensions including the management of reward procedures. Furthermore, reward systems is considered structural goals, values and approaches (Armstrong, & Murlis, 1998). Therefore, every company needs a reward system for employees of five key areas are compensation, benefits, work-life balance, performance management, and development and career opportunities.

### **2.2.1 Compensation**

Compensation is the entire of all reward providing to personnel in return for their services. The correct compensation and benefits structures confirm that hard-working employees are rewarded impartially and in the greatest cost-effective method for the company. A compensation policy delivers overall guidelines for making compensation choice. Employees may observe their company's compensation procedures as being reasonable and balanced and others may have different opinions. An active compensation scheme can motivate employees to work harder, thus growing yield, and improving job performance.

World at Work (2011:5), a global human resources association in the United States of America, which focuses on compensation, benefits, work-life and integrated total reward, postulates that employee reward is obtained as an interchange for facilities between worker and owner. Compensation involves pay offered by an employer to an employee for services rendered which comprise time, effort and skill. It consists of both fixed and variable pay attached to levels of performance.

A good compensation helps to give proper return to the workers for their contributions to the organization. It also imparts a positive control on the efficiency of employees and encourages them to perform better. In addition to this, it forms a basis happiness and satisfaction for the workforce that minimizes the labor turnover and confers a stable organization.

### **2.2.2 Benefits**

Benefits are indirect forms of reward which are intended to aid the achievement of the human resources objective of attracting, retaining and satisfying employees. It is elaborated that fringe benefits can also include prerequisite reward such as relocation payments, flexible start dates, sign-on bonuses, use of organization-owned property,

health club membership, tuition reimbursement, financial planning and clothing allowances. As part of the total remuneration package, they may be deferred or contingent like pension schemes, insurance cover or sick pay or they may be immediate such as an organization car or a loan. Employee welfares also contain holidays and leave preparations, which are not firmly recompense.

According to World at Work (2007:1), benefits include packages an employer practices to supplement the cash compensation that employees receive. It comprises health, income protection, savings and retirement program that provide security for employees and their families. Employee benefits consist of arrangements made by employers to enhance their employees' wellbeing. Especially health care, are considered a basic and important foundational element in attracting or retaining talent as competitors for talent also offer employee benefits. Employee benefits are a strong predictor for job satisfaction while ensuring organizational commitment.

Employee benefits play a significant role in attracting and retaining top talent, but because they are generally membership based (i.e. offered to all employees irrespective of their individual performance). One study revealed that there are statistically significant relationships between benefits and job satisfaction in an organization. The restrained to great relationships between these scopes and job satisfaction propose that the higher their link with job satisfaction, the more satisfied employees would be.

### **2.2.3 Work-life Balance**

Work-life balance is an idea including the appropriate ranking between work and lifestyle. Work-life balance denotes to the effective management and organization between remunerative effort and the other roles and tasks that are vital to people as personalized human beings and as a part of the humanity. Since work-life balance is an imperative pointer of a specialist's health and being a number of investigates have encounters to classify the forecasters and back.

Work-life programs are intended and introduced as policies that enable employers to reach a better work-life balance. The balance for the time spent at work and home is included in the work environment. For instance, flexible working is one of the most important aspects for a balanced life. Armstrong (2009:977) states that work-life balance employment practices are concerned with providing scope for employees to balance what

they do at work with the responsibilities and interests they have outside work. Further concur that one way of selling the idea of work-life balance to organizations was based on employee retention, improving productivity while minimizing absenteeism.

According to Maphanga (2014:40), if organizations realize that their greatest assets are people then they would also commit to people's health and a balanced life in the long-term. Balancing work and personal life is viewed as a state of equilibrium, where individuals strike a balance between work and life. Since work-life balance is an important indicator of a professional's health and being a number of researchers have challenges to identify the predictors and background of the raise.

#### **2.2.4 Performance Management**

Performance management is a planned and incorporated process that delivers continued achievement to organizations by refining the performance of the people who work in them and by increasing the capabilities of single contributors and teams. The corporate if it is to function successfully in its environment, and with the overall way in which it anticipates to go to accomplish longer-term goals. It is combined in two senses are upright and flat combination. Upright combination linking or bring into line business, team and separate objectives and core capabilities and flat combination linking different aspects of human resource management, especially structural improvement, human resource improvement and reward, to achieve a intelligible method to the management, progress and inspiration of people.

Brudan's (2010:109) definition of performance management purports that it is aimed at individuals and organizations. The term performance should be used and managed at various levels, namely, individual, team and organizational levels, individual performance, team performance and organizational performance. It is said that performance management is a efficient power to advance performance through an continuing process of launching favorite results, setting performance criteria, gathering, evaluating and reporting on watercourses of data to increase single and united performance.

The necessary purpose of performance management is to acquire enhanced outcomes from the business, teams and individuals by accepting and handling performance within an approve frame of strategic goals, standards and capability

necessities. It is a progression for instituting collective accepting about what is to be accomplished, and an attitude to handling and increasing people in a way that upturns the likelihood that accomplished in the short and longer term. Performance management can also create a main involvement to the enthusiasm of people by providing the underpinning upon which many non-financial incentive approaches can be constructed.

### **2.2.5 Development and Career Opportunities**

Employee development is a key element for improved the organizational performance, it increases the level of individual and organizational competences. It supports to merge the gap between what should occur and what is occurring – between anticipated objectives or standards and genuine ranks of work performance. Though many companies endure to have uncertainties about the cost and amount of touchable business returns from training, the growth of skills has been recognized as a main issue in improving effectiveness.

Employee training delivers chances to workforces to broaden their acquaintance and capabilities for more well-organized collaboration and accomplish separate improvement. When workers obtain self-development drill, the level of their job satisfaction is advanced than those without such training. According to Kerka (1998) career development is an prearranged method used to accomplish member goals with the corporate needs of the activity workforce improvement creativities. According to the author, the drive of career development is to improve each worker's current job performance, empower individuals to take benefit of forthcoming job chances and accomplish agencies' goals for a self-motivated and operative staff.

It is said that the welfares of employee progress to an directorial include growing the employees' confidence since training advance the employees' self-assurance and inspiration; depressing cost of manufacture through well and inexpensive use of physical and tackle thereby dropping and sidestepping waste. In addition, perceived that training of employees lead to a low resignation that comes as result of improved security in the workplace. Training helps increase transformation management by increasing the acquiescent and contribution of employees in amendment management procedure.

### **2.3 Job Satisfaction**

Job satisfaction denotes to the point to which people like their occupations. Others have considered the use of a combination of employee feelings towards the different facets of job satisfaction such as the nature of the work itself, level of pay, promotion opportunities, and satisfaction with co-workers to explain job. Therefore, job satisfaction is a positive emotional state occasioning from evaluating one's job experience. On the other point of view, dissatisfaction occurs when an individual's expectations from the job are dashed. The essential factor in job satisfaction is what employees anticipate from their jobs and what they receive as reward from their job. Job satisfaction is also a delightful positive emotional state as a outcome of work appraisal from one's job experiences. Job satisfaction has straight relatives to human spirit, sentiment, comportment and assertiveness. Employee satisfaction is a significant mutable that is able to bounce an view about overall feeling and intelligent forms of employees about their job and workstation. Thus, employee satisfaction mentions to prospects of the employee about the workstation and his attitudes forward his job. Job satisfaction is a purpose of the degree to which one's requirements are pleased in a job.

According to Mumford (1991), job satisfaction can be inspected and measured in relations to the fitting between what the organization requirements and what personnel are looking for; and the fitting between what the operative is looking for and what that employee is really getting. The capability of managers to achieve employee satisfaction with reward is a multifaceted process. It is, unquestionably a meaning of numerous connected influences which any manager who plans to attain it must judgmentally study to be able to certainly implement. First, each operative satisfaction with reward is fundamentally connected to what he or she anticipates from the corporate and what is really received. Moods of fulfillment or disappointment happen when employees match their contributions such as education, job skills, and effort to the mixture of intrinsic and extrinsic reward which they obtain from their organizations. Additionally, many authors have renowned that employee satisfaction results from a combination of reward other than any one specific reward (Shanks 2007; Bessell et al. 2002; Drake et al, 2007; Eshun and Duah, 2011). Indication from various researches done over the years recommends the significance of both extrinsic and intrinsic reward. To achieve boosted employee satisfaction, neither one can be replaced for the other. Employees who are well paid but are completed to work in environments which are not favorable or made to do pedestrian

or not recognized will move to other organizations because of the deficiency of intrinsic reward (motivators) just as employees who effort in exciting and allowing work environment and recognized will leave because they will be displeased with extrinsic reward (hygiene factors) which strengthens Herzberg's Two-Factor theory.

Vroom (1964) clarifies that, merely a small number of people will argue the standing of anticipated economic result in the leadership of human behavior. Again, he claims that, it is incorrect to connect the prominence of money in any society merely to the satisfaction of organic requirements. The goods and services that are bought with money go yonder confirming endurance. They help as an pointer of social status. Akintoye (2000) highlights that, money ruins the most important motivational approach. Money enjoys important encouraging influence in as much as it represents insubstantial goals like safety, power, esteem, and a feeling of achievement and victory. It is clarified the motivational power of money through the procedure of job selection. He clarifies that money has the control to appeal, hold, and stimulate persons towards advanced performance. It is also clarified that many managers expend money to reward or discipline workers. This is completed through the process of rewarding employees for advanced output or by inspiring fear of loss of job (e.g., premature retirement due to poor performance). The desire to be endorsed and earn improved pay may also inspire employees.

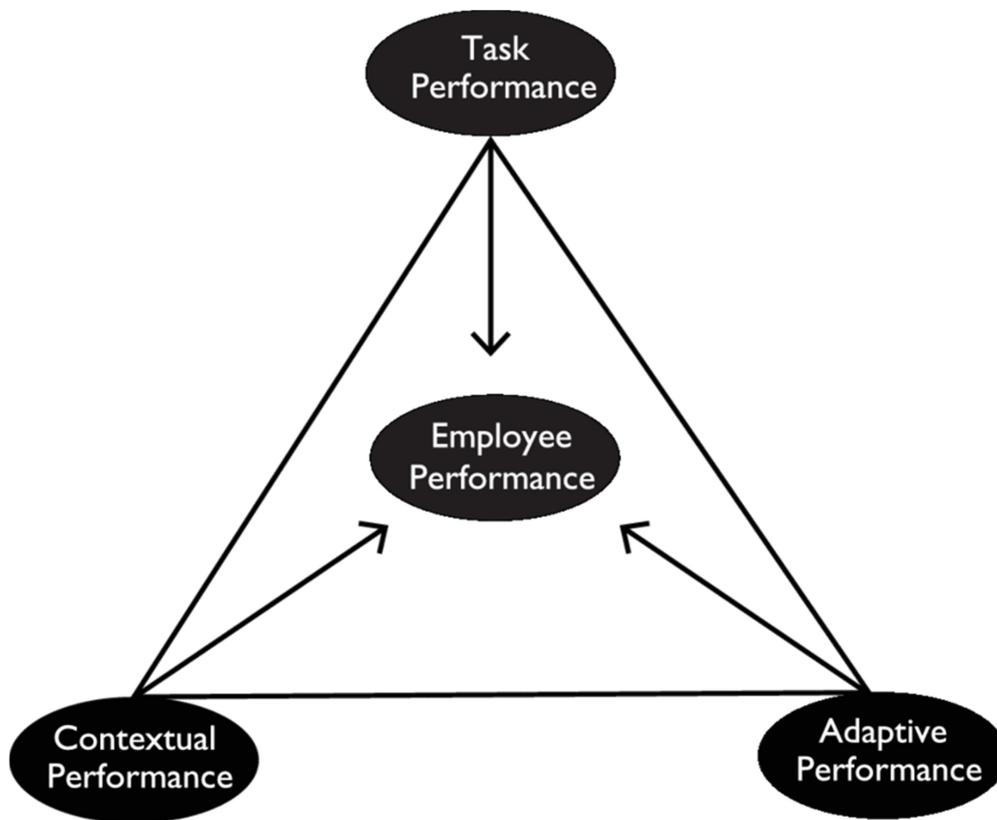
## **2.4 Job Performance**

The execution of competencies to achieve the quality, quantity, cooperation, dependability, and creativity of employees is seen as job performance. Job performance is one of most crucial elements of organizational behavior research that and has been measured as significant indicator for the effective organizations. Hence the success of an organization is reliant on on good performance of its employee. Job performance is the valuation of whether an employee has completed their job well. Both an organization and individuals, Job performances are very important. An individual able to gain high job performance when complete a assignment with a satisfied outcome, feelings of self-efficiency and mastery. An individual able to be encouraged, get reward and having career opportunities when an individual is having well performance. The competence of yield of an organization is intensely influences by job performance. To evaluate employee

performance, an organization could use task performance, adaptive performance and contextual performance. Furthermore, degree of performance is able to be increase with the involvement on budgeting process which leads to rise of goal commitment.

Individual effectiveness and efficiency in achieving individual tasks and duties influence the efficiency and effectiveness of the whole organization. If the organization wants to be bound to excel in the market as compared to its competitors, its' employees need to excel at achieving their tasks and performing their duties. The performance of its workforce is measured the output and productivity of an organization. It can be said that the result of level of employee satisfaction is better performance of the workforce.

**Figure 2.1 The Triarchy Model of Employee Performance**



Source : Authors' own work of Rabindra Kumar Pradhan and Lalatendu Kesari Jena(2016)

The employee's productivity is affected by the level of employee satisfaction and motivation. And nowadays, it becomes predicament for the human resource experts to preserve the performer. The low level of employee satisfaction adversely effects on the employee commitment and sequentially effect the achievement of organization objectives and performance. The dissatisfaction of the employees has adverse effect on the

efficiency of the organization so that the studying of job satisfaction is one of the most important topics of organizations setup.

Performance is multicomponent concept and on the fundamental level one can distinguish the process aspect of performance, that is, behavioral engagements from an expected outcome (Borman, & Motowidlo,1993). The compartment over here represents the achievement people reveal to complete a work, whereas the consequence feature shapes about the result of individual's job behavior (Campbell,1990).

There are several forms of performance defined by different authors and researcher overtime. According to the Triarchy model of performance (Figure-2.1), there are three different form of performance. They are task performance, adaptive performance and contextual performance.

#### **2.4.1 Task Performance**

Task performance contains of job categorical compartments which comprises necessary job tasks allocated as a part of job description. Task performance requires more cognitive ability and is primarily facilitated through task knowledge (requisite technical knowledge or principles to ensure job performance and having an ability to handle multiple assignments), task skill (application of technical knowledge to accomplish task successfully without much supervision), and task habits (an innate ability to respond assigned jobs that either facilitate or impede the performance) (Conway,1999).

Directly involved in producing goods or services, or activities that provide indirect support for the organization's core technical processes are task performance involving patterns of behavior. When employees practice technical skills and knowledge to complete a task, they are engaging in task performance. On the other hand, contextual performance involves behavioral patterns that support the psychological and social context in which task activities are performed. When employees support others comprehensive a assignment, collaborate with their overseers, or advise methods to advance structural procedures, they are attractive in contextual performance.

### **2.4.2 Adaptive Performance**

Adaptive performance is an individual's ability to adopting and efficiently deal with volatile work circumstances, for example, technological transformations, changes in one's core job assignment, restructuring of organization and so on. An individual's ability to acclimatize and provide necessary support to the job profile in a dynamic work situation is referred to as adaptive performance Hesketh, & Neal, (1999). Previous readings have found that once the employees originate a definite amount of excellence in their allocated responsibilities, they try to adjust their defiance and comporment to the diverse necessities of their job roles.

### **2.4.3 Contextual Performance**

Contextual performance is a kind of attitude like volunteering for extra work, the helping others in solving difficult task, upholding enthusiasm at work, cooperating with others at the time of need, distribution serious possessions and evidence for organizational improvement, enduring by the prearranged rules and regulations, and supportive organizational choices for a enhanced alteration. This kind of behavior contributes for creating a stimulating culture and climate of the organization which aids in achieving individual productivity and organizational effectiveness. Contextual performance is defined as discretionary behaviors on the part of an employee that are believed to directly promote the effective functioning of an organization without necessarily directly influencing the employee's productivity. Organ (1997) proposed that contextual performance is the best term for describing such activities. Contextual performance contains of comporment that does not straight contribute to organizational performance but cares the organizational, social and mental environment. Contextual performance is dissimilar from task performance as it comprises events that are not properly part of the job explanation. It incidentally subsidizes to an organization's performance by simplifying task performance.

## **2.5 Previous Studies**

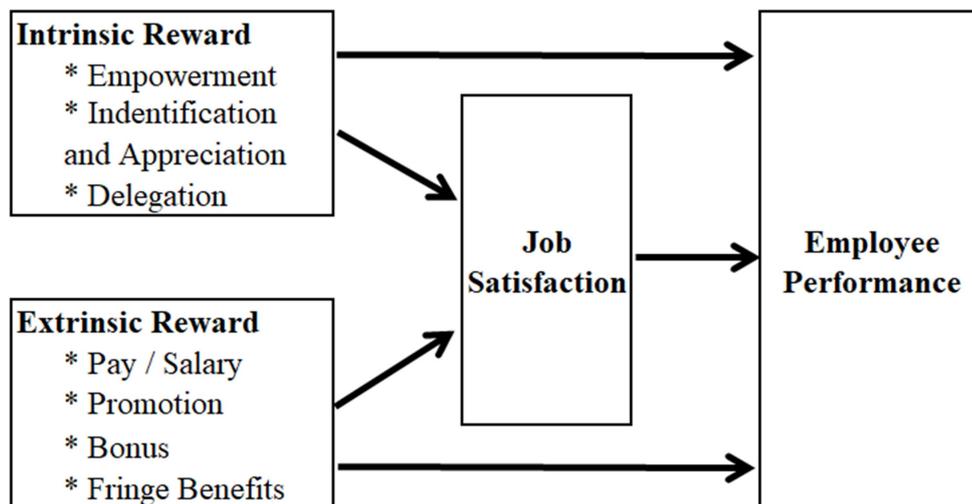
This section tries to explain the previous studies on Reward practices, Job Satisfaction and Job Performance. This section is divided into two portions with the first portion discussing on the effect of reward practices and job satisfaction. The next portion

previews on the influence on job satisfaction and employee performance. These studies are useful not only for manufacturing industry but also for service industry, trading industry and other in developed and developing countries. This area of study is extremely important, and may have important implications for organizations in future.

The following two conceptual frameworks are conducting of two industries; service and manufacturing.

Figure (2.2) shows the conceptual framework of the case study of Marlakand private school in Switzerland .It is conducted in the case of the effects of individual reward types on the performance of different employee types of two Malaysian tourism companies.

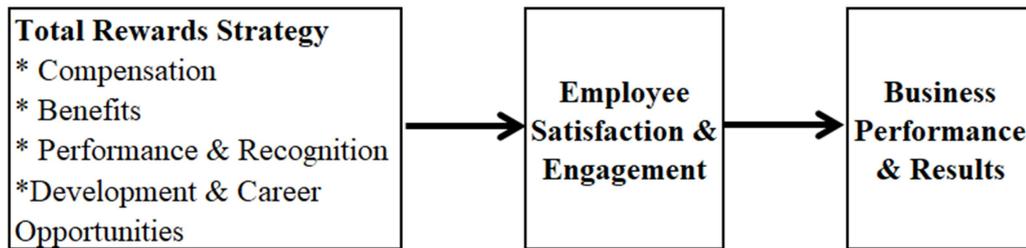
**Figure 2.2 Conceptual Framework of Gohari**



Source: Adopted from Gohari, P., A. (2013)

Figure (2.3) shows the conceptual framework of the case study of Dublin Business School in association with Liverpool John Moore’s University by Brian Murphy, May 2015. It focused on the effects of reward systems on employee performance in the modern work environment, financial turbulence for the mining industry, and wider global economic environment, and how satisfaction with reward can lead to higher performance and better job satisfaction.

**Figure 2.3 Conceptual Framework of Brian Murphy**



Source : Brian Murphy (May 2015)

In Africa, readings have exposed that unlimited significance is devoted to the position and standing a person has in broader social background similarly the kind of relational linkage between co-workers, supervisors and juniors are also significant. Olajide, (2000) struggles that workers in Africa are intensely captivated in an everyday fight for basic physical survival, where the next occupation or the next package becomes the boundary of their distance. Almost all employees care being applauded and appreciated for their effort and being specified praise particularly by supervisors and colleagues whom they admire. In the same way, most persons feel sad when they are not specified recognition for achieving their effort. They work because they like what they do". Workers are worried with further than just money in their survival so an organization cannot anticipate motivate workers with money unaided. Actually, proponents of what have come to be recognized as ‘cognitive evaluation theory’ (Deci 1975; Kohn 1993) oppose that request of financial and other extrinsic incentives can really abolish the intrinsic motivation that may otherwise happen in a work location. Wide body of simulative experiential indication suggests that such an consequence can certainly happen (Deci, Koestner and Ryan 1999).

Again, a study by Danish and Usman (2010) in Pakistan, exasperated to narrate how the effect of incentives, reward and recognition packages energies worker motivation. It was exposed that, there is a important association between many magnitudes of effort; and incentive and approval. However, recognition, operating actions and the work itself exposed low means as associated to other measurements. Thus, the study exposed that employees are discontented with their work fillings, functioning measures and when employees are not accepted.

Again, Barton (2002) declares that, the issue in affluence best businesses which distinguishes businesses from the others is acknowledgment which is the most significant portion of their reward system. Thus, employees are thoroughly haggard to their society

as their job can convert the major source of gratification in their lifespan after taking a appropriate reward and recognition at their job. Employees are completely inspired when their requirements (intrinsic and extrinsic) are encountered. The level of inspiration of employees upsurges when employees acquire an unforeseen rise in recognition, praise and pay . In today’s energetic business atmosphere, extremely inspired employees oblige as cooperation and competitive advantage for achievement of company’s goals, business plans, high efficiency, growth and performance.

## 2.6 Conceptual Framework of the Study

This study attempted to explore the relationship between organizational reward system, employees’ job satisfaction and job performance as well as to find the predictors that contribute to dependent variable. Organizational reward system is the independent variable and employees’ satisfaction are independent variable and job performance is categorized as the dependent variable. To inspect the link, the independent variables were verified with the dependent variable in a straight correlation analysis to find the significant value of the link.

Base on the above literature review and previous studies, the conceptual model for this study is developed and shown in Figure (2.4).

**Figure (2.4) Conceptual Framework of the Study**



Source: Own Compilation (2019)

The conceptual framework of the study is constructed how the intrinsic reward and extrinsic reward effect on their employee job satisfaction and result significant level

of employee performance in Pantec Company Limited. This study mainly intends to examine the effects of reward system on job Satisfaction and to analyze the effect of job satisfaction on job performance in Pantec Company Limited.

Compensation and benefits are chosen as sub variables of extrinsic rewarding system and as for intrinsic rewarding, work-life balance, performance management, and development & career opportunities are selected. The model specifies the role of job satisfaction as a mediator that rewarding effects on employee performance. Sub variables of Employee performance are task performance, adaptive performance and contextual performance.

## **CHAPTER 3**

### **REWARD SYSTEM OF PANTEC COMPANY LIMITED**

This chapter is divided into two portions. The first part of the chapter presents the company background of Pantec Company Limited. and a brief overview of its reward system. The company's vision and mission statement, and about Myanmar branch office are also presented in the first portion of this chapter. The next portion of the chapter is describing the demographic profile of the respondents to survey.

#### **3.1 Profile of Pantec Company Limited**

Pantec Company Limited was incorporated in April (2014) with 2 sets of production lines. Pantec Company Limited is a private-owned Wood Based Manufacturing Factory in Myanmar. The vital role of Pantec is to enhance the productivity of through Myanmar Timber Enterprise, to achieve Myanmar Timber based product reputation through customer satisfaction and loyalty, and also to support export income Myanmar which lead to the growing economy of Myanmar.

Company competitive strengths includes the best values given price, stable quality , shorter lead time, regular supply , fast document application service and well package for long time usage. All staffs are well-trained, skillful, responsible and accountable to offer value added products to customers.

##### **3.1.1 Vision, Objectives and Core Value of Pantec Company Limited.**

There is one vision which is to add value to customers through the best quality, least cost, fastest delivery, most safety, highest morale. The company has four objectives; to be better , more qualify and productive employee than others, to improve employee wealth and organization wealth, finding for long term improvement of employee, customers and organization, to implement effectively the organization's goal .

The company built strong culture and values for the success of our company. There are twelve core values in Pantec Company Limited. They are 1.Add value to customer - (better, faster, safer & Simpler) , 2.Respect for People & Self-respect, 3.Open

& Honest Communication, 4.Compassionate & Humble, 5.Teamwork, 6. Generate Fun, 7. Discipline, 8. Self-control & Be responsible, 9. Curious, Work Hard & Be practical, 10. Friendly, shine & Fine work place,11. Constant Improvement & innovation and 12.Impartial & Fair.

### **3.1.2 Organization Structure of Pantec Company Limited**

One hundred and seventy two employees are working for Pantec Company Limited currently. It is composed of five primary departments and five supporting departments. Primary departments are Log Selection Department, Production Department, Engineering and Electrical Department, Logistic Department, Store Department and Supporting Departments are Managing Director Office Department, Procurement Department, Finance Department, Public Relation Department, and Human Resources Department.

Among 172 employees, 13% is managerial level and 87% is non-managerial level. In managerial level MD, Director, General Manager, Senior Manager and Assistant Manager are included. In non- managerial level Supervisor, Assistant Supervisor, Quality Controller, Operator, Senior Staff, Junior Staff, Driver and others are included.

In production department, there are eight sections namely, Boiler, Log cutting, Peeling, Auto clipper, core hand clipper, dryer, veneer selection and packing section.

Human Resource Department is one of the key departments of the company. While it is doing its basic Human Resource function of recruiting, engaging and paying compensation, Human Resource Department is doing the following practice area; Attract, develop and retain high-quality people, Talent management, Job and work design, Learning and development, Manage knowledge and intellectual capital, Increase engagement, commitment and motivation, Psychological contract, High-performance management, Reward management, Employee relations and Working atmosphere – core values, leadership, work–life balance, handling variety, safety engagement. These HR practices effect on performance in the short term or long term.

## **3.2 Reward System of Pantec Company Limited**

Pantec Company Limited practices reward system not only extrinsic but also intrinsic. Reward based on the performance of the employees. Company usually arranges monthly performance-based incentive plans and yearly bonus compensation. Regarding intrinsic or non- financial reward, appreciative feedback from supervisions and managers also serve as employee recognition and helps to boost morale. Recognition award provided by Pantec Company Limited can be cashed or noncash that effectively attracts, satisfy and retain the talent required to achieve desired business result.

Pantec Company Limited provides extrinsic and intrinsic reward based on the performance of the employees. Reward practices of Pantec Company Limited are presented as follows: compensation, benefits, work-life balance, performance management, and development and career opportunities.

### **3.2.1 Extrinsic Reward**

Pantec Company Limited is providing compensation and benefit as extrinsic reward. At present-day, Pantec Company Limited provides its employee with direct financial compensation, indirect financial compensation (benefits) and non-financial compensation.

#### **(a) Compensation**

Salary and wages are defined as direct financial compensation and pay scale determining with educational background, level of experience, job role, job responsibility, skill and ability are considered. The standard annual incremental pay is considered upon the promotion and company's overall performance. All employees who included in managerial and non-managerial level get a year-end bonus. However, the employees under probation period only receive festival bonus. Nevertheless, the festival bonuses are very often, International New Year, Myanamr New Year, Thadingyut and Christmas.

Pantec Company Limited provides various forms indirect financial compensation (e.g. travelling allowance, overtime policy). Employees travelling on duty are entitled to take advance for their travelling expenses as travelling facilities to their respective department.

Two apparently different compensations from other companies are birthday pocket money and subsidiary to milk feeding mother for one year.

**(b) Benefit**

Benefit of Pantec Company Limited which are currently providing are social security Benefits, social education program, meal allowance, staff welfare and uniforms medical treatments. Social security benefit includes social security program, membership of social security and other benefits are provided to employees. The company is responsible for insurance against accident and illness for all employees according to social acts. The company and the employees are responsible to contribute monthly based on employees, payroll. The company contributes 3% and employees contribute 2% for the social security. So, employees are entitled to have the social security benefits due to workplace related accident or illness. Moreover, Pantec Company Limited supports seasonal free medical treatment and urgent and sufficient medical subsidies beside Social Security Board subsidies.

**3.2.2 Intrinsic Reward**

Pantec Company Limited is providing making arrangement for intrinsic reward, non-financial reward. Intrinsic reward are work-life balance, performance management and development and career opportunities.

**(a) Work-life Balance**

HR practices include the planned processes of an association. These comprise working hours, promotion, reward, training program, benefits and compensation. Employees are satisfied through a personal mission and goal, but they also align themselves with a department mission. Applying elastic work schedules, providing employees with outworking selections and training supervisors to advert signs of workstation stress advises the managerial culture support employees attaining work-life balance. A exact set of organizational applies, policies, plus a attitude that vigorously provisions struggles to help employees attain achievement at both work and home. Elastic working load and hours are the most important adjustments for a balanced life.

**(b) Performance Management**

The company believes that it is important for the opportunity to upgrade skills and knowledge. Performance management is alignment of organizational, team and individual efforts towards the achievement of business goals and organizational success. The top management has the necessary tools to help employees learn properly. The department heads manage and control all the staffs of respective department and discuss requiring factors at the meeting. Most employees need guidance, liberty to acquire their work done, and reassurance not control. The performance management arrangement should be a regulator method only by exemption. Under the management of department heads, managers and supervisor are responsible for closed supervision and coordination with the activities of employees so that they can solve problems immediately and effectively. The company tenacity of performance management is to become better consequences from the organization, teams and individuals by accepting and managing performance within an decided frame of planned goals, standards and competence requirements. The company gives fair treatment and equal opportunities according to the performance levels and employees' right.

**(c) Development and Career Opportunities**

Pantec Company Limited allocates appropriate annual budget for training and staff development. Company also emphasizes on training and development for the purpose of organization development and adapt with the change. The Human Resource Department works with other departments to development training and development program.

Pantec Company Limited provides clear career path for every level of employees. Job training is provided for fresh graduate and under graduate to be able to work effectively on their duties and responsibilities. The company provides with career development opportunities and training programs for the skills. The training and development program enables employees to grow with the company itself. Individual learning is a slow and counting process. Company under takes any development program for the continuing process based on each employees' stage of development and readiness to benefit from the training.

### **3.3 Research Design**

Research design is a model for the collection and analysis of data for how the research study is to be conducted. It defines the method of data acquiring, instruments selection for data analyzing and statistical techniques application in the study. This section covers the methodology and procedures that were used for collecting and analyzing the data in the study.

This section deals with the type of research design; the population and sampling design; data collection methods; and data analysis methods. The research design applied for this study was expressive. It facilitates the understanding of the characteristics associated with the subject population. It involves the observation and description of variables as distributed in the population with the basic goal being the collection of information about phenomena or variables within a population through the use of questionnaires.

Descriptive research design requires some understanding of the nature of the problem which in this case was the identifying factors that is affecting personal factors, social factors, and organizational factors. The objective of this type of design is to discover whether a relationship exist between the variables and to describe the state of the variables. The dependent variable of the study was job satisfaction and job performance and the independent variables of the study are reward practices and job satisfaction.

#### **3.3.1 Sampling Method**

Sample size is calculated based on 150 by using Slovin's formula of sample size calculation which is given as  $n = N / (1 + Ne^2)$ , where, n is sample size, N is total population and e is error tolerance. The sample size for this study is 109 at 95% of confident level. The sample is randomly selected of 109 employees of non-managerial level at Pantec Company Limited. Self-administered survey method is applied and received back all survey questionnaires. Questionnaires are distributed by survey forms and printed question forms.

### **3.3.2 Data Collection Method**

This study mainly focuses on reward system, job satisfaction and job performance of Pantec Company Limited. This study covers both extrinsic and intrinsic reward system used in Pantec Company Limited. Data collection, both primary and secondary, is an important part of the research process. In this study, quantitative method is undertaken. A structural questionnaires set is developed by combining instruments of the different variables. There are two types of question types; multiple choice questions for demographic data and 5 point Likert scale (where: strongly disagree was rated as 1; disagree was 2; neutral was 3; agree was 4; and strongly agree was 5) questions for measuring variables.

Primary data is collected from 109 employees from non-managerial levels base on factory nature by using questionnaires. The questionnaires included four parts namely employee profile, reward system, job satisfaction and job performance. Questionnaires are distributed by mean of printed question forms. After conducting survey, gathered questionnaires were summarized and analyzes such as descriptive and regression were done by using SPSS software.

### **3.3.3 Research Procedures**

The variables and related data are analyzed using descriptive, differential, and linear regressions statistical techniques. The questionnaires were distributed to the respondents and later collected and also telephone conversations are made to interview the respondent to answer in the questionnaire. Along with the questionnaire a cover letter detailing the purpose of the study is attached.

Data were analyzed using frequencies and percentages tables. Other statistical programs like the Statistical Package for Service Solution (SPSS) version 23.0 was used to analyze and interpret the data collected from respondents. The likert scale questions were encoded before entry into the computer. The qualitative aspects of the data were summarized in the form of text for easy description and analysis. Therefore, qualitative and quantitative techniques were employed to present, describe and interpret data collection and to draw adequate conclusion on the findings.

### 3.4 Reliability Test

The reliability test is very important before the analysis as it is conducted in order to ensure consistent measurement through different items in the questionnaire. According to Sekaran (2003) suggested that the reliability measurement advises stability and consistency of the instrument. Consequently, this method indicates reliability through examining the internal consistency of the research questionnaires which are posed in Likert scale.

**Table (3.1) Reliability Test: Results of the Questionnaire**

No	Particulars	No. of Items	Cronbach's Alpha
1	Compensation	5	0.776
2	Benefit	5	0.746
3	Work-Life Balance	5	0.846
4	Performance Management	5	0.753
5	Development & Career Opportunities	5	0.841
6	Job Satisfaction	10	0.826
7	Task Performance	5	0.744
8	Adaptive Performance	5	0.78
9	Contextual Performance	5	0.748

Source: Survey Data (2018)

Cronbach's alpha is very important and the range of Cronbach's alpha should become from 0.0 to 1.0 but for research purpose, some researcher suggested that the minimum standard for reliability should be 0.70 or higher. Table (3.1) presents the analysis result of Cronbach's alpha of 65 items whereas overall items of the questionnaires have accomplished with consistency and stability. The reliability scores of all questionnaires as indicated by Cronbach's Alpha score is more than the minimum requirement of 0.70, it can be said that overall items of questionnaires are reliable and consistent in measuring what is intended to measure.

### 3.5 Profile of Respondents

In this survey, 109 printed structured questionnaire sets were distributed among the employees of Pantec Company Limited. Demographic characteristics of respondents include gender, age, Education Level, Working Experience and Position. For each question, respondents are given multiple choices, out of which the respondents.

Male employees are major and more than female because of the work nature and current market situation. The most dominant age group among respondents is under 25 years. About half 52.3% of respondents are high school level and middle school level exactly 8<sup>th</sup> standard stands for second dominant education level group.

**Table (3.2) Demographic Profile of Respondents**

Demographic Profiles		Number of Respondents	Percentage (%)
Total		109	100.0
Gender	Male	62	56.9
	Female	47	43.1
Age :	<25 yrs	63	57.8
	26 - 35 yrs	28	25.7
	36-45yrs	14	12.8
	46-55yrs	3	2.8
	Above 55yrs	1	0.9
Education Level:	Middle School	40	36.7
	High School	57	52.3
	Certificate / Diploma	2	1.8
	Bachelor Degree	10	9.2
Working Experience:	<1 yr	48	44.0
	1-3yrs	24	22.0
	3-6yrs	18	16.5
	6-9yrs	11	10.1
	Above 9 yrs	8	7.4

Demographic Profiles		Number of Respondents	Percentage (%)
Position:	Assistant Supervisor	7	6.4
	Quality Controller	5	4.6
	Operator	13	11.9
	Senior Staff	38	34.9
	Junior Staff	46	42.2

Source : Survery Data 2019

As worker nature compact experienced and skill workers, less than 1 year experienced respondents is majority 44% and between 1 to 3 years experienced respondents is second majority 22%. As relative to work nature above mention, we can see majority positions are junior staff 42.2% and senior staff 34.9%.

**CHAPTER 4**  
**ANALYSIS ON THE EFFECT OF REWARD SYSTEM ON JOB**  
**SATISFACTION AND EMPLOYEE PERFORMANCE**  
**AT PANTEC COMPANY LIMITED**

This chapter presents descriptive analysis of reward system, employee satisfaction and employee job performance. It is also included the regression analysis between two different types of reward and employee satisfaction, and the effect of employee satisfaction on employee job performance. In this study, linear regression model is used in order to find out these relationships by surveying.

**4.1 Employee Perception on Reward System of Pantec Company Limited**

For employees, the main factor in job satisfaction is what employees expect from their jobs and what they obtain as reward from their job. In this study, different reward in Pantec Company Limited is classified into two: extrinsic and Intrinsic Reward. Compensation and benefit are considered as extrinsic reward and work-life balance, performance management and development & carrier opportunities are taking into account as intrinsic reward which is performing in Pantec Company Limited.

**4.1.1 Extrinsic Reward**

Two extrinsic reward, compensation and benefit, are analyzed separately by interviewed with structural questionnaire. The perceptions of employees are summarized in Table (4.1) and Table (4.2).

In Table (4.1), overall mean value for compensation 4.34 shows that the respondents feel satisfactory that the compensation offered by the company. Moreover, Most of the respondents agree that their overtime compensation offer by company is pleasing which is showing mean value 4.73 because overtime is at least one third of their total salary and extra income in some situation. They also have insights that they are being paid right amount for their contributions to organization and as per proficiencies they process.

**Table (4.1) Compensation**

No.	Particular	Mean	Standard Deviation
1	Pay scale in compare with same industry	4.15	.82
2	Rewarding outstanding performance	4.18	.94
3	Annual bonus payment	4.29	.87
4	Attractive & Sufficient Travelling Allowance	4.36	.77
5	Reasonable Overtime Payment	4.73	.52
	<b>Overall Mean</b>	<b>4.34</b>	

Source: Survey Data (2019)

Hence, overall mean value for Benefit, which is shown in Table (4.2), is 4.66 indicates the important level of benefit. Mean value for uniform are high because employees receive uniform 2 times a year and it is uncommon in compare to other company. Mean for medical treatment 4.76 is very satisfactory because of many reasons.

**Table (4.2) Benefit**

No.	Particular	Mean	Standard Deviation
1	Sufficient Uniform Budget	4.81	.49
2	Meal Allowance	4.66	.56
3	Medical Arrangement	4.76	.48
4	Social Education Benefit	4.43	.82
5	Practicing Social Security Program	4.65	.62
	<b>Overall Mean</b>	<b>4.66</b>	

Source: Survey Data (2019)

Employees receive all medical expenses, two support persons in medical case is big, refund from SSB board as other income, some general pills and first aid for their family member for regular and general flu. These are some reasons why mean value of benefit is higher than mean value of compensation.

#### 4.1.2 Intrinsic Reward

Mean Value and Standard Deviation of intrinsic reward are shown separately in Table (4.3) , Table (4.4) and Table (4.5) separately.

Table (4.3) describes employees' attitude on "Work-life Balance Reward" practices in Pantec Company Limited. There are different employees in Pantec Company Limited,. Some employees are related as husband and wife, some are pregnant, some are milk feeding mothers, some have children and family member in other place and divisions etc. We assigned same shift for husband and wife and brothers and sisters, company provides milking feeding hours for mums, light work load for pregnant employees, and adjustable off days for some worker to go and visit their family member place.

**Table (4.3) Work-life Balance**

<b>No.</b>	<b>Particulars</b>	<b>Mean</b>	<b>Standard Deviation</b>
1	Good Work Life management Policy	4.56	.69
2	Suitable Working hour	4.65	.60
3	Adjustable and flexible working hour	4.62	.59
4	Balance work load for work and personal life	4.67	.52
5	Supporting to make balance on job and family time	4.77	.52
	<b>Overall Mean</b>	<b>4.65</b>	

Source: Survey Data (2019)

Therefore, overall mean score for work-life balance is strongest value within three types of intrinsic reward. Therefore, the respondents are more likely to state that work-life balance practice is reasonably strong in company and the standard deviation of the work-life balance is also less varied.

**Table (4.4) Performance Management**

No.	Particulars	Mean	Standard Deviation
1	Learning program to do job better and effectively	4.82	.41
2	Recognition on long service	4.67	.54
3	Performance management for performance improvement	4.77	.45
4	Appraisal tools for the performance evaluation process	4.60	.59
5	Best employee performance and incentive programs	4.20	.82
	<b>Overall Mean</b>	<b>4.61</b>	

Source: Survey Data (2019)

Table (4.4) expresses employee's attitude on Performance Management Reward practices in Pantec Company Limited. The overall mean score for performance management is followed after the overall mean value of work-life balance. The mean value is greater than 4 with less varied standard deviation value.

It can be made assumption that intrinsic reward of performance management is well apportioning in Pantec Company Limited. Performance training, performance improvement, performance assessment and performance reward are working in balance like rhythm in Pantec Company Limited.

**Table (4.5) Development and Career Opportunities**

<b>No.</b>	<b>Particulars</b>	<b>Mean</b>	<b>Standard Deviation</b>
1	Sufficient time and budget for training	4.57	.77
2	Design and monitoring training and development plans	4.63	.61
3	Promotion policy	4.18	.84
4	Supporting for career growth and development	4.55	.69
5	Opportunity for advancement and growth	4.53	.69
	<b>Overall Mean</b>	<b>4.49</b>	

Source: Survey Data (2019)

Table (4.5) presents employees attitude on Development and Career Opportunities Reward practices in Pantec Company Limited. Though the overall mean score for Development and Career Opportunities is the least value among three different intrinsic rewards, it is over 4. The respondents are non-managerial level however they received training not only for their career development but also their advancement. Company provides time about 1 hour each day for all employees which show company has sufficient time and budget for them. Moreover, daily trainings are designed well to come to be effective.

#### **4.2 Job Satisfaction**

Table (4.6) illustrates the measurement of the level of employee satisfaction in Pantec Company Limited. Overall mean value for job satisfaction is above 4 and standard deviation is less varied.

In Table (4.6), Mean value for appreciation on organization pays and satisfaction on chances for bonus and incentives shows that employees have high satisfaction on compensation but pay compensation mean value is lower than other and standard

deviation is higher than other. It is because most of the female respondent give 5 score however some of the male respondents give score 3.

**Table (4.6) Job Satisfaction**

No.	Particular	Mean	Standard Deviation
1	Appreciation on organization pays	4.07	.87
2	Satisfaction on chances for bonus and incentives	4.45	.60
3	Medical treatment	4.77	.45
4	Company uniform allowance and nutritious	4.41	.67
5	Satisfaction on the working conditions	4.55	.67
6	Feeling of personal accomplishment	4.33	.70
7	Satisfaction for training and further education	4.60	.59
8	Reward system according to performance.	4.40	.68
9	Getting ahead as fast in current workplace as they do in other places	4.57	.54
10	Fair chance of being promoted	4.73	.45
	<b>Overall Mean</b>	<b>4.49</b>	

Source: Survey Data (2019)

For job satisfaction mean value related to compensation is lower than other reward mean value and standard deviation is slightly high varied. Most of the female are young and pays they received from company can support well for the family. Male respondents

feel less satisfaction because they are bread earner for the family and they can possibly earn more if they take more risk and work hard more.

Medical treatment and company uniform allowance and nutritious mean value represents that employee satisfy company's benefit practice. They can receive all medical expenses refund.

Moreover they can claim expenses related to medical expenses including transport charges and meal etc. Furthermore, they can take of SSB board subsidiary as other income which they needn't pay back to company. Mean value of satisfaction on the working conditions and feeling of personal accomplishment show employee satisfaction on work-life balance reward. Mean value over 4 shows employees' satisfaction is rather high not only for female but also for male respondents. Work-life balance is very important for everyone and their satisfaction show the healthiness the company also.

Satisfaction for training and further education, Reward system according to performance, Getting ahead as fast in current workplace as they do in other places, Fair chance of being promoted have mean value above 4. Standard deviations are less varied. Both mean value and standard deviation show job satisfaction on the Performance Management, Development and Career Opportunities are high and less varied. Good performance management and chances and opportunity for career development are aiding not only personal growth but also organizational growth.

### **4.3 Employee Job Performance**

Table (4.7) shows the exploration of task performance in Pantec Coompany Limited. Respondents are following deadline and standard operating procedure.

Therefore, they can complete assignment on time with high standard. After analyzing next two performance indicators, the result is not only because of company's deadline and standard operating procedures but also their passion and capability of handling multi-task less or without close supervision. They also accept their colleagues' positive assessment of on them.

**Table (4.7) Task Performance**

<b>No.</b>	<b>Particular</b>	<b>Mean</b>	<b>Standard Deviation</b>
1	Completing the assignment on time.	4.75	.44
2	Maintaining high standard of work.	4.69	.51
3	Passion about the work.	4.51	.64
4	Capability of handling multiple assignments for achieving organizational goals without much supervision.	4.57	.52
5	Colleagues belief as a high performer	4.19	.79
	<b>Overall Mean</b>	<b>4.54</b>	

Source: Survey Data (2019)

In Table (4.8), it is described the exploration of adaptive performance in Pantec Company Limited.

**Table (4.8) Adaptive Performance**

<b>No</b>	<b>Particular</b>	<b>Mean</b>	<b>Standard Deviation</b>
1	Coping well with organizational changes from time to time	4.59	.52
2	Managing change in job very well	4.67	.50
3	Comfortable with job flexibility.	4.57	.56
4	Mutual understanding can lead to a viable	4.75	.46
5	Mobilizing collective intelligence for effective team work	4.89	.31
	<b>Overall Mean</b>	<b>4.69</b>	

Source: Survey Data (2019)

Employees in Pantec Company Limited are probably being adaptable for change and they tend to have a strong flexibility for the unstable working conditions. The workforce of Pantec Company Limited has a high level of flexibility and adaptability for facing changes in their organization. The overall mean value and standard deviation show their capability of adaptive performance. Moreover, they are likely to sustain mutual understanding each other in their work place.

Table (4.9) describes the exploration of contextual performance in Pantec Company Limited. Overall mean values are more than 4.5 and standard deviations are between 0 and 1.

**Table (4.9) Contextual Performance**

<b>No.</b>	<b>Particular</b>	<b>Mean</b>	<b>Standard Deviation</b>
1	Maintaining good communication among fellow workers	4.68	.499
2	Praising my co-workers for their good works	4.73	.50
3	Participation in group discussions and work meetings	4.77	.47
4	Sharing knowledge and ideas among team members	4.67	.52
5	Communication effectively with my colleague	4.68	.47
	<b>Overall Mean</b>	<b>4.71</b>	

Source: Survey Data (2019)

The result shows a certain high level of mean value and less variance standard deviation. These results show employees in Pantec Company Limited perform a firm degree of contextual performance. Participating actively in group morning meetings might be a good communication among the workers. Furthermore, they have a culture of praising each other for worthy works to the organization. The employees also like to share their own knowledge and ideas among team members.

**4.4 Analysis on the Effect of Reward System on Employee Satisfaction** With the intention of exploring the effect of reward on employee satisfaction, linear regression model is deployed and analysis is carried out based upon 109 respondents of non-managerial employees in Pantec Company Limited. There are two regression models while observing the effect of reward on employee satisfaction. The first model is to examine the effect of Extrinsic Reward on employee satisfaction and the second model is to examine the effect of Intrinsic Reward on employee Satisfaction.

**4.4.1 Effect of Extrinsic Reward on Employee Satisfaction**

Table (4.10) describes the following; R value is showing levels of employee satisfaction and extrinsic reward variables are strongly correlated in Pantec Company Limited. The regression model can explain about for 39.1 percent (Adjusted R Square 0.391) of the variation of satisfaction (with two extrinsic reward factors).

**Table (4.10) Effect of Extrinsic Reward on Employee Satisfaction**

Variable	Unstandardized		Standard	t	Sig	VIF
	B	Std. Error	Beta			
(Constant)	1.692	.365		4.641	.000	
Compensation	.147**	.067	.214	2.211	.030	1.382
Benefit	.462***	.090	.497	5.141	.000	1.382
R	0.636					
R Square	.405					
Adjusted R Square	.391					
Durbin-Watson	1.694					
F Value	29.912***					

Source: Survey Data, 2019

\*\*\*Significant at 1% level. \*\*Significant at 5% level. \*Significant at 10% level.

In General, Pantec Company Limited can boost the employee satisfaction by increasing benefit reward more than compensation reward based on the analysis. Company can create more factory work for aiding reasonable overtime payment. Company also can provide more funds for attractive and sufficient travelling allowance compensation for encouraging employee satisfaction correspondingly. Company need to prepare more budgets for uniform. Canteen facility and firewood and fuel for canteen need to prepare well and sufficient meal allowance need to arrange in line with current market price and inflation rate. Emergency and sustainable medical arrangement need to prepare more efficiently and effectively. Human Resource Department requires making sure being membership of social education benefit program is practiced. Company should have plan and checkup procedures for active Social Security Program.

#### **4.4.2 Effect of Intrinsic Reward on Employee Satisfaction**

Table (4.11) describes that, levels of employee satisfaction and intrinsic reward variables are strongly correlated because of R value and it indicates that employees have higher satisfaction on intrinsic reward of Pantec Company Limited.

The regression model can explain about for 54.7 percent (Adjusted R Square 0.547) of the variation of satisfaction (dependent variable) with three intrinsic reward factors (independent variables). The value of F test, the overall significance of the model, is highly significant at 1 percent level. This specific model can be said valid. Moreover, t-values in all factors and greater than 0 showing evidence against the null hypothesis that there is no significant difference. All the VIFs (variance inflation factors) are less than 5, show that there is no multicollinearity problem in this case. This means that there is no correlation among independent variables.

Significant value of Work-life Balance, Performance Management and Development & Career Opportunities show that, the relationship between the work-life balance and development & career opportunities and employee satisfaction are not statistically significant but performance management is best statistically significant. The highly significant positive relation indicates that the increase in work-life balance, performance management and development & career opportunities lead to the effect on employee satisfaction in Pantec Company Limited.

**Table (4.11) Effect of Intrinsic Reward on Employee Satisfaction**

Variable	Unstandardized		Standardized	T	Sig	VIF
	B	Std. Error	Beta			
(Constant)	1.165	.330		3.530	.001	
Work-life Balance	.129	.101	.150	1.280	.204	2.733
Performance Management	.472***	.115	.489	4.114	.000	2.804
Development & Career Opportunities	.121	.085	.169	1.410	.162	2.837
R	.749 <sup>a</sup>					
R Square	.562					
Adjusted R Square	.547					
Durbin-Watson	1.583					
F Value	37.167***					

Source: Survey Data, 2019

\*\*\*Significant at 1% level. \*\*Significant at 5% level. \*Significant at 10% level.

Particularly, among three explanatory variables, performance management has greater contribution to the effect on employee satisfaction in Pantec Company Limited. Company needs to provide learning programs for better job procedures like making standard. Long service program as company recognition have to be more initiate. Performance management processes have to be positively approach which will lead to contribute performance improvement. Company has to make sure that performance evaluation process is used fair and effective appraisal tools. Company requires continuing best employee performance and incentive programs in a better way. Therefore, Human Resources Department and others departments have necessity to work closely together to be effective in performance management process and development.

#### 4.4.3 Effect of Reward System on Employee Satisfaction

Table (4.12) describes that, levels of employee satisfaction and reward system variables are strongly correlated because of R value and it indicates that employees have higher satisfaction on reward system of Pantec Company Limited.

The significant value of extrinsic reward and intrinsic reward shows the relationship between the two variables is statistically significant and intrinsic reward significant is best statistically significant. The Durbin-Watson value is relatively normal and showing that there is no auto correlation in sample.

**Table (4.12) Effect of Reward System on Employee Satisfaction**

Variable	Unstandardized		Standardized	t	Sig	VIF
	B	Std. Error	Beta			
(Constant)	1.248	.319		3.907	.000	
Extrinsic Reward	.146	.094	.162	1.559	.123	2.099
Intrinsic Reward	.563***	.095	.616	5.946	.000	2.099
R	.742a					
R Square	.550					
Adjusted R Square	.540					
Durbin-Watson	1.597					
F Value	53.741***					

Source: Survey Data, 2019

\*\*\*Significant at 1% level. \*\*Significant at 5% level. \*Significant at 10% level

In General, Pantec Company Limited can increase the employee satisfaction by increasing intrinsic reward more than extrinsic reward based on the analysis. Company need to prepare more specific and effective plan for performance management intrinsic reward within company with HR department and respective department. Overtime

payment and travelling allowance need to do more effectively for the satisfactory of the employee and make sure the payment process are operating well. Performance management process needs to be clarified more specifically optimistic approach to performance improvement. Company also can provide outsource consultant for the better arrangement of extrinsic reward and intrinsic reward for encouraging employee satisfaction correspondingly.

#### 4.5 Analysis on the Effect of Employee Satisfaction on Job Performance

The effect of satisfaction on job performance is analyzed and described separately. Analyses are shown in Table (4.13), (4.14), (4.15 and (4.16) respectively.

##### 4.5.1 Effect of Employee Satisfaction on Task Performance

Table (4.13) express, Correlation coefficient, R (the correlation between employee Job performance and two satisfaction factors) is 0.783, lines between 0 and 1.

**Table (4.13) Effect of Employee Satisfaction on Task Performance**

Variable	Unstandardized		Standardized	t	Sig	VIF
	B	Std. Error	Beta			
(Constant)	1.425	.373		3.820	.000	
Job Satisfaction	.694***	.083	.664	8.380	.000	1.000
R	.664a					
R Square	.441					
Adjusted R Square	.435					
Durbin-Watson	1.560					
F Value	70.230***					

Source: Survey Data, 2019

\*\*\*Significant at 1% level. \*\*Significant at 5% level. \*Significant at 10% level

Thus levels of employee Job performance and employee satisfaction variables are strongly correlated, thus indicates that employees have higher performance on satisfaction of Pantec Company Limited. It is found that significant value of employee satisfaction is 0.000.and the relationship between the two variables is best statistically significant. The Durbin-Watson value it is relatively normal. Therefore, it indicates that there is no auto correlation in sample. The Durbin-Watson value it is relatively normal. Therefore, it indicates that there is no auto correlation in sample. Moreover, t-values in the factor and is greater than 0 showing evidence against the null hypothesis that there is no significant difference. All the VIFs (variance inflation factors) are less than 5; show that there is no multicollinearity problem in this case. This means that there is no correlation among independent variables.

According to make sure employee complete their assignment on time, checking point and performance management and flexible working hour need to be strong developed. In general, the increases of employee satisfaction have the positive effect on employee Task performance in Pantec Company Limited. Standardization need to set to maintain and upgrade high standard of work quality. Furthermore, challenging goals need to be set for passionate of the work. Job rotation and other performance improving process need to advance for achieving organization goal without much supervision. Moreover, appreciation engagements need to be set for the high performer and low performer for overall better result. Managements from different departments have to do more plan and arrangement to rise employee satisfaction because the increase employee satisfaction could significantly elevate the employee Task performance in Pantec Company Limited.

#### **4.5.2 Effect of Employee Satisfaction on Adaptive Performance**

In Table (4.14), the regression model can explain about for 50.4percent (Adjusted R Square 0. 504) of the variation of Adaptive performance (dependent variable) with satisfaction factors (independent variables).

It is found that significant value of employee satisfaction is 0.000.and the relationship between the two variables is best statistically significant. The Durbin-Watson value it is relatively normal. Therefore, it indicates that there is no auto correlation in sample. The value of F test, the overall significance of the model, is highly significant at

1 percent level. The overall evaluation discloses that models describe the variation in employee satisfaction of Pantec Company Limited well because the estimation produced expected signs and significant coefficients.

In general, the increases of employee satisfaction have the encouraging effect on employee Adaptive performance in Pantec Company Limited.

**Table (4.14) Effect of Employee Satisfaction on Adaptive Performance**

Variable	Unstandardized		Standardized	t	Sig	VIF
	B	Std. Error	Beta			
(Constant)	1.893	.293		6.463	.000	
Job Satisfaction	.624***	.065	.713	9.606	.000	1.000
R	.713a					
R Square	.509					
Adjusted R Square	.504					
Durbin-Watson	1.668					
F Value	92.270***					

Source: Survey Data, 2019

\*\*\*Significant at 1% level. \*\*Significant at 5% level. \*Significant at 10% level.

Management needs work environment to employees are satisfactory to cope with well with organizational changes from time to time. Furthermore, Management needs to arrange to make sure the comfortable job flexibility. Effective changes management system needs to lead for employee to manage change in their job very well whenever the situation demands. Information flow and career development program need to be affective for the mutual understanding which leads to a viable solution in organization. Employees need to mobilize collective intelligence for effective team work. Therefore, company need to increase satisfaction of employee to improve the adaptive performance of the Pantec Company Limited.

### 4.5.3 Effect of Employee Satisfaction on Contextual Performance

In Table (4.15), the regression model can explain about for 38.9percent (Adjusted R Square 0. 389) of the variation of Job performance (dependent variable) with satisfaction factors (independent variables).

**Table (4.15) Effect of Employee Satisfaction on Contextual Performance**

Variable	Unstandardized		Standardized	t	Sig	VIF
	B	Std. Error	Beta			
(Constant)	2.252	.322		6.986	.000	
Job Satisfaction	.547***	.072	.629	7.639	.000	1.000
R	.629a					
R Square	.396					
Adjusted R Square	.389					
Durbin-Watson	2.077					
F Value	58.348***					

Source: Survey Data, 2019

\*\*\*Significant at 1% level. \*\*Significant at 5% level. \*Significant at 10% level

It is found that significant value of employee satisfaction is 0.000.and the relationship between the two variables is best statistically significant. The Durbin-Watson value it is relatively normal. Therefore, it indicates that there is no auto correlation in sample. The value of F test, the overall significance of the model, is highly significant at 1 percent level. This specific model can be said valid. Moreover, t-values in the factor and is greater than 0 showing evidence against the null hypothesis that there is no significant difference. All the VIFs (variance inflation factors) are less than 5; show that there is no multicollinearity problem in this case. This means that there is no correlation among independent variables.

The overall evaluation discloses that models describe the variation in employee satisfaction of Pantec Company Limited well because the estimation produced expected signs and significant coefficients. The increases of employee satisfaction have the positive effect on employee contextual performance in Pantec Company Limited. The value of F test, the overall significance of the model, is highly significant at 1 percent level. This specific model can be said valid. This specific model can be said valid. Moreover, t-values in the factor and is greater than 0 showing evidence against the null hypothesis that there is no significant difference. All the VIFs (variance inflation factors) are less than 5; show that there is no multicollinearity problem in this case. This means that there is no correlation among independent variables.

According to the analysis result, management has to encourage employee satisfaction by increasing bonus and incentive, have to improve working condition and support better training and further education. Company need to support to make balance on job and family time for maintaining good communication among fellow workers. Better work life balance policy need to be set for mutual respect and praise co-worker for the good work. Moreover, promotion policy and supporting for career growth and development are needed to make satisfy employee. Training and development need to be designed and monitored well to satisfy employee. As a result, group discussion and work meetings will active and sharing knowledge and ideas among company team members, solving problem effectively with colleague for effective decision making. Therefore, by improving the employee satisfaction, employee contextual performance will increase considerably.

#### **4.5.4 Effect of Employee Satisfaction on Job Performance**

In Table (4.16), the regression model can explain about for 61.3percent (Adjusted R Square 0. 613) of the variation of Job performance with satisfaction factors . It is found the relationship between the two variables is best statistically significant. The Durbin-Watson value it is relatively normal. Therefore, it indicates that there is no auto correlation in sample. The increases of employee satisfaction have the positive effect on employee job performance in Pantec Company Limited. The overall evaluation discloses that models describe the variation in employee satisfaction of Pantec Company Limited well because the estimation produced expected signs and significant coefficients.

**Table (4.16) Effect of Employee Satisfaction on Employee Job Performance**

Variable	Unstandardized		Standard	t	Sig	VIF
	B	Std. Error	Beta			
(Constant)	1.858	.236		7.872	.000	
Employee Job Satisfaction	.622***	.052	.783	11.862	.000	1.000
R	.783 <sup>a</sup>					
R Square	.613					
Adjusted R Square	.608					
Durbin-Watson	1.725					
F Value	140.696***					

Source: Survey Data, 2019

\*\*\*Significant at 1% level. \*\*Significant at 5% level. \*Significant at 10% level.

In Summary, managements from different departments have to organize more plan and arrangement to increase employee satisfaction because the increase employee satisfaction could significantly elevate the employee job performance in Pantec Company Limited. Management need to encourage reasonable overtime payment, preferable medical arrangement, social education benefit and practice effective social security program. Additionally, company also needs to improve intrinsic reward effectively such as supporting to make balance on job and family time, recognizing on long service, operative performance management process, and implementing effective appraisal tools. Development and career opportunities or supporting sufficient time and budget for training, promotion policy and creating opportunity for advancement and growth need to lead for employee satisfaction. Therefore, employee will have better overall performance when they satisfy the increasing intrinsic reward and maintaining extrinsic reward.

## **CHAPTER 5**

### **CONCLUSION**

This chapter presents the finding, discussions, recommendations, limitation and need for further study. This research focuses on reward system of Pantec Company Limited from employee perspective. The first part of the chapter includes the findings, and discussion on reward system of Pantec Company Limited. The second part is recommendation on Pantec Company Limited activities and describing of need for further study.

#### **5.1 Findings and Discussions**

The study is conducted to determine the effect of organization's reward systems on job satisfaction. The organization needs to ensure their reward functions effect on organizational job satisfaction that could raise the job performance. Reward system and structure is the utilization for to achieve organizational goal and human power is most valuable capital of organization. To examine the effectiveness of reward system in Pantec Company Limited, five extrinsic and intrinsic reward practices of an organization are analyzed by collecting structured questionnaires from 109 employees. Then regression analysis is used in seeking to determine the effect of reward system on job satisfaction and job performance.

The result showed that there is strong relationship between company's reward system and employee job performance. Additionally, there is also interconnection between employee satisfaction and their job performance. The higher positive perception of employees on company's intrinsic and extrinsic reward, the stronger employee satisfaction and which lead to better employee job performance.

According to the findings benefit and performance management are strongest significant factors that effect on employee job satisfaction. According to the survey result benefit and performance management that influence on employee job satisfaction is significant at 1 percent level. In benefit, employees are most satisfied with the medical treatment and in performance management, training and further education that organization offered.

The result appeared from the regression analysis of effect on employee satisfaction by both benefit (extrinsic reward) and performance management (intrinsic reward) have the greatest contributions on employee satisfaction in Pantec Company Limited. To explain benefit effect, medical treatment and other benefit provided by the company is relatively the highest in the same industry. Performance management is highly encouraging their continuous improvement in different and pleasant ways. Compensation has positive significant relation on employee satisfaction. In compensation, most of the employees prefer overtime payment because it is two to three times of basic rate and full shift 8 hours OT are given even if they complete their job less than 8 hours. However, there are not very much significant effect on employee satisfaction by the other two intrinsic reward, work-life balance and development and career opportunities.

According to the descriptive analyses on each variable, the overall mean score for benefit is stronger than benefit between two types of extrinsic reward. Therefore, the respondents are more likely to state that benefit practice is relatively in company and standard deviation is less varied also. Development and career opportunities reward practice is least mean scored value among three intrinsic reward which are practicing in Pantec Company Limited. It can be concluded that the respondents have a slightly unenthusiastic perception on the company development and career opportunities plan and program. Based on overall mean score of for employee satisfaction, there is high level of employee satisfaction is existing in Pantec Company Limited. Employees in Pantec Company Limited are performing evenly three dimensions of performance of task performance, adaptive performance and contextual performance.

## **5.2 Suggestions and Recommendations**

Pantec Co., Ltd should be accompanied the further study that covered entirely all the employees to clarify the effectiveness of rewarding system which is currently performing in company. The result for this study from different employees' job functions and level of positions can assist to generalize the overall population as well as developing intensive research. Management should emphasis and implements their reward system properly and verify to significance relationship with employee satisfaction and their job

performance. In addition, diversified research is very important and it can provide more accurate information as well as setting strategic plan for implementing the effective rewarding system.

Both intrinsic and extrinsic reward adapting in Pantec Company Limited have a strong interconnection with the employee satisfaction and performance. The company is maintaining a sufficient level of employing satisfaction and job performance. Management should continue these practices and procedures of their reward structure. However, managements have to find out another area to develop in their reward system for the continuous improvement of the organization.

It is recommended that the management should review on compensation. Their reward structure is heavily relied on bonus, incentives and overtime. And the employees seem to have weak perceptions on their salaries as per result of the survey. Management of the Pantec Company Limited should conduct a diversified study for the employee's perception on compensation and effect on employee satisfaction or on the other related outcomes like organizational commitment. Furthermore, the managements should start aware on the side-effect of incentive rewarding. When a company's pay structure is weightily based on incentive and bonus, it can make lower the moral of the employees and undesirables effect on long term relationship with the other state holders. It can also lead to construct negative effect on alliance among employees while every individual is more highlighting on their own financial goals.

It is recommended that managements need to reconsider work-life balance and development and career opportunities. For the health and succession of the organization, it is important to implement development and career opportunities for the employee. It is important to increase their moral by proper reward system.

It is recommended that management team of the Pantec Company Limited need to conduct more deeply study on this area of development and career opportunities practices in the organization. Management will be able to follow the development and career opportunities plans as a transformation leader-looking to authorize, improve, qualify and engage subordinate to grow them. To survive long and healthy for the organization thorough employee, company need to emphasize more on intrinsic reward especially on development and career opportunities.

### **5.3 Needs for Further Research**

In this study, systematic sampling method is applied and survey is conducted among 109 employees in Pantec Company Limited. The study focuses how rewarding practices of Pantec Company Limited effects on employees' satisfaction and their job performance. It could not make for the other factors which would also contribute on employee satisfaction and their performance.

It is recommended to conduct further researches with this model of study for similar business organization or for the different organizations in diverse industries. Furthermore, there are main variables to replace in this model such as how reward system effect on employee organization commitment, developing high-performance culture, achieving organization goal, employee engagement, motivation and so on. The diverse research plan is important which would deliver more accurate information and solution for implementing effective reward system in organization. This study might be a good base for those who are enthusiastic to expend the topic, and do similarly study who is attentive in the subject of reward system.

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**APPENDIX I**  
**Questionnaires for**  
**The Effect of Reward System on Employee Satisfaction and Job Performance**  
**at Pantec Co., Ltd**

This questionnaire aims to study the reward system and job satisfaction at the company as a partial fulfill of the requirements for the Degree of Master of Business Administration of Yangon University of Economics. Respondents are assured of confidentiality of this exercise because it will be solely used for academic purpose. Thus, please kindly indicate your preference among alternative answers for each question.

**Section A: Demographic Profile**

Please place a tick or mark for each of the following.

1. Gender
  - Male
  - Female
  
2. Age
  - < 25 years
  - 26 - 35 years
  - 36 - 45 years
  - 46 - 55 years
  - Above 55 years
  
3. Education level
  - Middle School
  - High School
  - Certificate / Diploma
  - Bachelor Degree

4. How long have you been working in Pantec Co., Ltd?
  - < 1 year
  - 1-3 years
  - 3-6 years
  - 6-9 years
  - Above 9 years
5. What is your current position?
  - Assistant Supervisor
  - Quality Controller
  - Operator
  - Senior Staff
  - Junior Staff

**Section B: Reward System – Extrinsic and Intrinsic Rewards**

Please describe to what extent you agree with each of the following statements regarding the current reward system of the company by using the following scales where:

- 1= Strongly Disagree  
 2= Disagree  
 3= Neutral  
 4= Agree  
 5= Strongly Agree

No.	Particulars	1	2	3	4	5
<b>Extrinsic Reward</b>						
	<b>Compensation</b>					
1	The pay scale of this company is attractive compare with other companies in the same industry.					
2	Outstanding performance is rewarded exist in the organization.					
3	Company practices annual bonus payment.					
4	Company provides attractive and sufficient travelling allowance.					
5	The overtime payment for employees is reasonable and attractive.					

	<b>Benefits</b>					
1	Company allocates sufficient budget for uniform.					
2	Company provides reasonable meal allowance.					
3	The medical arrangement offered to the employees is comparable to what is in the market.					
4	Being membership of social education benefits program is practiced.					
5	Company has practical and safe social security program.					
<b>Intrinsic Reward</b>						
	<b>Work-Life Balance</b>					
1	Company follows good work life management policy and procedure.					
2	Company's working hours are suitable					
3	Working hours are adjustable and flexible.					
4	Company supports work load to balance work and personal life.					
5	Company supports to employee to make balance on job and family time.					
	<b>Performance Management</b>					
1	Company provides learning programs how to do job better and effectively.					
2	Company's recognition on long service program is good.					
3	Performance management processes can contribute to performance improvement.					
4	Company has fair and effective appraisal tools for the performance evaluation process.					
5	There are monthly best employee performance and incentive programs in the company.					
	<b>Development &amp; Career Opportunities</b>					
1	There is sufficient time and budget is allocation for training.					
2	Training and development plans are designed well and monitored to all employees.					
3	The company's promotion policies are fair.					
4	My present job is supportive and relevant to my career growth and development.					
5	Working in this company is an opportunity for my advancement or growth.					

### Section C: Job Satisfaction

Please describe to what extent you are satisfied with each of the following statements regarding the current reward system of the company by using the following scales where:

1= Strongly Disagree

2= Disagree

3= Neutral

4= Agree

5= Strongly Agree

No.	Particulars	1	2	3	4	5
1	I feel appreciated by the organization when I think about what the organization pays me.					
2	I feel satisfied with my chances for bonus and incentives.					
3	Company medical treatment is very helpful to me.					
4	We like company uniform allowance and nutritious help.					
5	I am satisfied with the working conditions.					
6	My work gives me a feeling of personal accomplishment.					
7	I satisfied possibility for training and further education supported by the company.					
8	Company has good reward system according to performance.					
9	Employees get ahead as fast here as they do in other places.					
10	Those ones who do well on the job stand a fair chance of being promoted.					

#### **Section D: Job Performance**

Please describe to what extent you agree with each of the following statements regarding your job performance by using the following scales where:

1= Strongly Disagree

2= Disagree

3= Neutral

4= Agree

5= Strongly Agree

No.	Particulars	1	2	3	4	5
	<b>Task performance</b>					
1	I always complete my assignment on time.					
2	I use to maintain high standard of work.					
3	I am very passionate about my work.					
4	I am capable of handling multiple assignments for achieving organizational goals without much supervision.					
5	My colleagues believe I am a high performer in my organization.					
	<b>Adaptive Performance</b>					
1	I use to cope well with organizational changes from time to time.					
2	I could manage change in my job very well whenever the situation demands.					
3	I am very comfortable with job flexibility.					
4	I always believe that mutual understanding can lead to a viable solution in organization.					
5	I use to perform well to mobilize collective intelligence for effective team work.					
	<b>Contextual Performance</b>					
1	I always maintain good communication among fellow workers.					
2	I always praise my co-workers for their good works.					
3	I actively participate in group discussions and work meetings.					
4	I use to share knowledge and ideas among my team members.					
5	I communicate effectively with my colleague for problem solving and decision making.					

End of Questionnaires

“I do appreciate for your kind support and time!”

## Appendix II

### Effect of Extrinsic Rewards on Employee Satisfaction

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.636 <sup>a</sup>	.405	.391	.31033	.405	29.91	2	88	.000	1.694

a. Predictors: (Constant), ER-Benefit, ER - Compensation Mean

b. Dependent Variable: Job Satisfaction

#### ANOVA<sup>a</sup>

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	5.761	2	2.881	29.912	.000 <sup>b</sup>
Residual	8.475	88	.096		
Total	14.236	90			

a. Dependent Variable: Job Satisfaction

b. Predictors: (Constant), ER-Benefit, ER - Compensation Mean

#### Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF

1 (Constant)	1.69	.365		4.64	.000	.968	2.417					
ER -	.147	.067	.214	2.21	.030	.015	.279	.475	.22	.18	.723	1.38
ER-Benefit	.462	.090	.497	5.14	.000	.284	.641	.610	.48	.42	.723	1.38

a. Dependent Variable: Job Satisfaction

b. Predictors: (Constant), ER-Benefit, ER - Compensation Mean

### Effect of Intrinsic Rewards on Employee Satisfaction

#### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.749 <sup>a</sup>	.562	.547	.26780	.562	37.167	3	87	.000	1.583

a. Predictors: (Constant), IR-Career Development, IR-Work life balance, IR-Performance Management

a. Dependent Variable: Job Satisfaction

b. Dependent Variable: Job Satisfaction

#### ANOVA<sup>a</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7.997	3	2.666	37.167	.000 <sup>b</sup>
	Residual	6.239	87	.072		
	Total	14.236	90			

a. Dependent Variable: Job Satisfaction

b. Predictors: (Constant), IR-Career Development, IR-Work life balance, IR-Performance Management

**Coefficients<sup>a</sup>**

Model	Unstandardi		Standardi	t	Si	95.0%		Correlations			Collinearity	
	B	Std.	Beta			Low	Upp	Zer	Parti	Pa	Toleran	VIF
1 (Constant)	1.16	.330		3.5	.00	.509	1.82					
IR-Work	.129	.101	.150	1.2	.20	-	.330	.64	.136	.09	.366	2.7
IR-	.472	.115	.489	4.1	.00	.244	.700	.72	.404	.29	.357	2.8
IR-Career	.121	.085	.169	1.4	.16	-	.290	.65	.149	.10	.353	2.8

a. Dependent Variable: Job Satisfaction

**Effect of Reward System on Employee Satisfaction**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.742 <sup>a</sup>	.550	.540	.26986	.550	53.741	2	88	.000	1.597

a. Predictors: (Constant), Intrinsic Reward, Extrinsic Reward

b. Dependent Variable: Job Satisfaction

**ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
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1	Regression	7.827	2	3.914	53.741	.000 <sup>b</sup>
	Residual	6.409	88	.073		
	Total	14.236	90			

a. Dependent Variable: Job Satisfaction

b. Predictors: (Constant), Intrinsic Reward, Extrinsic Reward

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	1.248	.319		3.907	.000	.613	1.883					
Extrinsic Reward	.146	.094	.162	1.559	.123	-.040	.332	.607	.164	.112	.476	2.099
Intrinsic Reward	.563	.095	.616	5.946	.000	.375	.751	.733	.535	.425	.476	2.099

a. Dependent Variable: Job Satisfaction

**Effect of Employee Satisfaction on Task Performance**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.664 <sup>a</sup>	.441	.435	.31260	.441	70.230	1	89	.000	1.560

a. Predictors: (Constant), Job Satisfaction

b. Dependent Variable: JP-Task Performance

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.863	1	6.863	70.230	.000 <sup>b</sup>
	Residual	8.697	89	.098		
	Total	15.560	90			

a. Dependent Variable: JP-Task Performance

b. Predictors: (Constant), Job Satisfaction

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Partial	Tolerance	VIF
1 (Constant)	1.425	.373		3.820	.000	.684	2.167					

Job Satisfaction	.694	.083	.664	8.380	.000	.530	.859	.664	.664	.664	1.000	1.000
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a. Dependent Variable: JP-Task Performance

### Effect of Employee Satisfaction on Adaptive Performance

#### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.713 <sup>a</sup>	.509	.504	.24530	.509	92.270	1	89	.000	1.668

a. Predictors: (Constant), Job Satisfaction

b. Dependent Variable: JP-Adaptive Performance

#### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.552	1	5.552	92.270	.000 <sup>b</sup>
	Residual	5.355	89	.060		
	Total	10.907	90			

a. Dependent Variable: JP-Adaptive Performance

b. Predictors: (Constant), Job Satisfaction

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Partial	Tolerance	VIF
1 (Constant)	1.893	.293		6.463	.000	1.311	2.474					
Job Satisfaction	.624	.065	.713	9.606	.000	.495	.754	.713	.713	.713	1.000	1.000

**Effect of Employee Satisfaction on Contextual Performance**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.629 <sup>a</sup>	.396	.389	.27007	.396	58.348	1	89	.000	2.077

a. Predictors: (Constant), Job Satisfaction

b. Dependent Variable: JP-Contextual Performance

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.256	1	4.256	58.348	.000 <sup>b</sup>
	Residual	6.491	89	.073		
	Total	10.747	90			

a. Dependent Variable: JP-Contextual Performance

b. Predictors: (Constant), Job Satisfaction

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	2.252	.322		6.986	.000	1.612	2.893					
Job Satisfaction	.547	.072	.629	7.639	.000	.405	.689	.629	.629	.629	1.000	1.000

a. Dependent Variable: JP-Contextual Performance

## Effect of Employee Satisfaction on their Job Performance

### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.783 <sup>a</sup>	.613	.608	.19771	.613	140.696	1	89	.000	1.725

a. Predictors: (Constant), Job Satisfaction

b. Dependent Variable: Job Performance

### ANOVA<sup>a</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.500	1	5.500	140.696	.000 <sup>b</sup>
	Residual	3.479	89	.039		
	Total	8.979	90			

a. Dependent Variable: Job Performance

b. Predictors: (Constant), Job Satisfaction

### Coefficients<sup>a</sup>

Model	Unstandardized		Standardized	t	Sig.	95.0%		Correlations			Collinearity		
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero Order	Partial	Partial	Tolerance	VIF	
1 (Constant)	1.85	.236		7.87	.00	1.38	2.32						
Job	.622	.052	.783	11.8	.00	.517	.726	.78	.783	.78	1.000	1.0	

a. Dependent Variable: Job Performance



