

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

**THE EFFECT OF REWARD SYSTEM ON JOB**  
**SATISFACTION AND EMPLOYEE PERFORMANCE AT**  
**MASTECH CO., LTD**

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**ACADEMIC YEAR (2018-2022)**

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“This Thesis 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 by Tay Zar Win, entitled “**The Effect of Reward System on Job Satisfaction and Employee Performance at MASTECH Company Limited**” has been accepted by the Examination Board for awarding Master of Business Administration (MBA) degree.

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**April, 2022**

## **ABSTRACT**

This study aims to examine the effect of reward system on job satisfaction and employee performance in MASTECH Company Limited. To reach the study objectives, the study is conducted by using multiple linear regression analysis. In this study, the data are collected from eighty-two respondents from both non-managerial levels and managerial levels of MASTECH Company Limited. Their responses are gathered through a self-administered questionnaire. The result of this study indicates that job security and fringe benefits from extrinsic rewards and skill development from intrinsic rewards have significant effect on job satisfaction. The employee job satisfaction also effects on employee performance in MASTECH Company Limited. This study recommends that the company should try to find out other areas such as health benefits, childcare benefits, performance management, work-life balance to enhance in the existing organization's reward system (both extrinsic and intrinsic) for the continuous improvement of the organization. In this way, the company can have the highest level of employees' job satisfaction and which can lead to gain the best performance of the employees.

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## LIST OF ABBREVIATIONS

ACS	Access Control System
CCTV	Closed-circuit Television
CEO	Chief Executive Officer
COO	Chief Operating Officer
ELV	Extra Low Voltage
ICT	Information and Communication Technology
IoT	Internet of Things
IT	Information Technology
ITaaS	Information Technology as a Service
KPI	Key Performance Indicator
LMS	Learning Management System
PA	Public Address System
PABX	Private Automated Branch Exchange
QMS	Queue Management System
HRM	Human Resource Management

# CHAPTER 1

## INTRODUCTION

The success of any organization in the long run depends very much on the quality of its human resources. Employees, technically known as human resources in modern organization, are rightly considered as the most important assets (Kikoito, 2014). In order to remain competitive and to achieve the sustainable organizational growth, the company has to retain the high performance and efficient employees. Among a blend of motivation theory, reward system is one of the most effective tools. A well-designed reward system along with the firms' strategies and human resource management has a great deal of relationship on attracting, acquiring, maintaining and motivated and satisfied employees to accomplish their task effectively and efficiently (Markova & Ford, 2011).

There are many factors which can increase job satisfaction among employee. However, the reward system is the most important one because reward system fulfills employees' needs which increase the interaction between the employee and the organization. On another hand, employees feel that they are value when the organization pay them well, recognize their effort and through other dimensions of reward system whatever it was extrinsic reward or intrinsic reward. According to Salah (2016) different employees have different needs about rewards. Some employees consider salary is sufficient to fulfill their needs and some others wants to material incentives like car, house, and some prefer holidays and some prefer nonmaterial incentives. Public sector employees much prefer extrinsic factors then intrinsic factors, such as pay, as more important than private sector employees (Maidani, 1991). These two basic rewards (financial and nonfinancial) can be utilized positively to increase the performance of employees. Financial reward mostly consists on pay for performance such as job promotion, bonus, commission, gifts etc. and nonfinancial rewards mostly consist on social recognition, appreciation, work kind condition, meaning full work responsibility etc. (Khan, Waqas, & Muneer, 2017).

Job satisfaction is the positive and negative feelings of the employees towards their job or it is the amount of happiness connected with the job. According to Neog and Barua (2014) Job satisfaction as any combination of psychological, physiological, and environmental circumstances that cause a person to truthfully say that they are satisfied with a job and also

employees' positive perception of their work life. Employees with higher job satisfaction are important since they believe that the organization would have a tremendous future in the long run and the employer gives credits to the quality of their work. Hence those employees are more committed to the organization and tend to have higher productivity. As Dewhurst, Guthridge, and Mohr (2009) stated that employee performance is highly depended on the level of job satisfaction. Happy employees will give more productivity and less absenteeism and turnover rate will also be decreased. When employee enjoy going to work, interacting with your colleagues and making an effort to learn, it's a result of job satisfaction.

Job satisfaction and employee performance both play an important role in the success of every organization. In this era, both job satisfaction and employee performance are the major critical factors to be considered in the managerial decision-making process in order to lead organizations towards its goals. MASTECH Company Limited was established in 1995. It is one of the Information Technology (IT) and Extra Low Voltage (ELV) solutions company in Myanmar. The purpose of this study intends to investigate the effect of reward system on job satisfaction and employee performance.

## **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). High employee performance is important for the organization to gain the organizational goals and also to fulfill the organization vision and mission. In the modern business world, hiring and retaining a high-performance employee is the major challenge for organization and it can consider one of the effective techniques to sustain the company business.

Reward is a broad construct that has been said to represent anything that employees may value that an employer is willing to offer in exchange for their contributions (Chiang & Birtch, 2012). Rewards is somehow related to the field of employee job satisfaction because it is usually defined as the drive to achieve the organizations' goal. Rewards have been as the most powerful motivators of performance that leads to job satisfaction (Chepkwony & Oloko, 2014). Rewards System should ensure that the contribution of the employee to the organization is recognized by both financial which is also known as extrinsic reward and nonfinancial reward which is also known as intrinsic reward.

The rationale behind the use of reward system is to motivate the employee to become satisfy at their job. Failure to do so, employees will be tempted to leave the organization

(Azasu, 2009). Rewarding both intrinsic and extrinsic to employees make them become satisfy in terms of fulfilling their needs and wants. Satisfied employees tend to be more productive, creative and committed to their organization and employee's job satisfaction is directly impact on employee performance. High employees' job satisfaction is linked to high employees' performance.

To achieve the success and sustainment in the market, any business has to deliver the quality services with optimal delivery time. These qualities are coming from the best performed and satisfied employees through their best performance. Therefore, this study aims to analyze the reward system of MASTECH Company Limited that effects on job satisfaction and employee performance to achieve the successful and sustainable company in the market.

## **1.2 Objectives of the Study**

The objectives of this study are as follows:

- (1) To examine the effect of rewards system on job satisfaction of MASTECH Company Limited in Yangon.
- (2) To analyze the effect of job satisfaction on employee performance of MASTECH Company Limited in Yangon

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

This research is conducted based on the research questionnaire responds by employees of MASTECH Company Limited. There are eighty-two employees in MASTECH Company Limited and all employees are asked to collect the data. Both primary and secondary data are using in this study. Primary data will be collected with structural questionnaire designed with five-point Likert scale through employees from both non-managerial levels and managerial levels of MASTECH Company Limited. Secondary data is collected from relevant survey reports, relevant textbooks, international research papers, journal articles and websites. Multiple Regression Analysis will be used to analyze the effect of reward system on job satisfaction and employee performance in MASTECH Company Limited.

## **1.4 Organization of the Study**

This research paper consists five chapters. Chapter one includes introduction, rationale of the study, objectives of the study scope and method of the study and organization of the study. Chapter two presents the theoretical background of the extrinsic reward, intrinsic reward, job satisfaction, and employee performance. This chapter also describes the previous studies

and the conceptual framework of the study. Chapter three consists of the profile of the MASTECH Company Limited, its rewards system and the profile of the respondents. Chapter four represents the influencing factors of extrinsic reward system and intrinsic reward system on employee job satisfaction and employee performance. Chapter five cover the conclusion of this study by describing the findings and discussion, suggestions and recommendation and needs for the further research.

## CHAPTER 2

### THEORETICAL BACKGROUND

This chapter focuses on the concepts and the definition of reward system and the effect of reward system on the employee job satisfaction and employee performance. Reward System includes salary, bonus, job security, promotion, fringe benefits, career growth, skill development, appreciation, empowerment and interest. The conceptual framework of the study is also presented at the end of this chapter.

#### 2.1 Reward System in Human Resource Management

Contemporary organizations face various challenges to remain competitive in the market and gain sustainable competitive advantage. To achieve the competitive advantages, firms need to be well managing in acquisition and allocation of organizational resources. As organizational resources there are variety of scare resources and human resource is one most critical resource (Wright & McMahan, 1992). The performance of the organization is totally depending on the individual performance of employees. Retaining a talented and high-quality employee has been considered as one of the long- term sustainable competitive advantages however in the modern business environment, it has become a challenge for companies (Armstrong & Taylor, 2020). An effective Human Resource Management (HRM) system allows organizations to address human resource issues strategically and the HRM plays a crucial role in managing people and the workplace culture and environment. It can contribute significantly to the overall company direction and the accomplishment of its goals and objectives.

There are various factors that affect the performance of employees which include remunerations, reward, motivation, job satisfaction, organizational commitment, among others (Khan, Farooq, & Khan, 2010). According to Armstrong (2013) a reward system is regarded as a program developed to provide appreciation for high performers and provide incentives for low performers to increase their productivity. Moreover, reward systems have been identified as one of the most effective factors to maximize employee job satisfaction and industriousness. A reward system is aimed to shape the behaviors of employees towards their jobs and a company in general (Griffin & Moorhead, 2008).



## **2.2 Reward System**

Reward is a broad construct that has been said to represent anything that employees may value that an employer is willing to offer in exchange for their contributions (Chiang & Birtch, 2008). Reward is defined as all of the monetary, non-monetary, and psychological payments that an organization provides for its employees (Bartol & Locke, 2000). The lack of rewards will create an unpleasant environment, thus diminishing employees' work efforts and may cause them to withdraw from their jobs. For these reasons, rewards are increasingly important. Two types of reward system are extrinsic and intrinsic and which can be defined as follow:

### **2.2.1 Extrinsic Rewards**

An extrinsic reward is a tangible and visible reward given to an individual or an employee for achieving something. All monetary rewards are included in this category (Martocchio, 2011). The extrinsic rewards can be broken down into five categories and they are salary or pay, incentives, bonuses, promotions, job security (Hafiza, Shan, & Jamshed, 2011). They are usually offered by the individual's immediate manager who decides upon them. These rewards are typically financial such as an increase in salary or a cash reward for performing well or a gift certificate for going beyond the call of duty. These rewards motivate and inspire employees because money or equivalent rewards are important to most people. Hafiza, Shan, and Jamshed (2011) defined extrinsic rewards are tangible rewards and these rewards are external to the job or task performed by the employee.

#### **(a) Salary**

A salary is a form of periodic payment from an employer to an employee, which may be specified in an employment contract (Sharma & Bajpai, 2011). It is contrasted with piece wages, where each job, hour or other unit is paid separately, rather than on a periodic basis. Salary is a fixed amount of money or compensation paid to an employee by an employer in return for work performed (Milkovich, Newman, & Milkovich, 2014). Salary is commonly paid in fixed intervals, for example, monthly payments of one-twelfth of the annual salary. Salary is typically determined by comparing market pay rates for people performing similar work in similar industries in the same region. Salary is also determined by leveling the pay rates and salary ranges established by an individual employer. Salary is also affected by the number of people available to perform the specific job in the employer's employment locale.

**(b) Bonus**

A bonus is a form of compensation that's not guaranteed and that is usually paid after the completion of a certain event. Bonus is a financial compensation that is above and beyond the normal payment expectations of its recipient. In workplace settings, a bonus is a type of compensation an employer gives to an employee that complements their base pay or salary (Nzyoka & Orwa, 2016). A company may use bonuses to reward achievements, to show gratitude to employees such as who meet longevity milestones, to entice not-yet employees to join a company's ranks, etc.

There are many types of bonus and some of them are: annual bonus which is the most common type of bonus is given annually based on an employee's annual base salary. Signing bonus is a one-time payment to a job applicant who is highly desired by a company recruiter. Discretionary Bonus is used to award when employee achieved a major goal or demonstrated exceptional performance. Retention bonus is used to reward to employees for staying with the company for a long period of time such as long service award. Referral bonus is an award given to employees who help the organization to recruit new talent by referring someone for organization's vacancy. Holiday bonus is given out during the long holiday time and can be a way that company shows show gratitude to employees for a successful year's work.

**(c) Job Security**

Job Security is defined as the presumption or confidence of an employee that he will not lose his current job he is holding to, (Mwangangi & Nahashon, 2019). In the other way, Job security is generally used to understand the expectations of continuity in the present job (Davy, Kinicki, & Scheck, 1997). High level job security indicates that the employees will not lose their jobs in the near future. Job security is more of a perception, it is intangible thing which cannot look at however can feel it. Job security will be diverse in different professions and industries. This factor affects employees' performance in a company. The employees with low job security always feel under threat regarding their job and the employee could not work to their full potential. Often then threat faced by such employees will also be transferred to other employees in the company. This will lead to a low productivity of the employees. Hence employees' perception about how secure their employment is very important for performance of the company.

The perceived job security depends on many factors, some of the main factors are individual's performance, current economic situation, the performance of the company in which the employees are working, the importance of their skills to the employer etc. The employees

with low performance and with no differentiating skills can be replaced by others at any point of time, since many others are available who could do the same job, hence more job insecurity. Job security would be high in the public sectors than in the private sectors (Munnell & Fraenkel, 2013). And job security would be very low in the service sectors as the economic situations are unpredictable and continuously changing. At any point of time employees can increase their position in the company by their performance, their contribution to the company and their differentiating skills.

**(d) Promotion**

The advancement of an employee from one job position to another job position with a higher salary rank, often more and higher-level job responsibilities is called a promotion. It is a vertical move in rank and responsibility. Pergamit and Veum (1999) defines promotion as a movement to a position in which responsibility and prestige increase. Feleke (2020) defined promotion as a movement to a position in which responsibility and prestige increase. It is a job with more prestige and income. Visually, a promotion moves an employee's job up one level on an organizational chart. According to Biswanath Ghosh appointment to a position requiring higher qualifications such as greater skill or longer experience and involving a higher level of responsibility, a higher rate of pay, and a title change is considered a promotion and will be classified as such in all personnel documents. Promotions will be made without regard to the employee's race, color, sex, religion, age, ethnic origin, or disability. Promotion is different from upgrading. Promotion means advancing an employee to a higher status, while upgrading means increasing pay for the same job or moving to a larger scale without changing the job.

**(e) Fringe Benefits**

According to Zirra, Mambula and Anyatonwu (2019) fringe benefits are forms of indirect compensation given to an employee or group of employees as a part of organizational membership. Oguejiofor and Umeano (2018) defined them as that part of the total reward package provided to employees in addition to base or performance pay. Fringe benefits focus on maintaining (or improving) the quality of life for employees and providing a level of protection and financial security for workers and for their family members. Like base pay plans, the major objective for most organizational fringe compensation programs is to attract, retain and motivate qualified, competent employees (Oguejiofor & Umeano, 2018). Mathis and Jackson (2008) continued to state that an employer that provides a more attractive benefits package often enjoys an advantage over other employers in hiring and retaining qualified

employees when the competing firms offered similar base pay. Most of the fringe benefits that offer today are Transportation assistance (Ferry), Mobile phone allowance, Travelling expense and allowance, free coffee and snack (Saranya, 2016).

### **2.2.2 Intrinsic Rewards**

According to Kenneth, Botwe and Lakhawat (2016) intrinsic rewards are internal to the individual and are in many ways less tangible. In actual fact, intrinsic rewards are highly subjective, in that they represent how the individual perceives and feels about work and its value. Malhotra, Mukherjee, Gilliland and Collins (2010) argued that intrinsic rewards are inherent in the content of the job itself and include motivational characteristics such as skill variety, autonomy and feedback as well as employee participation in decision making and role clarity (Kenneth, Botwe, & Lakhawat, 2016). According to Malhotra, Budhwar and Prowse (2007) intrinsic rewards are best suited for motivating employees. Intrinsic rewards elicit a positive emotional reaction and work to motivate employees to continue to improve as well as make lasting behavioral changes when needed (Ryan & Deci, 2020). According to Tymon et al. (2010) the intrinsic rewards experienced are a critical element in employee retention, satisfaction with the organization, and career success. Stumpf et al. (2013) revealed that increasing intrinsic rewards can reduce employees' dissatisfaction. Ajila and Abiola (2004) explained that intrinsic rewards have a positive and significant influence on the performance of the employee in an organization. Some of the intrinsic benefits are career growth, skill development, appreciation, empowerment, and interest.

#### **(a) Career Growth**

Hall and Lawrence (1989) stated that career is the sequential process of an individual's work experience as time goes on. The career process includes the cultivation of professional interest, the ability of acquiring professional competence, the choice of career, the obtainment of employment, and until leaving the job (Super, 1980). Career growth is the speed with which employees move along with work that is more valuable to them (Graen, Chun, Dharwadkar, Grewal, & Wakabayashi, 1997). Jans (1989) gave a notion of career prospects as an individual's perceptions of the chances of development and advancement. Career growth could be divided into four aspects (Weng and Hu, 2009) career goal progress (to what extent do one's present job provide opportunities to realize the career objective and career development); professional ability development (to what extent do one's present job provide opportunities to learn new occupational skills, knowledge, and experience); promotion speed (an employee's

perceptions towards the rate and likelihood of being promoted); and remuneration growth (an employee's perceptions of the speed, amount, likelihood of increases in reward). Weng and McElroy (2012) collapsed these four dimensions to three because promotion speed and remuneration growth were highly correlated. Hence, promotion speed and remuneration growth were combined into a single dimension of organizational rewards. It shows that career growth has a function for employees to make an effort to their occupational progress within the company.

#### **(b) Skill Development**

Human resources are the intellectual property of the firm, employees prove to be a good source of gaining competitive advantage (Elnaga & Imran, 2013) and skill development is the only way of developing organizational intellectual property through building employees' competencies. Companies began realizing that they can challenge employees with lateral moves, skills development, job enrichment and special assignments (Moses, 1999). Employee development took a necessary shift from focusing on promotion to focusing on skill development (Feldman, 2000). Training is more of a learning activity to acquire better skills and knowledge needed to perform a task, (Cole, 2002) and also skill development is cornerstone to the employees' skills and performance, (Thacker & Holl, 2008). Moreover, skill development training can be used to prepare employees to meet the challenges and changes in the workplace and to upgrade and refine skills (Struwig & Smith, 2000). To come up with the desired knowledge, skills and abilities from employees to perform well at their job side, requires proper skill development programs that may likewise have an impact on employees' job satisfaction and employee performance. According to Nunvi (2006) skill development programs are directed towards maintaining and improving current job performance while development seeks to improve skills for future jobs. Expressing an understanding of skill development training, Armstrong (2013) emphasized that skill development training should be developed and practiced within the organization by appreciating learning of theories and approaches, if training is to be well understood.

#### **(c) Appreciation**

Employee appreciation is defined as the act of recognizing and rewarding employee contributions to the workplace either through formal or informal channels. Yang (2008) stated that appreciation and praise are included in intrinsic rewards. Rewards and appreciation affect the motivation of employees significantly (Danish & Usman, 2010). Psychological or

intangible rewards (intrinsic) like appreciation plays a very important role in motivating employees and raising their job satisfaction at organization. Showing appreciation for employees using consistent recognition is a brilliant and cost-effective way to encourage high performance, organizational commitment, and job satisfaction (Shonubi, 2016). When it comes to employers and employees having innate satisfaction, appreciation is important tool for organization to increase employee job satisfaction.

Osteryoung (2008) stated that employee appreciation can be classified into six categories: Peer-to-peer appreciation (An employee may appreciate the work of another team member or a different division. For example, a product manager might thank the marketing team after the successful launch and promotion of a new offering), Manager appreciation (Manager appreciation is typically mandated by company policies, where managers appreciate their team members efforts. This can also take the form of organizational appreciation where senior leaders recognize an achievement), Event-based appreciation (Positive feedback may be triggered by a specific event, such as a work anniversary, the meeting of a professional target, or an exceptional accomplishment at work), Regular appreciation (Employees can also be appreciated for simply doing their jobs. This is particularly relevant for support functions such as IT, admin, payroll management, etc), Formal appreciation (This is the most common type of employee appreciation. Employees are recognized in email newsletters, award ceremonies, or similar formal events. There may also be a financial component involved in this method), and Informal appreciation (Informal appreciation may comprise a quick pat on the back, or a shout-out on the company chat app among other team members. This is essential to keep employees motivated on a day-to-day basis).

#### **(d) Empowerment**

Ghosh (2013) stated that employee empowerment is providing authority, responsibility and power of knowledge, skill and abilities to employees. Employee empowerment is also defined as a process in which employees at all levels of the organizational hierarchy are given authority for making important decisions and are assigned the responsibility for the consequences of their decisions and actions (Conger & Kanungo, 1988). In another perception, Bandura (2002) defined employee empowerment is that employees having a sense of contributing to the organization, and knowing that their work makes sense. In order to take such initiatives and decisions, they are given enough authority and resources. This allocation of authority is not based on the concept of delegation-based relationship. In employee empowerment it is a trust-based relationship, which is established between management and

employees. An empowered employee becomes self-directed and self-controlled. Empowerment means giving up control on employees and letting every employee makes decisions, set goals, accomplish results and receive rewards. When employees are given the authority to make task related decisions, they will have the chance to become more self-regulating and self-directing (Niehoff, Moorman, Blakely, & Fuller, 2001). It is a process for helping right person at the right levels to make right decisions for the right reasons.

According to Rao (1996) elements of employee empowerment are: Control over work situation (The employees of the organization must have a sense of parental control over their individual work situation), Self-sufficiency or competence (The employees must be capable of performing assigned tasks. The employees must have confidence in their performance), Purposefulness (The empowered employees must feel the significance the task assigned to him. Every employee must know how their work fits into the larger scheme of things), Belief system and trust (The employees must clearly understand the impact of decision taken on the performance and effectiveness of the organization).

**(e) Interest**

Sometimes, employees might interest in other new interesting things such as technology, human resource management, supply chain, accounting, etc. than their current professional. Giving employees opportunities to learn new knowledge or skills of their new interest can show them that organization care about their development and organization want them to achieve their best. Interest has been described as an outcome of motivated behavior because it develops and deepens with engagement, developmentally, interest is also a mediator of engagement (Hidi & Renninger, 2006). According to interest theory (Hidi & Renninger, 2006; Krapp, 2002) people engage in intrinsically motivated behaviors because of personal preferences to interact with a particular content (individual interest) or due to stimulating task characteristics that, on average, many people find to be interesting (situational interest).

### **2.3 Job Satisfaction**

Job satisfaction is an important variable that is able to give an opinion about general emotion and thinking forms of employees about their job and workplace. Job satisfaction refers to expectations of the employees about the workplace and their attitudes forward their job. Job satisfaction is a function of the extent to which one's needs are satisfied in a job (Togia Koustelios, & Tsigilis, 2004). According to Pearson (1991) employees wait for their job to

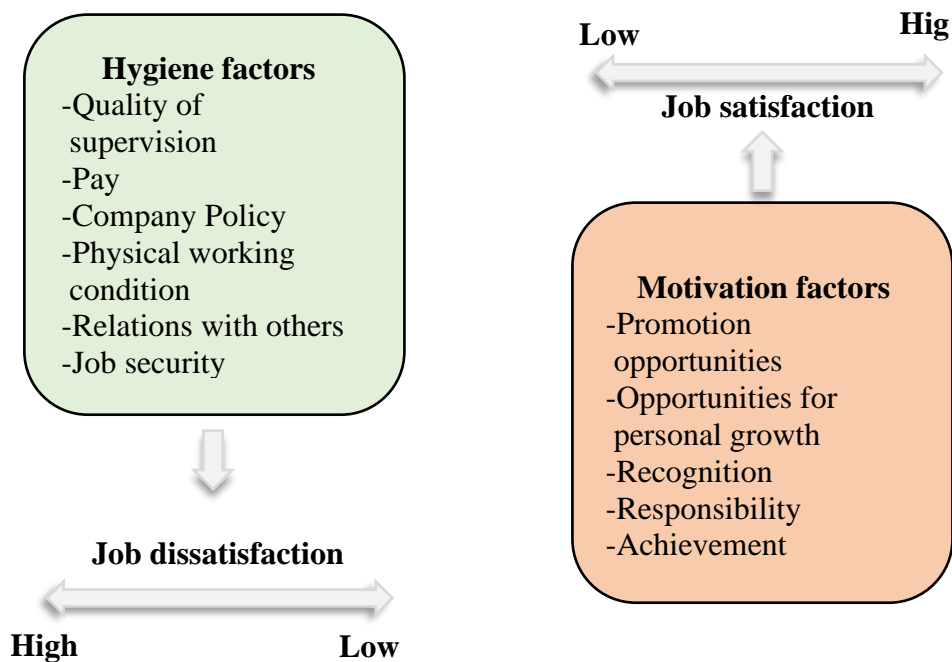
provide an aggregation of features (e.g. pay, promotion and autonomy) for which the employee has certain favorable values.

Job satisfaction is an affective or emotional response towards various facets of ones' job. Locke (1976) defined the concept (job satisfaction) as a 'pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences. Employees with high job satisfaction holds positive attitudes towards their job, while employees who is dissatisfied with their job holds negative attitude or behavior about the job. Job satisfaction has two major managerial implications. If it is high, the employee will perform better. On the other hand, if job satisfaction is low, there will be performance problems.

Over the years a growing number of behavioral scientists have generated an accumulated knowledge with their investigation on the crucial issue of job satisfaction. The most representative theory (Herzberg, 1986).

Herzberg's dual-factor theory (Figure 2.1) questions the above principles, stipulating that some factors influence satisfaction and dissatisfaction. Those sets of factors are different, and they can be addressed separately. The theory refers to them as motivational factors and hygiene factors.

**Figure (2.1) Herzberg's Two Factor Theory**



Source: Herzberg (2005)

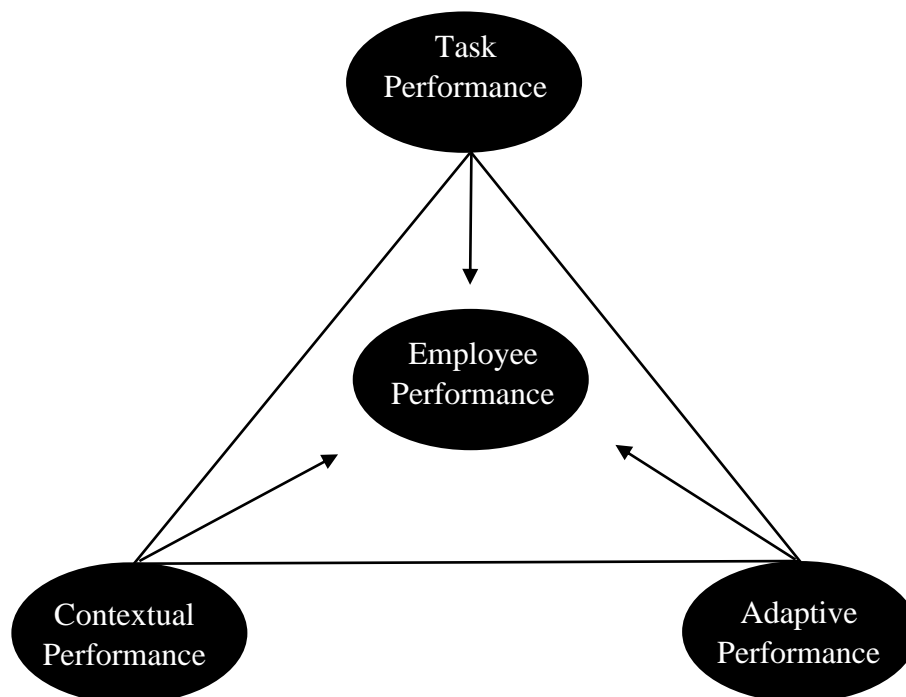


Hygiene factors do not increase satisfaction or motivate employees, but they have a direct impact on dissatisfaction resulting from their absence. Those factors describe the job environment and include salary, benefits, job security, company policies and work conditions. If these factors are bad, employees are dissatisfied. But if they are good, employees are not dissatisfied but not motivated either. On the contrary, motivation factors deal with the job itself and impact motivation; these factors include challenging, meaningful work; recognition of one's input and responsibility. Hygiene factors are roughly covered by the needs at the base of Maslow's pyramid, while motivational factors are closer to the top.

## 2.4 Employee Performance

Understanding the performance of each employee is essential as the crucial management decisions are based on individual performance (Sonnentag, Volmer and Spychala, 2008), leading to an organizational success. Performance is defined as "behavior that accomplishes results" (Armstrong & Taylor, 2020). Individual job performance is defined as "things that people actually do, actions they take, that contribute to the organization's goals" (Campbell & Wiernik, 2015). According to the Triarchy model of employee performance (Figure 2.2), there are three different form of performance: Task Performance, Adaptive Performance, and Contextual Performance.

**Figure (2.2) The Triarchy Model of Employee Performance**



Source: Pradhan & Jena (2016)

Task performance covers a person's contribution to organizational performance, refers to actions that are part of the formal reward system (i.e., technical core), and addresses the requirements as specified in job descriptions (Williams & Karau, 1991). At a general level, task performance consists of activities that transform materials into the goods and services produced by the organization or to allow for efficient functioning of the organization (Motowidlo & Borman, 1997). 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) (Campbell, McCloy, Oppler, & Sager, 1993).

Adaptive performance is an employee's ability to adapt to rapidly changing work situations (Park & Park, 2019). Campbell, McCloy, Oppler, Sager 's (1993) stated that taxonomy of work performance did not initially include adaptive performance. However, due to changing and dynamic work environments, the need for adaptive employees has become increasingly important (Pulakos, Arad, Donovan, & Plamondon, 2000; Smith, Ford, & Kozlowski, 1997). 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 (Neal, & Hesketh, 1999).

Contextual performance is typically conceptualized as being under the motivational control of individuals and less constrained by work characteristics than task performance (Motowidlo & Borman, 1997). It is generally assumed that individuals can engage in contextual activities if they wish, and that this choice reflects individual differences in motivation (Motowidlo et al., 1997; Neal & Griffin, 1999). Contextual performance consists of behavior that does not directly contribute to organizational performance but supports the organizational, social and psychological environment. Contextual performance is different from task performance as it includes activities that are not formally part of the job description. It indirectly contributes to an organization's performance by facilitating task performance.

The performance is a multi-dimensional concept that consists of two aspects: the behavioral(process) aspect and the outcome (result) aspects (Armstrong & Taylor, 2020). The behavioral aspect refers to "what people do at work", while the outcome aspect refers to the "results of the individual's behavior" (Sonnentag, Volmer, & Spsychala, 2008).

## **2.5 Previous Studies**

There are so much changing in the business world and every business or organization has much relay on the employees' good performance. Rewards are considered an important tool to gain employee job satisfaction and satisfying employee will deliver the high performance at workplace in the organization.

This section explains the previous studies on the reward system, Job Satisfaction and Employee Performance. This section contains two parts. The first part is discussing on the effect of reward system on the job satisfaction. The second part is discussing on the impact of job satisfaction on the employee performance.

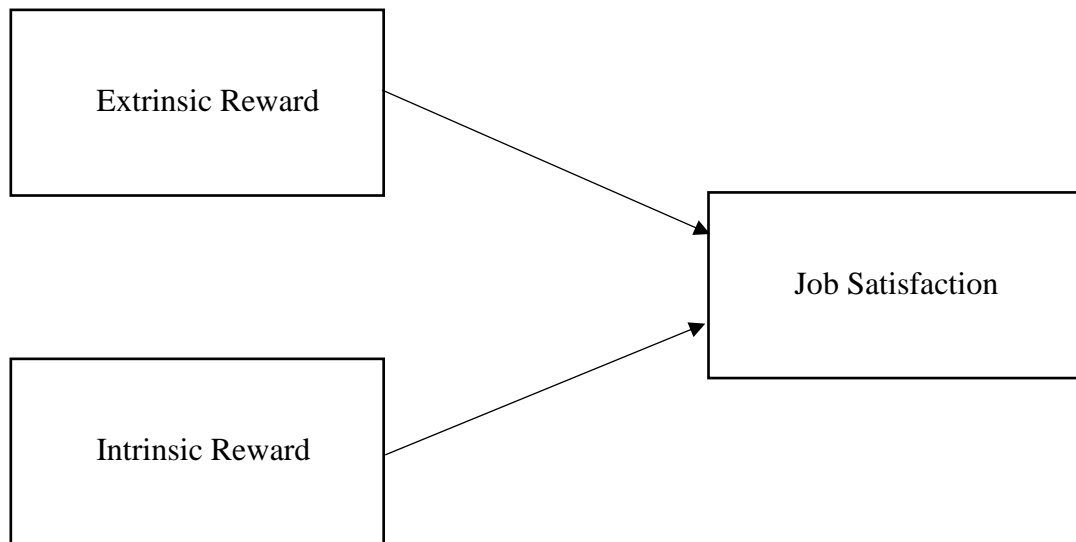
### **2.5.1 Reward System and Job Satisfaction**

Reward can be recognized as one of the key factors related to employee job satisfaction. According to Maurer (2001), rewards should be linked to organizational success as a result of employee job satisfaction and it is frequently considered as one of the key factors influencing employee satisfaction. On their part, Pascoe, Ali, & Warne (2002), indicates that the lack of external reward for someone's work is mainly in virtue of the system because rules and regulations mainly anticipate supervisors from offering “encouragement rewards” in recognition of a job well done. In other words, lack of proper rewarding system decreases job satisfaction of employees. Therefore, management of organizations institutions should develop the systems for providing rewards for jobs well done to increase employee job satisfaction.

Job rewards and job values are the intrinsic and extrinsic rewards as benefits that workers receive from their jobs. It can be subdivided into intrinsic rewards which are non-financial benefits like Career Growth, Skill development, Appreciation, Empowerment and Interest. Extrinsic rewards are financial benefits and organizational rewards like salary, Bonus, Job Security, Promotion and Fringe Benefits.

Figure (2.3) shows the conceptual framework of the case study of COMSATS Institute of Information Technology, Sahiwal, Pakistan by (Fareed, UIAbidan, Shahzad, & Amen, 2013). It focused on the effects of reward systems on job satisfaction in them modern work environment, telecommunication sector of Okara city, Pakistan, and how satisfaction with reward can lead to higher job satisfaction.

**Figure- (2.3) Conceptual Framework of Fareed et al.,**



Source: Fareed et al., (2013)

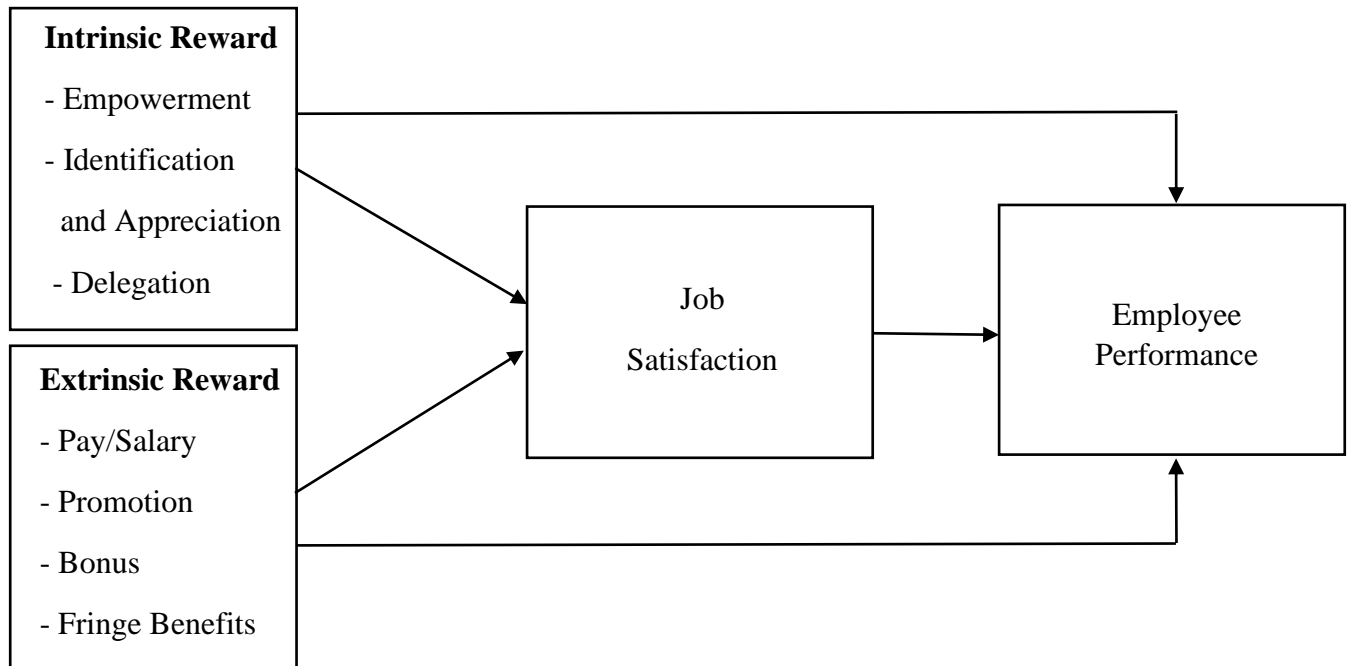
### **2.5.2 Job Satisfaction and Employee Performance**

Various researchers suggested that “psychological and physical rewards have significant impact on job satisfaction.” It is the belief that employees when rewarded and motivated achieve best on their job and are satisfied with their work, which in turn will lead to a contented workforce. And this workforce will perform at their best efficiencies (Indermun & Bayat, 2013).

Awan & Asghar (2014) stated there is a positive relationship between job satisfaction and employee performance with respect to pay package, security level, and the reward system. A satisfied employee in terms of their pay compensation, promotion, better work environment, good managerial relations feel secure at their job will perform at their best. The employees who are satisfied are a valuable asset to their organizations as they achieve better and strive hard to achieve their organizational goals efficiently, whereas employees who not satisfied are reflected as a load for any organization (Shmailan, & Abdulwahab, 2016).

According to Robbins, Judge, Millett, and Boyle, (2009) employees tend to prefer jobs that give them opportunities to use their skills and abilities and offer a variety of tasks, freedom, and feedback on how well they are doing. “When opportunities are given to employees to advance in their field of work, it will enhance job satisfaction and performance” (Funmilola, Sola, & Olusola, 2013).

**Figure (2.4) Conceptual Framework of Gohari, Ali, Jafar, Mahmood**



Source: Gohari, Ali, Jafar, Mahmood (2013)

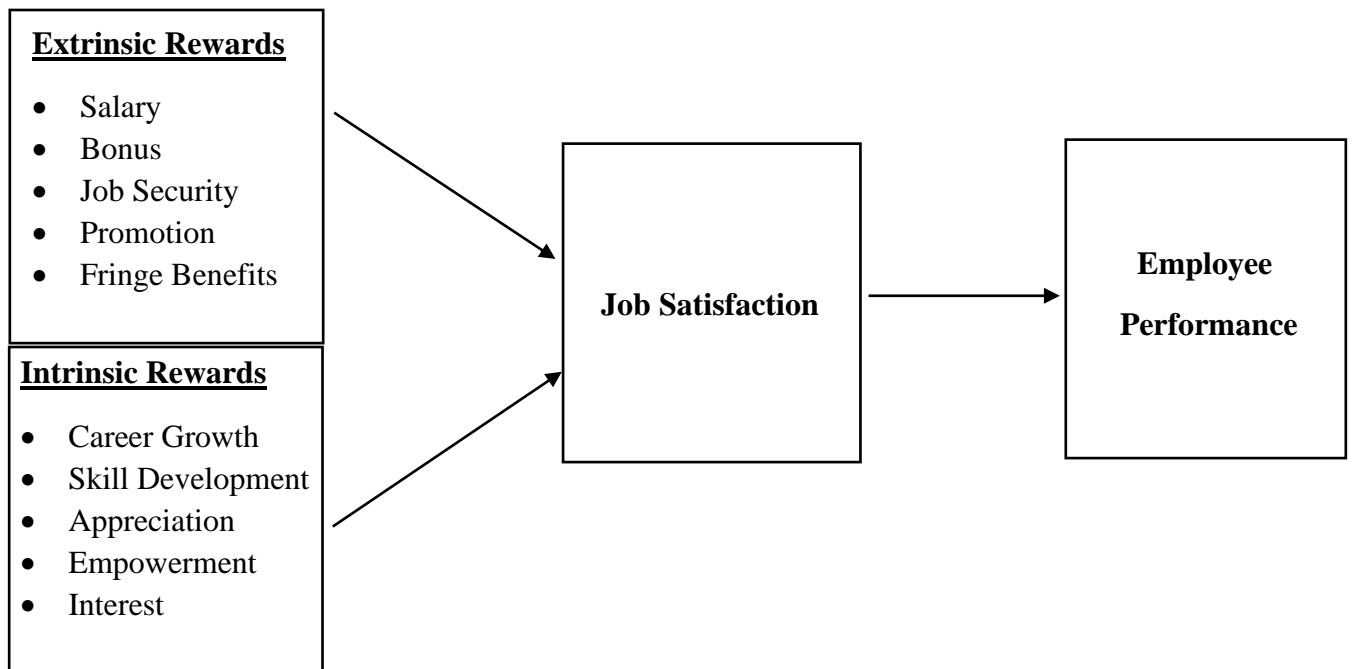
Figure (2.4) shows the conceptual framework of the case study of relationship between rewards and employee performance: a mediating role of job satisfaction by (Gohari, Ali, Jafar, & Mahmood, 2013). It focused on the impact of reward system (both intrinsic and extrinsic) on job satisfaction and employee performance.

## **2.6 Conceptual Framework of the Study**

This study attempted to explore the relationship between the reward system, job satisfaction and employee performance. Reward system is the independent variable. Job Satisfaction is independent variable and Employee performance is 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.

The conceptual framework (Figure- 2.5) of the study is developed base on the above literature review and previous studies. The model is construct to study how the extrinsic reward and intrinsic reward effect on the employee job satisfaction and result significant level of employee performance in MASTECH Company Limited. This study is intended to examine the effect of reward system on job satisfaction and the impact of job satisfaction on the employee performance in MASTECH Company Limited.

**Figure (2.5) Conceptual Framework of the Study**



Source: Own Compilation based on previous studies (2022)

Salary, Bonus, Job Security, Promotion and Fringe Benefits are chosen as sub variables for extrinsic reward and Career Growth, Skill development, Appreciation, Empowerment and Interest are chosen for intrinsic reward. The model specifies the role of job satisfaction as a mediator that rewarding effects on employee performance.

## **CHAPTER 3**

### **PROFILE AND REWARD SYSTEM OF MASTECH COMPANY LIMITED**

This chapter focuses on the reward system of MASTECH Company Limited and it contains two parts. The first part of this chapter presents the company's profile, vision and mission statement and a brief overview of its reward system. The second part of this chapter describes the demographic profile of the respondents to survey.

#### **3.1 Profile of MASTECH Company Limited**

MASTECH Company Limited was incorporated in 1995 and MASTECH was a private-owned company. MASTECH Head Office is located in Yangon and one branch office is in MICT Park Yangon. One Sales office in Mandalay. MASTECH is delivering the Information Technology (IT), Extra Low Voltage (ELV), and Communication & Digital related solutions. IT solutions are IT Infrastructure solution, IT Security solutions and IT Business solutions. Under ELV solutions which include Surveillance (CCTV), Access Control System (ACS), Alarm Intrusion System, Guard Tour System, Audio and Video Intercom System, Public Address System (PA), Fire Alarm and Fire Fighting System, Nurse Call System, X Ray Scanner and Metal Detector, Integrated Security System. For Communication & Digital solutions, MASTECH delivers Unified Communications, PABX (IP, Hybrid, Analog), Video and Audio Conference, Queue Management System (QMS), Digital Display, Meeting Room Booking System, Information Kiosks and Video Wall solutions.

##### **3.1.1 Vision, Mission and Objectives of MASTECH Company Limited**

A vision statement describes what a company desires to achieve in the long-run, generally in a time frame of five to ten years, or sometimes even longer. It depicts a vision of what the company will look like in the future and sets a defined direction for the planning and execution of corporate-level strategies. The vision of the MASTECH for its future prospect is "To be the leading technologies, solutions, and services supplier by delivering outstanding value, continuous innovation and exceptional customer experience".

A mission statement is generally short statement and used by a company to explain, in simple and concise terms, its purpose(s) for being. The mission statement of the MASTECH is

“To be recognized as a leader and partner of choice for delivering sustainable, high quality and innovative building solutions that exceed our customers' expectations while minimizing the environmental impact associated with construction”.

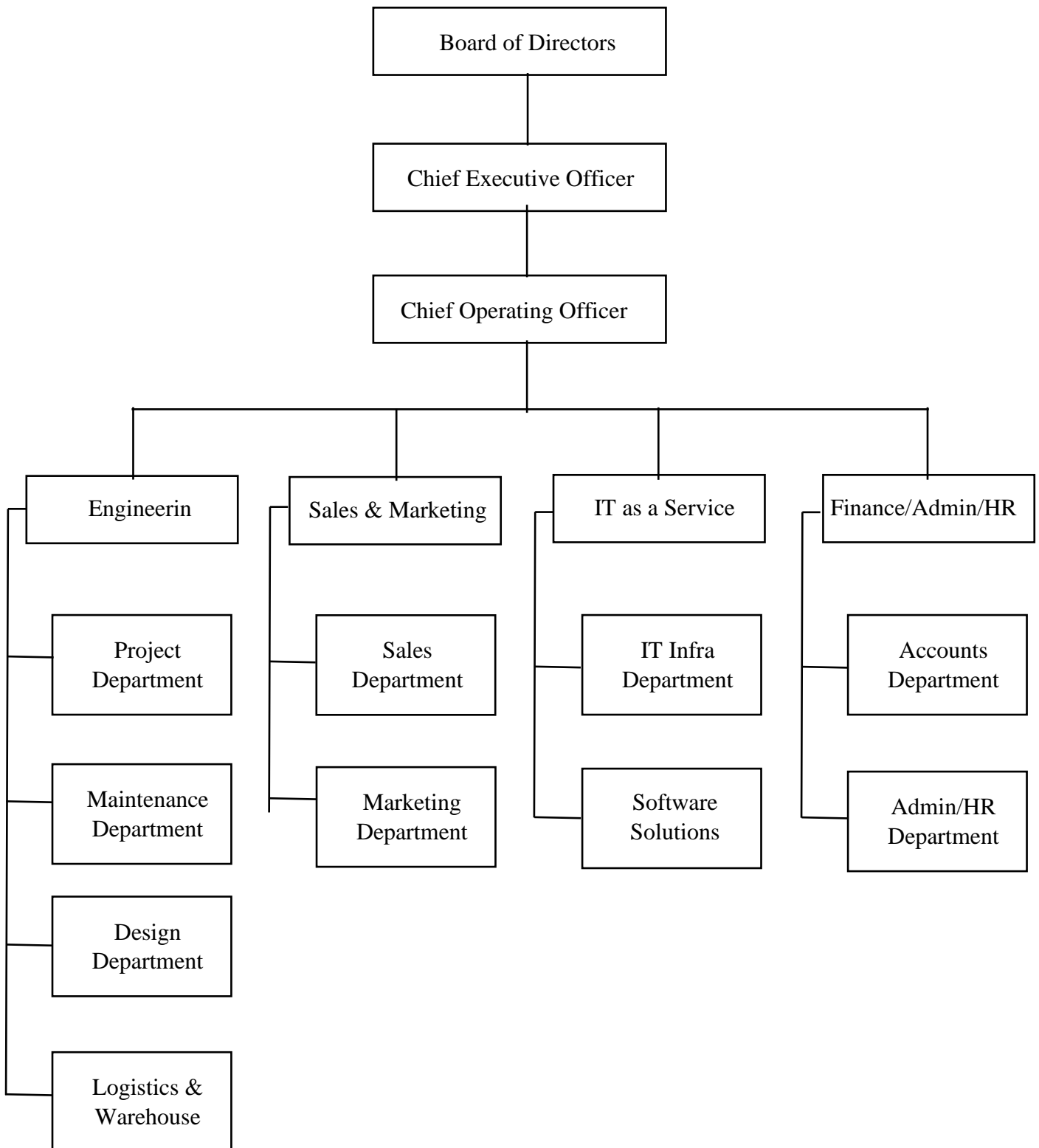
Digital Transformation is driving everyone and everything to be connected, via new and advanced Information and Communication Technologies (ICT) such as Internet of Things (IoT), Cloud Computing, Big Data, Artificial Intelligence, Analytic etc. This will create profound transformation to business and organization activities, processes, competencies, etc. Fully harnessing the opportunities created by Digital Transformation can provide substantial operational efficiency and strategic competitive advantages for businesses and organization. MASTECH objective is “MASTECH positions itself as a key player to assist its clients to achieve the optimum benefits resulting from Digital Transformation”.

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

MASTECH Company Limited is composed of four main departments and each main department has its respective sub departments. Four main departments are Engineering department, Sales & Marketing department, IT as a Service (ITaaS) department, and Finance/Admin/HR department. There are four sub departments under Engineering department and they are project department, maintenance department, design department, and logistics and warehouse department. sales department and marketing department are under sales and marketing department. IT as a Service (ITaaS) department has two sub department which are IT Infra department and software solutions department. Under Finance/Admin/HR department, there are accounts department and admin/HR department.



**Figure (3.1) Organization Chart of MASTECH Company Limited**



Source: MASTECH Company Limited (2022)

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

MASTECH Company Limited is practicing reward system not only extrinsic reward but also intrinsic reward. Company provides extrinsic rewards are totally based on the performance of the employees. But not all the elements of the intrinsic rewards are based on the employee performance except the empowerment. Reward practices of the MASTECH Company Limited are Salary, Bonus, Job Security, Promotion, Fringe Benefits, Career Growth, Skill Development, Appreciation, Empowerment and Interest.

### **3.2.1 Extrinsic Reward**

MASTECH Company Limited is providing salary, bonus, job security, promotion and fringe benefits as extrinsic reward at present day. Most of the rewards are based on the employee performance and employee performance is measured by the Key Performance Indicator (KPI). Company is evaluating its employees assessment by conducting the KPI appraisal for every year.

#### **(a) Salary**

MASTECH Company Limited states its employees' salary as direct financial compensation and salary is paid monthly. Employees pay scale is determined by the employee's academic educational, professional certification, years of experience, previous job role and job responsibility, skill and capability. The standard annual incremental in salary is mainly depend on the key performance indicator (KPI) of each employee and KPI appraisal is done every second month (February) of the year. MASTECH Company Limited's pay scale is attractive for employees if they compare their salary with other companies in the same industry.

#### **(b) Bonus**

To show gratitude to employees such as who meet longevity milestones, MASTECH Company Limited is using bonuses. Company is not practicing the year-end bonus system. Company is providing the bonus at the end of March every year for the consideration of Thingyan long holiday. Company has the clear bonus calculation policy and the amount of awarding bonus depend on the contribution of each employee to the organization. Company awards one more type of bonus which is called long service award which is also known

retention bonus. This type of bonus reward to the employees who staying with the company for a long period of time.

**(c) Job Security**

MASTECH Company Limited is opening the opportunities to all level of employees to doing things with their new ideas of the employees to increase their productivity. Company also provides suitable job-related skill development programs to its employees for improving their capabilities. Moreover, employees can feedback their required job-related skill development programs to company through their reporting office or their respective manager. Company also creates the minimum distraction work environment for its employees. By creating minimum distraction work environment, employees can more focus on their work-related tasks. Company is providing these facilities to make its employees to feel that their job is secured.

**(d) Promotion**

MASTECH Company Limited has a well-developed and fair promotion plan for all level of employees. Promotion is based on well-developed performance appraisal procedure of the company and promotion policy bases on the employee performance rather than the employee seniority. Normally, company awards promotion to its employees after conducting Key Performance Indicator (KPI) every second month (February) of the year but sometimes company awards the promotion to the outstanding employees who are proving by their excellent performance at their specific job.

**(e) Fringe Benefits**

MASTECH Company Limited is providing the transportation between employees' residence and their workplaces. Company also provide the monthly mobile allowance to its employees but the provided allowance amount is depended on the job role of the employee. Company opens cafeteria for its employees and also offers free drink (coffee, tea and soft drink) and snacks. All employees are provided reasonable amount of travelling expenses and allowances whenever they need to go for business trip. Company considers fringe benefits are

important for its employees because some fringe benefits make employees more convenience at their daily work life.

### **3.2.2 Intrinsic Reward**

As intrinsic reward, MASTECH Company Limited is practicing Career Growth, Skill development, Appreciation, Empowerment and Interest. Most of the intrinsic rewards provided by the company is not based on the employee performance but reward element like empowerment is mainly based on the performance of the employee.

#### **(a) Career Growth**

MASTECH Company Limited pays attention to its employees' career growth for all level of employees. Company is using the well-developed career advancement program for the employees and all employees have the equal opportunities for their career advancement in the organization. Company develops a policy named "internal hiring process policy" and company is actively practicing this policy in the organization. This internal hiring process policy is, if there is any opening position at the company, company's HR needs to announce that opening position inside the organization before announce to external. If there is suitable candidate inside the organization, company's hiring manager has to hire that candidate before offer to other new candidates. It results that current employees have more chances to grow their career within the current company.

#### **(b) Skill Development**

MASTECH Company Limited considers employees' skill development is important for the employees and effective job-related skill development training can make employees to gain more capabilities and better performance. Company develops the learning management system (LMS) for its employees and employees can choose and learn their respective job-related skill development training from LMS. Company allocates appropriate annual budget for various type of employees' skill development programs. Company also emphasizes on skill development programs and that employees' skill development is for the purpose of organization development to align with the Company's vision and mission.

**(c) Appreciation**

MASTECH Company Limited understands the important of appreciation of the employees' contribution to the company and company is practicing in recognitions and appreciations on each and every employee's contribution to the organization. Company is always hosting the annual dinner on every third month (March) of the year. At the annual dinner, company used to reward for the prize such as the long service awards, achievement base awards and outstanding performance awards to the suitable employees. Moreover, company arranges the birthday cake for the employees every month such as birthday cake for January born employees, birthday cake for February born employees, etc. Company also held seasonal celebration for example Christmas party and presents, Thadingyut celebration.

**(d) Empowerment**

MASTECH Company Limited encourages to its senior managers, managers and senior employees to give empowerment to their suitable subordinates. That practice makes its employee to become self-directed and self-controlled and employees have chances to take more responsibilities and higher tasks. To achieve this practice, company allow all level of employees to access to the suitable information database to have update any necessary information. Furthermore, all company's policies are transparent and if policies are changed or updated, company announce that changed or updated policy to all employees. By this way, senior managers, managers and senior employees can try out to delegate authority and responsibility for higher tasks to their suitable subordinates for both personal growth and organization growth.

**(e) Interest**

Company is giving the opportunities to learn new knowledge or skills of their new interest to its employees. This shows them that organization cares about their development and want them to achieve their best in their career. Company has one database which has variety of learning materials and that database is performing like Learning Management System (LMS). All employees have permission to access to that database to learn their new interest. All employees are free to feedback to their reporting officer or management of their new interest and even if they want to change their job role, they are allowed to inform to their

respective management. Moreover, company allows employees to change to new position for their new interest if there is vacancy which is related to their new interest and the employees is also suitable for that available position.

### 3.3 Profile of the Respondents

In this analysis, questionnaires are constructed on the Google Form and distribute to all level of employees in MASTECH Company Limited. Demographic profiles of respondents include questions as gender, age, education level, current position, salary range (kyats), and service year in this company. For each question, respondents are given multiple choices and respondents have to choose the most relevant one from the multiple choices. All the results are shown in frequency and percentage as shown in Table (3.1).

**Table (3.1) Demographic Profile of Respondents**

Description		No. of Respondents	Percentage (%)
<b>Total</b>		<b>82</b>	<b>100</b>
Gender	Male	39	48
	Female	43	52
Age	18 - 25	13	16
	26 – 35	36	44
	36 – 45	30	36
	46 – 55	3	4
Education Level	High School	6	7
	Certificate	5	6
	Diploma	7	9
	Bachelor’s Degree	56	68
	Master’s Degree	7	9
	Others	1	1
Current Position	Junior Staff	16	20
	Senior Staff	28	34
	Supervisor	19	23

Description		No. of Respondents	Percentage (%)
<b>Total</b>		<b>82</b>	<b>100</b>
	Manager	18	22
	Director	1	1
Salary Range (Kyats)	100,000 – 300,000	12	15
	300,001 – 500,000	21	26
	500,001 – 1,000,000	25	30
	1,000,001 – 1,500,000	10	12
	1,500,001 – 2,000,000	6	7
	Above 2,000,001	8	10
Service Year in the Company	0 – 1 year	9	11
	1 – 3 years	20	24
	3 - 5 years	23	28
	5 – 7 years	7	9
	Above 7 years	23	28

Source: Survey Data (2022)

According to the Table (3.1), there are total eighty-two respondents for this survey which is all suitable respondents from the MASTECH Company for this survey. 52% of the respondents are female and 48% of the respondents are male respondents. The most dominant age group of respondents is 26-35 years of age group. Majority of the respondents are Bachelor's Degree holder and only 8.6% of the respondents are Master's Degree holder. The most respondent's salary range is 500,001 - 1,000,000 kyats. Regarding to the Service Year in the company, most dominant groups are 3 -5 years and above 7 years. Each of the group has 28% of respondents. There is one respondent chooses "Others" option at Education level because he is in his third year of studying at East Yangon University.

### 3.4 Reliability Test

The reliability test is very important and the purpose of the reliability test is to ensure consistent measurement through different statement in the questionnaire. According to (Sekaran & Bougie, 2003), Cronbach's alpha is used to describe the reliability of factors of extract from the questionnaires and Cronbach's alpha value should be from 0.0 to 1.0. But for

the research purpose, minimum standard for Cronbach’s Alpha value is equal or above 0.6 to make sure that all questions are consistent and reliable to be applied as the research data.

**Table (3.2) Reliability Test: Results of the Questionnaire**

No	Particulars	No. of Items	Cronbach’s Alpha
1	Salary	4	0.865
2	Bonus	4	0.904
3	Job Security	4	0.831
4	Promotion	4	0.895
5	Fringe Benefits	4	0.825
6	Career Growth	4	0.867
7	Skill development	4	0.873
8	Appreciation	4	0.873
9	Empowerment	4	0.846
10	Interest	4	0.839
11	Job Satisfaction	11	0.874
12	Employee Performance	11	0.910

Source: Survey Data (2022)

Table (3.2) describes the analysis result of Cronbach’s Alpha value for five extrinsic factors, five intrinsic factors, eleven job satisfaction factors, eleven employee satisfaction factors. The analysis result of Cronbach’s Alpha value for all variables in the table are above 0.60. Hence, all the questions are reliable and acceptable to use for this study. And as shown in the Table (3.2), the result of the Cronbach’s Alpha value of each variable, they have accomplished with consistency and stability.



## **CHAPTER 4**

### **ANALYSIS ON REWARD SYSTEM, JOB SATISFACTION AND EMPLOYEE PERFORMANCE IN MASTECH CO., LTD**

This chapter presents the data analysis and finding from questionnaires completed by eighty-two employees of MASTECH Company Limited. This chapter consists of four sections. The first section presents the overall mean value of extrinsic reward, intrinsic reward, job satisfaction, and employee performance. The second section is discussion on the regression analysis of the influencing factors of extrinsic reward on job satisfaction. The third section discuss on the regression analysis of the influencing factors of intrinsic reward on job satisfaction. The fourth section is the regression analysis of the influencing factor of job satisfaction on employee performance.

#### **4.1 Reward System of MASTECH Company Limited**

The main factor in job satisfaction is what employees expect from their jobs and what they award as reward from their job. In this study, different reward in MASTECH Company Limited is classified into two: extrinsic and Intrinsic Reward. Salary, bonus, job security, promotion and fringe benefits are considered as extrinsic reward and career growth, skill development, appreciation, empowerment and interest are taking into account as intrinsic reward which is performing in MASTECH Company Limited.

##### **4.1.1 Extrinsic Reward**

This section presents the overall mean value of five main categories. They are Salary, Bonus, Job Security, Promotion, and Fringe Benefits. The structure questionnaires are constructed by using Five-Point Likert Scale (from 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree) to find out the degree of influencing factor on job satisfaction. According to the classification of Likert (1993), the responses are interpreted as follows: The mean values 1.00 - 1.80 is classified as strongly disagree, 1.81 - 2.60 is categorized as disagree, and 2.61 - 3.40 is regarded as neither agree nor disagree, 3.41 - 4.20 are categorized as agree, 4.21 - 5.00 is categorized as strongly agree of perception on the reward system of MASTECH Company Limited.

**(a) Salary**

In this section, explore the satisfaction of the employee on the salary offered by the company. Four structure questions are constructed to collect data from eighty-two respondents to analyze the employees' satisfaction of salary offered by the company.

**Table (4.1) Salary**

<b>No.</b>	<b>Items</b>	<b>Mean</b>	<b>Standard Deviation</b>
1	Receiving right amount of salary	4.16	0.73
2	Being paid fairly in comparison to others	4.09	0.80
3	Satisfactory reviewed from time to time	4.11	0.67
4	Attractive compare with other companies	4.00	0.89
<b>Overall Mean</b>		<b>4.09</b>	

Source: Survey Data (2022)

According to the Table (4.1), the highest mean value is 4.11 and its statement is "Satisfactory reviewed from time to time" which means that employees feel satisfy on the practice of organization related to their salary increment. The statement "Attractive compare with other companies" receives the lowest mean value 4.00. This means that some employees do not comfort regarding to the salary they received from the company if they compare their pay scale to other company's pay scale in the same industry. Overall mean value is 4.09 and it is agree level. It denotes that it can be interpreted as employees feel the received amount of their salary is fair if compare with their professional skill and with the market pay scale.

**(b) Bonus**

In this section, explore the satisfaction of the employee on the bonus awarded annually by the company. Four structure questions are constructed to collect data from eighty-two respondents to analyze the employees' satisfaction on the bonus awarded annually by the company.

**Table (4.2) Bonus**

No.	Items	Mean	Standard Deviation
1	Receiving annually and satisfied with my bonus	3.98	0.86
2	Totally reflects on my contributions	3.99	0.84
3	Bonus calculation policy is satisfied	3.85	0.80
4	Bonus is increasing job satisfaction of employee	4.11	0.83
<b>Overall Mean</b>		<b>3.98</b>	

Source: Survey Data (2022)

As illustrates in Table (4.2), the highest mean value is 4.11 and its statement is “Bonus is increasing job satisfaction of employee”. It means that the practice of awarding bonus annually by company make employees to more satisfy at their workplace. The lowest mean value is 3.85 and it statement is “Bonus calculation policy is satisfied which states that the company needs more transparency in bonus calculation policy to employees. The overall mean value is 3.98 and it is agree level. It means that company has proper bonus system which make employees to increase job satisfaction in the organization.

**(c) Job Security**

In this section, explore the feeling and satisfaction of the employee on their job security by working at the MASTECH company Limited. Four structure questions are constructed to collect data from eighty-two respondents to analyze the employees’ satisfaction on their job security.

As show in Table (4.3), the statement “Opportunities to learn and grow” has the highest mean value and its value is 4.29. It means that employees feel enjoyment by having chances to learn and grow in the organization. The statement “Clearly established career path in this organization “has the lowest mean value 4.12 and which can interpret some of the employees have feel that company requires more attractive procedure of career advancement in the organization.

**Table (4.3) Job Security**

No.	Items	Mean	Standard Deviation
1	Believing that my job is secure	4.23	0.84
2	Seeing a good career for me in my organization	4.23	0.73
3	Clearly established career path in this organization	4.12	0.74
4	Opportunities to learn and grow	4.29	0.66
<b>Overall Mean</b>		<b>4.22</b>	

Source: Survey Data (2022)

The overall mean value for this factor is 4.22 which is strongly agree level. It denotes that, most of employees feels that they have an opportunity to rise their position in the company through their performance. Therefore, employees believe that their job is secured and the company is also encouraging their career development.

**(d) Promotion**

In this section, explore the satisfaction of the employee related to company promotion policy, procedure and their promotion at the company. Four structure questions are constructed to collect data from eighty-two respondents to analyze the employees' satisfaction on the company promotion policy and procedure.

**Table (4.4) Promotion**

No.	Items	Mean	Standard Deviation
1	Well-developed and fair promotion plan	4.02	0.79
2	Always based on individual performance	4.06	0.88
3	Well-developed performance appraisal procedure	3.98	0.82
4	Employee performance rather than seniority	4.04	0.84
<b>Overall Mean</b>		<b>4.02</b>	

Source: Survey Data (2022)

According to Table (4.4), the most employees' satisfaction factor in promotion is "Always based on individual performance" which get the highest mean value 4.06. This means that employees satisfy with company promotion policy which is the highest score for considering to award promotion is always based on the individual performance of the employee. The statement "Well-developed performance appraisal procedure" has the lowest

mean value 3.98. This means Key Performance Indicator (KPI) system of the company is not fully understood by some employees. The overall mean value is 4.02 and it is agree level. Therefore, most of employees think that company has fair promotion plan for employees and company is paying advancement on employees higher status.

**(e) Fringe Benefits**

In this section, analyze the satisfaction of the employee on the fringe benefits awarded by the company. Four structure questions are constructed to collect data from eighty-two respondents to analyze the employees' satisfaction on the benefits provided by the company.

**Table (4.5) Fringe Benefits**

No.	Items	Mean	Standard Deviation
1	Fringe benefits are important	4.07	0.78
2	Fair fringe benefits compare with the other companies	4.02	0.85
3	Providing flexible travelling expense and allowance	4.05	0.75
4	Attractive for new talented comers	4.07	0.75
<b>Overall Mean</b>		<b>4.05</b>	

Source: Survey Data (2022)

According to the Table (4.5), two statements have the highest mean value, 4.07. The first statement is “Fringe benefits are important” which means most of employee like fringe benefits, such as free transport, free soft drink and snack at company’s cafeteria, mobile allowance, and reasonable travel expense fees that make it comfort their daily life at work. The second statement of highest is “Attractive for new talented comers”. This means that a good package of fringe benefits makes new employees eager to join the organization. The lowest mean value is 4.02 and its statement is “Fair fringe benefits compare with the other companies”. Some of employees consider that other companies are providing the better fringe benefits package than their company. Overall mean value of promotion is 4.05 and it is agree level. It means that employees’ daily life at work is easier due to the company supports fringe benefits such as (transportation, mobile allowance, free coffee, etc.).

### 4.1.2 Intrinsic Reward

This section presents the overall mean value of five main categories. They are Career Growth, Skill development, Appreciation Empowerment, and Interest. The structure questionnaires are constructed by using Five-Point Likert Scale (from 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree) to find out the degree of influencing factor on job satisfaction.

#### (a) Career Growth

In this section, explore on how the employees are feeling related to their Career Growth while working at the company. Four structure questions are constructed to collect data from eighty-two respondents to analyze the employees are feeling of the career growth for current and future by working in this company.

**Table (4.6) Career Growth**

No.	Items	Mean	Standard Deviation
1	Advance my career in my organization	4.00	0.70
2	Career advancement opportunities are available	4.02	0.74
3	All employees have equal chance for career growth	4.18	0.77
4	Organization cares about employees' career growth	4.06	0.93
<b>Overall Mean</b>		<b>4.07</b>	

Source: Survey Data (2022)

In line with Table (4.6), the highest mean value is 4.18 and its statement is “All employees have equal chance for career growth”. It means that company gives the same opportunities for growing in their career for all level of employees in the organization. The statement “Career advancement opportunities are available” has the lowest mean value 4.00. The result expresses that company has less chances for career growing from employees’ perceptive. The overall mean value is 4.07 and it is agree level. It means that most employees are satisfied with the prospect career growth provided by the organization.

#### (b) Skill Development

This section presents on how employees are seeing on the skill developments programs and the plan for the employees’ respective skill development programs by the company. Four

structure questions are constructed to collect data from eighty-two respondents to analyze the employees' feeling and satisfaction of the company provided skill development programs.

**Table (4.7) Skill Development**

No.	Items	Mean	Standard Deviation
1	Skill development is important for all employees	4.16	0.84
2	Motivate them to attend the skill development program	4.15	0.76
3	Receiving the right skill development that is needed	4.09	0.80
4	Satisfied with the job-related skill development program	4.04	0.74
<b>Overall Mean</b>		<b>4.11</b>	

Source: Survey Data (2022)

According to the Table (4.7), Mean value for “organization considers skill development programs are important for all employees” is the highest among others questions and its value is 4.16. It shows company is firmly considering that skill development is very important for each and every employee due to company is a technology company. The lowest mean value is 4.04 and its statement is “Satisfied with the job-related skill development programs” which means that company provided job-related skill development is not performing well. The overall mean value is 4.11 and it is agree level. It means that that company encourages skill development programs as an important program for the organization and also supports suitable skill development for its employees.

**(c) Appreciation**

In this section, analyze the satisfaction of the employee on the company appreciation to their contributions. Four structure questions are constructed to collect data from eighty-two respondents to analyze the employees' satisfaction on the company appreciation to their contributions.

As illustrates in Table (4.8), the statement “Receiving recognition on contribution to work” has the highest mean value, 4.07. This means company is aware on its employee's contribution to organization and show appreciation to the employee.

**Table (4.8) Appreciation**

No.	Items	Mean	Standard Deviation
1	Result oriented are praised and rewarded	4.05	0.78
2	Flexible in balancing work and personal life	4.02	0.70
3	Shows value on opinions, suggestions and ideas	4.04	0.81
4	Receiving recognitions on contribution to work	4.07	0.70
<b>Overall Mean</b>		<b>4.05</b>	

Source: Survey Data (2022)

The lowest mean value statement is “Flexible in balancing work and personal life” and its value is 4.02. This mean company’s flexi-time and flexi-leave arrangements are not very suitable for its employees. Overall mean of appreciation is 4.05 and it is in agree level. It means that company shows appreciation to the employees by praising and rewarding and the employees receive rewards are totally reflects to their contributions.

**(d) Empowerment**

This section presents how employees see and satisfy on the empowerment of the company senior management, managerial level and senior level to their subordinates and junior staff. Four structure questions are constructed to collect data from eighty-two respondents to analyze the employees’ perspective and satisfaction on the senior person empowerment to their subordinates.

**Table (4.9) Empowerment**

No.	Items	Mean	Standard Deviation
1	Assigning higher responsibility and work advancement	4.05	0.70
2	Able to access important information	4.00	0.79
3	Having autonomy to handle most of the issues	4.02	0.79
4	Delegate work advancement and empowerment	3.99	0.71
<b>Overall Mean</b>		<b>4.02</b>	

Source: Survey Data (2022)

According to the Table (4.9), the highest mean value is 4.05. The statement is “Assigning higher responsibility and work advancement” and it can be interpreted that



employees have chance to take more responsibilities and higher tasks in the organization. The statement “Delegate work advancement and empowerment” has lowest mean value 3.99 and which means managers or senior staff hesitate to assign important tasks to their subordinates. Overall mean value is 4.02 and it is agree level. It denotes that company encourages its senior employees to delegate higher tasks to their subordinate for work advancement and the subordinates have the autonomy to handle the tasks and issues by their own decisions.

**(e) Interest**

In this section, explore the reward element of interest in the company. Four structure questions are constructed to collect data from eighty-two respondents to analyze the reward element of interest in the company.

As illustrates in Table (4.10), the statement “Change to new position for new interest” has the highest mean value, 4.15. It means if the employee has new interest which is beyond current specific job role, there is always a chance to change to new position related to new interest in the organization.

**Table (4.10) Interest**

No.	Items	Mean	Standard Deviation
1	Opportunity to highlight new interest	4.10	0.75
2	Opportunity to learn things outside of specific job	4.07	0.77
3	Change to new position for new interest	4.15	0.70
4	All employees have equal opportunity	4.07	0.75
<b>Overall Mean</b>		<b>4.10</b>	

Source: Survey Data (2022)

Two statements have the same lowest mean value of 4.07. The first statement of the lowest mean value is “Opportunity to learn things outside of specific job” and which means there is not much chance to learn for new interest which is out of specific current job scope. The second statement “All employees have equal opportunity” means all level of employees don’t have the same opportunities for their new interest. The overall mean value is 4.10 and it is agree level. It means that company cares for its employees’ new interest and employees have opportunities to learn their new interest which are outside of their specific job and even more they have chance to change to new position which comply with their new interest.

## 4.2 Job Satisfaction

This section explores the job satisfaction of the employees in the MASTECH Company Limited. To analyze the job satisfaction of the employees in the company, eleven structure questions are constructed to collect data from eighty-two respondents.

According to the Table (4.11), the highest mean value is 4.34. The statement is “Easy to get along with colleagues” which means employees in the organization are friendly and very easy to get along with them as their colleague. There are two statements have the lowest mean value 4.10. The first statement is “Opportunities to do innovative things at work” which means employees do not have much chance to do their specific task by using their own innovative way at workplace. The second statement is “Feel a sense of pride”. It means employees are feeling less satisfaction by working in the organization.

**Table (4.11) Job Satisfaction**

No.	Items	Mean	Standard Deviation
1	Good communication from managers to employees	4.30	0.64
2	Aligned with this organizational mission	4.20	0.62
3	Opportunities to learn	4.28	0.61
4	Receiving the information, tools and resources	4.13	0.70
5	Teamwork from other departments	4.24	0.62
6	Fit with this organizational value	4.17	0.67
7	Opportunities to do innovative things at work	4.10	0.70
8	Feel a sense of pride	4.10	0.71
9	Easy to get along with colleagues	4.34	0.63
10	Actionable suggestions to improve	4.23	0.69
11	Involving in decisions	4.16	0.66
<b>Overall Mean</b>		<b>4.21</b>	

Source: Survey Data (2022)

The overall mean value for job satisfaction is 4.21 which is strongly agree level. This means that employees can collaborate with their colleagues and managers which make them to effectively working at their workplace. Employees have opportunities to learn and can-do innovative things with their own idea. Therefore, employees feel delight by working in the company and which make their job satisfaction higher.

### 4.3 Employee Performance

In this section, explore employee performance at the MASTECH company Limited. Eleven structure questions are constructed to collect data from eighty-two respondents to analyze the employee performance.

**Table (4.12) Employee Performance**

No.	Items	Mean	Standard Deviation
1	Use to maintain high standard of work	4.22	0.70
2	Capable of handling assignments	4.26	0.60
3	Very passionate about work	4.32	0.65
4	Managed to plan for work	4.24	0.58
5	Work well with minimal time and effort	4.20	0.60
6	High performer in organization	4.20	0.58
7	Use to perform well to mobilize collectively	4.26	0.64
8	Handle effectively in the face of change	4.23	0.57
9	Well with organizational changes from time to time	4.32	0.65
10	Kept looking for new challenges	4.23	0.61
11	Sharing knowledge and ideas	4.41	0.54
<b>Overall Mean</b>		<b>4.26</b>	

Source: Survey Data (2022)

As illustrate in Table (4.12), the highest mean value is 4.41 and its statement is “Sharing knowledge and ideas” which means employees are sharing their knowledge and ideas in the organization. There are two statements have the lowest mean value 4.20. The first statement is “Work well with minimal time and effort” which means there is no need for micro-management to deliver the job successfully in the organization. The second statement is “High performer in organization”. It means employees do not take themselves as high performance employee in the organization. The overall mean value for employee performance is 4.26 and it is strongly agree level. It denotes that employees can manage to plan and handle their assign tasks without much supervision. They can fulfill their tasks with minimal time and also perform well to mobilize with other teams. Moreover, company provided facilities such as innovative things, learning, good communication, etc. make employees more satisfied and their performance become higher.

#### 4.4 Analysis on the Effect of Reward System on Job Satisfaction

In this section, using both simple linear regression and multiple linear regression to explore the effect of extrinsic reward system on job satisfaction, the effect of intrinsic reward system on job satisfaction, and the effect of reward system on job satisfaction.

##### 4.4.1 Analysis on the Effect of Extrinsic Reward System on Job Satisfaction

In this section, the effect of extrinsic reward system on job satisfaction is identified by using multiple linear regression analysis. In this study, there are two main variables: extrinsic reward and job satisfaction. In regression model, salary, bonus, job security, promotion, and fringe benefits are used as independent variables and job satisfaction is used as the dependent variables. All the data types and sample size are consistent with the assumption of multiple linear regression statistics.

This research has found high positive significant between two of extrinsic reward factors (job security and fringe benefits) and job satisfaction. The results of multiple linear regression analysis are presented in Table (4.13).

**Table (4.13) Effect of Extrinsic Reward System on Job Satisfaction**

Variable	Unstandardized		Standardized	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	1.953	0.251		7.771	0.000	
Salary	-0.004	0.100	-0.006	-0.038	0.970	3.641
Bonus	-0.002	0.082	-0.003	-0.021	0.983	3.066
Job Security	0.279**	0.117	0.385	2.390	0.019	4.234
Promotion	-0.049	0.112	-0.080	-0.435	0.665	5.549
Fringe Benefits	0.320**	0.127	0.465	2.528	0.014	5.499
R Square	0.533					
Adjusted R Square	0.503					
F Value	17.371***					

Source: Survey Data (2022)

Note: \*\*\* Significant at 1% level, \*\*Significant at 5% level, \*Significant at 10% level

As illustrates in Table (4.13), the value of the R square is 0.533 and adjusted R square is 0.503. The model can explain 50.3 percent about the variance of the independent variable (salary, bonus, job security, promotion, fringe benefits) and dependent variable (job satisfaction). According to the value of variance inflation factors (VIF), there is no multicollinearity problem in this case. 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. It is found that job security has positive effect on job satisfaction 5% significant level and fringe benefits has also positive effect on job satisfaction 5% significant level. The findings showed that both job security and fringe benefits have the same level of effect on job satisfaction.

The study shows that regarding with the job security, company encourage its employees to do innovative things with their new ideas, providing job-related skill development program to gain more capability, unlimited access to Learning Management System (LMS) to learn what they want to learn and creating low distraction work environment to make more productivity. These opportunities make most of the employees feel that they have career development and their job is secured in this company. The more the employee feel their job is secured, the employees' job satisfaction is higher. Concerning the fringe benefits, company support fringe benefits such as ferry, monthly mobile allowance, free drink and snack, travelling allowance make employees ease at their daily work life and they are pleased at their work. It shows fringe benefits provided by the company that increase employees job satisfaction. The standardized coefficient (Beta) of fringe benefits has the largest value (0.465) among five explanatory variables indicating that fringe benefits have the greatest contribution to increase the job satisfaction when the variance explained by other variables is controlled for.

#### **4.4.2 Analysis on the Effect of Intrinsic Reward System on Job Satisfaction**

In this section, the effect of intrinsic reward system on job satisfaction is identified by using multiple linear regression analysis. In this study, there are two main variables: intrinsic reward and job satisfaction. In regression model, career growth, skill development, appreciation, empowerment, and interest are used as independent variables and job satisfaction is used as the dependent variables. All the data types and sample size are consistent with the assumption of multiple linear regression statistics. This research has found high positive significant between one of intrinsic reward factor skill development and job satisfaction. The results of regression analysis are presented in Table (4.14).

As shows in Table (4.14), the value of the R square is 0.586 and adjusted R square is 0.559. The model can explain 55.9 percent (adjusted R square) about the variance of the

independent variable (career growth, skill development, appreciation, empowerment, interest) and dependent variable (job satisfaction). According to the value of variance inflation factors (VIF), there is no multicollinearity problem in this case. 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. The standardized coefficient (Beta) of skill development has the largest value (0.531) among five explanatory variables indicating that skill development has the greatest contribution to increase the job satisfaction when the variance explained by other variables is controlled for.

**Table (4.14) Effect of Intrinsic Reward System on Job Satisfaction**

Variable	Unstandardized		Standardized	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	2.014	0.232		8.662	0.000	
Career Growth	0.099	0.113	0.151	0.875	0.384	5.466
Skill Development	0.347***	0.086	0.531	4.043	0.000	3.168
Appreciation	0.043	0.126	0.062	0.339	0.736	6.243
Empowerment	-0.009	0.088	-0.012	-0.100	0.921	2.856
Interest	0.056	0.119	0.078	0.472	0.638	5.011
R Square	0.586					
Adjusted R Square	0.559					
F Value	21.501***					

Source: Survey Data (2022)

Note: \*\*\* Significant at 1% level, \*\*Significant at 5% level, \*Significant at 10% level

It is also found that the skill development has positive effect on job satisfaction at 1% significant level. The result indicates that increase in skill development can raise the job satisfaction of the employees. It denotes that employees feel that skill development programs are important them to fulfill their specific tasks and can enhance their capability in their professional. Employees are happy and eager to receive the proper job-related skill development programs from company.

#### **4.4.3 Analysis on the Effect of Reward System on Job Satisfaction**

In this section, the effect of reward system on job satisfaction is identified by using multiple linear regression analysis. In this study, there are two main variables: reward and job

satisfaction. In regression model, extrinsic reward and intrinsic reward are used as independent variables and job satisfaction is used as the dependent variables. All the data types and sample size are consistent with the assumption of multiple linear regression statistics.

This research has found high positive significant between intrinsic reward and job satisfaction. The results of regression analysis are presented in Table (4.15).

**Table (4.15) Effect of Reward System on Job Satisfaction**

Variable	Unstandardized		Standardized	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	1.952	0.236		8.283	0.000	1.952
Extrinsic	0.134	0.132	0.187	1.014	0.314	0.134
Intrinsic	0.421***	0.138	0.563	3.056	0.003	0.421
R Square	0.542					
Adjusted R Square	0.531					
F Value	46.806***					

Source: Survey Data (2022)

Note: \*\*\* Significant at 1% level, \*\*Significant at 5% level, \*Significant at 10% level

As presents in Table (4.15), the value of R square is 0.542 and Adjusted R square is 0.531 thus this specific model explains that the variation of employee performance is predicted by effecting factor towards job satisfaction in the organization. The VIF (variance inflation factor) is less than 5 show that there is no multicollinearity problem in this case. This model can explain 53.1 percent about the variance of the independent variable (rewards) and dependent variable (Job Satisfaction) as the value of adjusted R square is 0.531. 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. The standardized coefficient (Beta) of Intrinsic reward has the largest value (.563) among two explanatory variables indicating that intrinsic reward has the greatest contribution to increase the job satisfaction when the variance explained by other variables is controlled for. It is also found that one of the reward variable (intrinsic) has the expected positive sign and significant value at 5 percent significant level. This positive relationship shows that the increase in intrinsic reward leads to the effect on job satisfaction.

The result indicates that increase in intrinsic reward can raise the job satisfaction of the employees. It means that employees feel intrinsic reward is important for them to growth their career, to enhance their skill and capabilities, to balance in their work life and personal life, to

take higher responsibilities, and to learn what they want to learn outside of their specific job. It also shows that increase in intrinsic reward will rise the employees' job satisfaction as well.

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

In this section, the effect of job satisfaction on employee performance is identified by using linear regression analysis. In this study, there are two main variables: job satisfaction and employee performance. In regression model, job satisfaction is used as independent variables and employee performance is used as the dependent variables. All the data types and sample size are consistent with the assumption of linear regression statistics.

This research has found high positive significant between job satisfaction and employee performance. The results of regression analysis are presented in Table (4.16).

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

Variable	Unstandardized		Standardized	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.006	0.314		3.207	0.002
Job Satisfaction	0.774***	0.074	0.760	10.443	0.000
R Square	0.577				
Adjusted R Square	0.572				
F Value	109.060***				

Source: Survey Data (2022)

Note: \*\*\* Significant at 1% level, \*\*Significant at 5% level, \*Significant at 10% level

As presents in Table (4.16), the value of R square is 0.577 and Adjusted R square is 0.572 thus this specific model explains that the variation of employee performance is predicted by effecting factor towards job satisfaction in the organization. The VIF (variance inflation factor) is less than 5 show that there is no multicollinearity problem in this case. This model can explain 57.2 percent about the variance of the independent variable (job satisfaction) and dependent variable (employee performance) as the value of adjusted R square is 0.572. 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. Due to the Standardized Beta Coefficient, job satisfaction has positive relationship with employee performance of this study. The positive relationship means that the increase in independent variable supports to higher employee performance at workplace. It is also found that job satisfaction variable has the expected positive sign and



highly significant coefficient value at 1 percent significant level. This positive relationship shows that the increase in job satisfaction leads to the effect on employee performance.

This shows increases of job satisfaction has the positive effects on employee performance in MASTECH Company Limited. Company provides the staffs for good communication, learning, innovative things, actionable suggestions, required tools and involving decisions so that the staffs energetic connect in the organizational goals. It describes that increase in employees job satisfaction will make their performance better.

## **CHAPTER 5**

### **CONCLUSION**

This chapter presents the findings and discussions, suggestions and recommendations, and needs for further study. The data used in this study based on the survey results from eighty-two respondents from MASTECH Company Limited. This chapter contains two parts. The first part includes the findings and discussions on the reward system of the company and the second part includes suggestions and recommendations on the reward factors and also describes the needs for further study.

#### **5.1 Finding and Discussion**

The overall objective of this study is to examine the effect of organization's reward system on job satisfaction and employee performance. The effect of reward system on job satisfaction and employee performance are analyzed base on the data of eighty-two respondents from MASTECH Company Limited. Most of the employees were actively participated for answering the structural questionnaires and all data were analyzed by using both multiple linear regression and simple linear regression in SPSS software.

It is found that thirty-nine out of eighty-two respondents are male respondents. The majority of the respondents are engineers such as electrical engineers, mechanical engineers, network engineers, and software engineers. Employees in age group between 26-35 years are more than any other age group and it describes that most of the employees in MASTECH Company Limited are considered as in young aged. Moreover, the educational background of the most respondents are Bachelor's Degree holders.

According to the mean values of extrinsic reward which consists of salary, bonus, job security, promotion, and fringe benefits, the employee perception for job security in extrinsic reward is higher than other four factors of the extrinsic reward. Consequently, employees are believing that their job is secured by working in this organization. According to employee perception on fringe benefits, promotion and salary, they are convenience with the company provided fringe benefits. They feel their promotion procedure and salary are fair compare to other companies in the same industry. The least employees satisfied factor in the extrinsic reward is bonus due to company cannot reward bonus to its employees in COVID-19 period.

According to the mean values of intrinsic reward which consists of career growth, skill development, appreciation, empowerment and interest, the employee perception for skill development in extrinsic reward is higher than other four factors of the extrinsic reward. Therefore, employees are very much like about the skill development programs which is conducted by the company. However, employees are not feeling pleased on career growth, appreciation, empowerment and interest factors due to company cannot facilitate these factors to its employees in this current situation.

According to the multiple linear regression result of extrinsic reward in MASTECH Company Limited, job security and fringe benefits have positive significant effect on job satisfaction. Concerning with these two variables, fringe benefits has more effect than job security on job satisfaction. Regarding with job security, MASTECH Company Limited supports the employees to feel their working environment is a crucial part of their survival and the employees feel enthused around their specific tasks. Hence, the more the employees feel their job is secured the employees' job satisfaction is higher. Concerning the fringe benefits, MASTECH Company Limited supports fringes benefits such as ferry, mobile allowance, free drink and snack, reasonable travelling allowance. Thus, staffs feel that ferry make ease in their transportation between home and office, mobile allowance makes them indirectly reduce their own expense, free drink and snack make release for their stress, and reasonable travelling expense and allowance make them to feel no burden whenever they need to travel to project locations, customer meetings, and government tender meetings. Therefore, the more the employees happy the fringe benefits, the employees' job satisfaction is higher.

In finding of the multiple linear regression result of intrinsic reward system in MASTECH Company Limited, skill development has high positive significant on job satisfaction. This result shows that company has well-developed skill development program for its employees and doing appraisal from time to time. Company provides job-related skill development programs to its employees not only increase employees' capability but also their career development, such as project management training, technical training, effective communication training, and safety training. By doing so, the more the accurate skill development programs employees received, the higher the job satisfaction. It is found that employees are satisfying at their job by receiving the skill development programs.

According to the multiple regression results for the first objective of the study, intrinsic reward of the company reward system has positive significant effect on job satisfaction. Company provides to its employees the innovative opportunities such as intelligence for effective teamwork, planning work, performing task with minimal time and effort, to cope well

with organizational change, finishing job on time to improve overall their performance. Moreover, company also allows its employees to handle their tasks without much supervision to enhance their job performance. By doing that, employees' sense of pride in doing their job become higher which result their job satisfaction also higher. It can be described as if employees are received more intrinsic reward their job satisfaction is increased.

According to the simple linear regression results for the second objective of the study, it is also found job satisfaction has positive significant effect on employee performance. All the job satisfaction elements such as good communication, learning, innovative things, actionable suggestions, required tools and involving decisions are making the feeling of employees' job satisfaction higher and employees are energetically aligned with the organizational goals and their performance is amplified. It describes that increase in employees job satisfaction will make their performance better.

## **5.2 Suggestion and Recommendations**

Based on the findings from the previous sections, some of the relevant suggestions and recommendations are submitted to more emphasize on reward system to increase job satisfaction and employee performance of MASTECH Company Limited. According to the result of data analysis of this study, the company should more emphasize and implement their reward system more appropriate to stimulate the job satisfaction and employee performance in the company.

Regarding with the extrinsic reward of job security on job satisfaction, employees are feeling that they have career development and their job is secure in this company. Hence, company should leverage on this benefit to increase employees' job satisfaction. To more extent for this benefit, the company should provide to its employees more opportunities to learn and grow in the organization and giving them clearer career path for them to growth in the organization. By doing this, employees believe they have very good career in this organization and their job satisfaction will become raise.

Concerning the extrinsic reward of fringe benefits on employees' job satisfaction, fringe benefits supported by the company makes employees life at work more ease and which results to increase employee's job satisfaction. MASTECH Company Limited should take advantages from this benefit to rise employees' job satisfaction. Therefore, company should monitor closely for existing company provided fringe benefits and try to improve them. Furthermore, company should try to look for other effective factors and add these factors to existing fringe benefits. That will make employees more pleased and easier at their daily work

life in the organization. By doing so, employees' job satisfaction will increase and the organization will receive the highest performance from its employees.

Regarding with the intrinsic reward of skill development on job satisfaction, skill development programs provided by the company enhances the capability of employees. Company encourages skill development program as an important program and also supports suitable job-related skill development programs for its employees. Employees feel that skill development programs helps their professional development and employees' job satisfaction will increase by getting skill development from company. Moreover, company should always monitor the job satisfaction of the employees and should enhance these factors to improve the reward system of the company.

Regarding with job satisfaction on employee performance at MASTECH Company Limited, high employees' job satisfaction makes them to perform better in their respective tasks in the organization. It is important to know which factors (good communication, learning, innovative things, actionable suggestions, and involving decisions) from reward system make to gain employees' job satisfaction. Company should manage strategically these factors to achieve the most employees' job satisfaction so that it will make the employees to perform their best in the organization.

However, there are some factors from both extrinsic reward and intrinsic reward are not significant. These factors are salary, bonus and promotion factors from extrinsic reward and career growth, appreciation, empowerment, and interest factors from intrinsic reward. COVID-19 pandemic situation may make this result emerge. During pandemic, company need to do temporary salary adjustment to all employees for company sustainability. Due to businesses are slow, company cannot offer bonus to its employees for year 2021. Company set new policy call cost optimization policy to reduce company expenses. Because of this policy reduce some benefits of employees, employees are not convenience with that company cost optimization policy and company should emphasize to mitigate on this problem to increase employees job satisfaction. It is recommended that company should study the employees' perceptive on current cost optimization policy and adjust the policy with employees' acceptable conditions. There are also not much opportunity for promotion and career growth for employees in the company. Besides, there are also less projects in company compare to normal condition. This makes a lesser amount of employees' contribution to company and company cannot show much appreciation to employees vice versa and less in empowerment as well. According to the result, employees are not pleased with these intrinsic factors. It is

recommended that company should educated the employees for the current situation and motivate them by sharing the company's mitigate plan and procedure during pandemic period.

Again, it is recommended that the company should emphasize on the factors (salary, bonus, promotion, career growth, appreciation, empowerment, and interest) which are not fully satisfied by the employees and should find out the most appropriate ways to improve to achieve the employees job satisfaction and the high level of job satisfaction will make the better employee performance.

Finally, the important implication to achieve the best employee performance in MASTECH Company Limited, the company is practicing the organization's reward system which includes Salary, Bonus, Job Security, Promotion, and Fringe Benefits as extrinsic rewards and Career Growth, Skill development, Appreciation, Empowerment, and Interest as intrinsic rewards to rise the employee job satisfaction. By providing these rewards from company, employees pleased of their receiving rewards and their satisfaction for their job is increased. As job satisfaction is influence on employee performance, as long as employees job satisfaction is high, their performance also high. In this way, the company have the highest level of employees' job satisfaction and which will lead to gain the best performance of the employees.

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

This study mainly focuses on how reward practices of MASTECH Company Limited effects on job satisfaction and employee performance. The main weakness of this research is the small amount of sample size, as the survey results were conducted base only on eighty-two respondents from the company due to COVID-19 pandemic period. This study could not make for others factors which might also effect on job satisfaction and employee performance. For the further research, it is recommended to conduct with this conceptual model of study for similar organizations or different organizations in different industries. Moreover, the study can be conducted by using same model with different variables such as the effect of reward system on employee engagement, employee commitment, achieving organizational goal, and so on. The different research plans are critical to produce more accurate information and solutions for applying the effective reward system in the organization. Additionally, this study will serve as a foundation for those who are enthusiastic to broaden the topic, and do similarly study in the subject of reward system.

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# **APPENDIX I**

**Questionnaire for MASTECH Company Limited**

**Yangon University of Economics**

**Master of Business Administration Programme**

**EMBA**

Dear Participant,

I am a student of Yangon University of Economic, Department of Management Studies and conducting this survey as one of the fulfillments for completing my study of Master of Business Administration. This is completely voluntary, and all your responses would be anonymous. It will take an average 5 - 10 minutes to fill it out. Thank you so much for your time and kind support.

Sincerely,

Tay Zar Win

Phone : 09 44040 8067

E-mail: win.tayzar@gmail.com

## **Part I: Demographic Characteristics of Respondents**

### **Gender**

- Male
- Female

### **Age**

- 18 - 25
- 26 - 35
- 36 - 45
- 46 - 55
- Above 56

### **Education Level**

- High School
- Certificate
- Diploma
- Bachelor's Degree
- Master's Degree
- Others, .....

### **What is your current Position**

- Junior Staff
- Senior Staff
- Supervisor
- Manager
- Director

### **Salary Range (Kyats)**

- 100,000 - 300,000
- 300,001 - 500,000
- 500,001 - 1,000,000
- 1,000,001 - 1,500,000
- 1,500,001 - 2,000,000



- 2,000,000 above

**How long have you been in Company**

- 0 - 1 Year
- 1 - 3 Years
- 3 - 5 Years
- 5 - 7 Years
- 7 Years above

**Part II: Reward System**

**1. Extrinsic Reward**

**(a) Salary**

1	I receive right amount of salary for my efforts and skills.					
2	I'm being paid fairly in comparison to others.					
3	The salary is satisfactory reviewed from time to time.					
4	The pay scale is attractive compare with other companies in the same industry.					

**(b) Bonus**

1	I receive bonus annually and satisfied with my awarded bonus amount.					
2	My awarded bonus amount totally reflects on my contributions to organization.					
3	Bonus calculation policy in this company is satisfied.					
4	Bonus is for increasing job satisfaction of employee for going another year with this company.					

**(c) Job Security**

1	I believe that my job is secure.					
2	I see a good career for me in my organization.					
3	I feel that I have a clearly established career path in this organization.					
4	I have opportunities to learn and grow in my organization.					

**(d) Promotion**

1	My company adopted a well-developed and fair promotion plan.					
2	Promotions in my company always based on individual performance.					
3	Company has a well-developed performance appraisal procedure.					
4	Promotion policy in this company is related to employee performance rather than seniority.					

**(e) Fringe Benefits**

1	Fringe benefits are important for me to keep me motivated in my company.					
2	My company provides a fair fringe benefits compare with the other companies.					
3	Company provides flexible travelling expense and allowance.					
4	Attractive fringe benefits may attractive new talented comers and important for job satisfaction.					

## 2. Intrinsic Reward

### (a) Career Growth

1	I see a path for me to advance my career in my organization.					
2	I am pleased with the career advancement opportunities available to me in my organization.					
3	All employees have equal chance for career growth in my organization.					
4	I feel my organization cares about employees' career growth.					

### (b) Skill Development

1	My organization considers skill development is important for all employees.					
2	Employees are given appraisal in order to motivate them to attend the skill development training.					
3	I have received the skill development training that is needed to do my job at this company.					
4	I am satisfied with the job-related skill development training that my organization offers.					

### (c) Appreciation

1	People who are hardworking and result oriented are praised and rewarded in my organization.					
2	Management pay attention on my personal needs and being flexible in balancing my work and personal life.					
3	My organization shows value on my opinions, suggestions and ideas to organization.					
4	I am used to received recognitions on my contribution to work.					

**(d) Empowerment**

1	There are chances of assigning me higher responsibility and work advancement in this company.					
2	I am able to access important information and involved in making major decisions.					
3	I have autonomy to handle most of the issues and my senior intervene only when important and irregular issues arise.					
4	All seniors delegate work advancement and empowerment for their suitable subordinates.					

**(e) Interest**

1	I have opportunity to highlight my management for conflict of interest in my organization.					
2	I have opportunities to learn things outside of my specific job.					
3	I have chance to change to new position for my new interest in my organization.					
4	All employees have equal opportunity for conflict of interest in my organization.					

### Part III: Job Satisfaction

1	There is good communication from managers to employees.					
2	I am aligned with this organizational mission.					
3	I have opportunities to learn what I want to learn in this organization.					
4	I receive the information, tools and resources I need to do my job effectively.					
5	I get support a teamwork from other departments in my organization.					
6	My value fit with this organizational value.					
7	I get opportunities to do innovative things at work.					
8	I feel a sense of pride in doing my job.					
9	It is easy to get along with my colleagues.					
10	My supervisor provides me with actionable suggestions on what I can do to improve.					
11	I feel involved in decisions that affect our organizational community.					

### Part IV: Employee Performance

1	I use to maintain high standard of work.					
2	I am capable of handling my assignments without much supervision.					
3	I am very passionate about my work.					
4	I managed to plan my work so that it was done on time.					
5	I was able to perform my work well with minimal time and effort.					
6	My colleague believe I am high performer in my organization.					
7	I use to perform well to mobilize collective intelligence for effective team work.					
8	I can handle effectively my work team in the face of change.					
9	I use to cope well with organizational changes from time to time.					
10	I kept looking for new challenges in my job.					
11	I use to share knowledge and ideas among my team members.					

## APPENDIX II

### REGRESSION ANALYSIS

#### 1. The Effect of Extrinsic Reward on Job 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	.730 <sup>a</sup>	0.533	0.503	0.30866	0.533	17.371	5	76	0.000	2.053

a. Predictors: (Constant), Fringe\_Benefits, Bonus, Salry, Job\_Security, Promotion

b. Dependent Variable: Job\_Satisfaction

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

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.274	5	1.655	17.371	.000 <sup>b</sup>
	Residual	7.240	76	0.095		
	Total	15.515	81			

a. Dependent Variable: Job\_Satisfaction

b. Predictors: (Constant), Fringe\_Benefits, Bonus, Salry, Job\_Security, Promotion

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

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.953	0.251		7.771	0.000
	Salary	-0.004	0.100	-0.006	-0.038	0.970
	Bonus	-0.002	0.082	-0.003	-0.021	0.983
	Job_Security	0.279	0.117	0.385	2.390	0.019
	Promotion	-0.049	0.112	-0.080	-0.435	0.665
	Fringe_Benefits	0.320	0.127	0.465	2.528	0.014

a. Dependent Variable: Job\_Satisfaction

**2. The Effect of Intrinsic Reward on Job 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	.765 <sup>a</sup>	0.586	0.559	0.29077	0.586	21.501	5	76	0.000	1.996

a. Predictors: (Constant), Interest, Empowerment, Skill development, Career\_Growth, Appreciation

b. Dependent Variable: Job\_Satisfaction

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

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.089	5	1.818	21.501	.000 <sup>b</sup>
	Residual	6.426	76	0.085		
	Total	15.515	81			

a. Dependent Variable: Job\_Satisfaction

b. Predictors: (Constant), Interest, Empowerment, Skill development, Career\_Growth, Appreciation

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

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.014	0.232		8.662	0.000
	Career_Growth	0.099	0.113	0.151	0.875	0.384
	Skill development	0.347	0.086	0.531	4.043	0.000
	Appreciation	0.043	0.126	0.062	0.339	0.736
	Empowerment	-0.009	0.088	-0.012	-0.100	0.921
	Interest	0.056	0.119	0.078	0.472	0.638

a. Dependent Variable: Job\_Satisfaction

### 3. The Effect of Intrinsic Reward on Job 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	.736 <sup>a</sup>	0.542	0.531	0.29980	0.542	46.806	2	79	0.000	2.019

a. Predictors: (Constant), Intrinsic, Extrinsic

b. Dependent Variable: Job\_Satisfaction

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

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.414	2	4.207	46.806	.000 <sup>b</sup>
	Residual	7.101	79	0.090		
	Total	15.515	81			

a. Dependent Variable: Job\_Satisfaction

b. Predictors: (Constant), Intrinsic, Extrinsic



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

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.952	0.236		8.283	0.000
	Extrinsic	0.134	0.132	0.187	1.014	0.314
	Intrinsic	0.421	0.138	0.563	3.056	0.003

a. Dependent Variable: Job\_Satisfaction

**4. The Effect of Job Satisfaction on Employee 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	.760 <sup>a</sup>	0.577	0.572	0.29181	0.577	109.060	1	80	0.000	1.947

a. Predictors: (Constant), Job\_Satisfaction

b. Dependent Variable: Employee\_Performance

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

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.287	1	9.287	109.060	.000 <sup>b</sup>
	Residual	6.812	80	0.085		
	Total	16.099	81			

a. Dependent Variable: Employee\_Performance

b. Predictors: (Constant), Job\_Satisfaction

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

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.006	0.314		3.207	0.002
	Job_Satisfaction	0.774	0.074	0.760	10.443	0.000

a. Dependent Variable: Employee\_Performance