

**THE RELATIONSHIP BETWEEN FACTOR OF MOTIVATION AND
EMPLOYEE PERFORMANCE: THE STUDY OF MANUFACTURING
INDUSTRY IN MY SUTERA SDN.BHD PENGKALAN CHEPA, KELANTAN.**

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ABSTRAC

Motivation seems to be one of the most important tools in manufacturing industry. Motivational factors play an important role in increasing employee performance. Employee's performance in return can help in improving productivity of company. To maintain effectiveness and development, managers need to adopt a clear and attainable motivational system in their organization. Organizations design motivation systems to encourage employees to perform in the most effective way but also to attract potential candidates. The key to create the efficient motivation system is an answer to the question what really motivate employees. The purpose of this study is to find which motivation factors are seen as the most important by employees considered as future motivation persons. The second aimed is to identify the relationships between factor motivation and employees performance in manufacturing company at My Sutera Sdn.Bhd, Pengkalan Chepa, Kota Bharu.

The sample of this study consisted of 120 employees from 200 populations of employees at that company. The real sample size is 127 but only 120 that I get the information because some of the questionnaire that I distributed are missing and not complete. Its consist (16 male and 104 female). This research used motivation questionnaire as instruments for data collection. This research used the SPSS program version 13 for data analysis. Different statistical procedures were used for data analysis including, percentage, mean, descriptive statistic, normality test, and Pearson correlation.

The results showed that the most important factor of motivation is training which the highest value (3.5233), second is recognition (3.4517), then reward (3.4490) and the last is peer group (3.3917). Besides that, the result about relationship between factor motivation and employees performance are showed all factor has significant relationship with employee's performance.

ABSTRAK

Motivasi seolah-olah menjadi salah satu alat yang paling penting dalam industri pembuatan. Faktor-faktor motivasi memainkan peranan penting dalam meningkatkan prestasi pekerja. Prestasi pekerja boleh membantu dalam meningkatkan produktiviti syarikat. Untuk mengekalkan keberkesanan dan pembangunan, pengurus perlu menggunakan sistem motivasi yang jelas dan boleh dicapai dalam organisasi mereka. Organisasi mereka membentuk sistem motivasi untuk menggalakkan pekerja melaksanakan dengan cara yang paling berkesan di samping untuk menarik calon-calon yang berpotensi. Kunci utama untuk mewujudkan sistem motivasi yang berkesan berdasarkan jawapan kepada soalan berkaitan apa faktor yang memberi motivasi kepada mereka. Tujuan kajian ini adalah untuk mengenalpasti faktor penting dalam motivasi terhadap prestasi pekerja. Tujuan kedua ialah untuk mengenalpasti hubungan faktor motivasi dan prestasi pekerja di syarikat pembuatan My Sutera Sdn.Bhd, Pengkalan Chepa.

Sampel kajian ini terdiri daripada 120 pekerja daripada 200 populasi pekerja di syarikat itu. Sampel saiz sebenar ialah 127 tetapi hanya 120 yang saya dapat maklumat kerana sesetengah soalan yang saya edar hilang dan tidak lengkap. Ia terdiri daripada 16 lelaki dan 104 perempuan. Kajian ini menggunakan soalan motivasi sebagai cara untuk mengumpul data. Kajian ini menggunakan program SPSS versi 13 untuk data analisis. Prosedur statistik yang berbeza telah digunakan untuk analisis data termasuk, peratusan, min, statistik deskriptif, ujian secara normal, dan korelasi Pearson.

Hasil kajian menunjukkan bahawa faktor yang paling penting dalam motivasi adalah latihan yang mempunyai nilai tertinggi (3,5233), kedua ialah pengiktirafan (3,4517), kemudian ganjaran (3,4490) dan yang terakhir adalah rakan sebaya (3,3917). Selain itu, keputusan tentang hubungan antara faktor motivasi dan prestasi pekerja menunjukkan semua faktor mempunyai hubungan yang signifikan dengan prestasi pekerja.

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CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

In general, this study is about the factor motivation of worker performance. In this study, motivations are given the greater emphasis on job performance. This study will focus on increase the motivation using the implementation of continuous improvement and to improve worker performance. As I know, decrease motivation occurs at manufacturing sector among the worker. This may be caused by some factor such as working conditions, training, reward and others. And this is all it is important to ensure that motivation of worker is high.

Motivation is a something important to an organization. It's not just important to organization, but important to the entire situation to achieve their goals and so on. It is because, without the motivation, we as a human or employee could not achieve a good quality, even in daily processing. For organization, motivation is very important in their worker because they want their worker have a good performance in any work. This is in their attitude, sense of human, discipline, quality of work and others. To achieve all of above, an organization should find its ways. Good performance of worker is more important to an organization to achieve their good worker. Performances of worker are influence by many of factor but in my research I was choose the motivation as the factor

that influence performance of worker. Motivation is the most important in their self as a worker to foster self-confident, responsible to work and others. Motivation of job also important to ensure the confident level of worker is higher.

Motivation could be intrinsic or extrinsic. Intrinsic motivation derives from within the person. It refers to the direct relationship between a worker and the task, and is usually self-applied. Examples of intrinsic motivation are achievement, accomplishment, challenge and competence which are derived from performing one's job well (Afful-Broni, 2004). Extrinsic motivation comes from the work environment, external to the person and his or her work.

Most people have an intuitive sense that motivation is linked with performance. Although some may disagree on how much impact motivation has on performance. Most would agree that high levels of performance are difficult to achieve when little or no motivation to perform is present. Working situations are perhaps the best example of the motivation–performance relationship. Many “smart” workers are fired of workplace each year because they failed to attend the work, failed to do the job properly, or simply became too distracted to perform their school duties. This statement can be proving when many organizations have training to their worker to increase the motivation and directly improve the performance. So, my research is to study the correlation between factor of motivation and employee performance in manufacturing sector.

Employees are key driving force of any organization who gives endless effort to put a company's decision into action with a view to achieve the goals of the organization. Employees therefore are regarded as an unsurpassed vital resource of the organization, and the issues of employees motivation has become an indispensable part of the human resource strategy of an organization. Motivation gives effect to performance of worker. Within the motivation, workers are more responsible to their job and directly can improve their performance. So, this research can identify the important factor of motivation toward employee performance.

1.2 Background Of Study

The most independent variable in industrial and organizational psychology is job performance. One of the major concerns of manufacturing companies has focused on improving worker productivity, which is one of the job performance measures (Borman, 2004). Gerguras (1996) described job performance as the extent to which an organisational member contributed to achieving the objectives of the organization. According to Keller (2006), when you expect the best from your employees they will give you their best. On the other hand, when you expect little from employees they will give you low performance in return, which was named by Manzoni and Barsoux (2004) as set up to fail syndrome.

So, as I mentioned above, motivation is a one factor that influences the performance of a worker. One of the most important factors that move every human being to achieve his or her goal is motivation. For example in manufacturing, motivation is more important to ensure the performances of workers are increased. Indeed, motivation is that guiding principle that enables people to stay focused on the path of success regardless of the challenges that may be encountered.

Actually, motivation can be defined and explained in various ways. We found some resources from the internet and the researchers define motivation as behaviour of human. Motivation is anything done or efforts made to encourage the behaviour of employees towards better performance in the course of accomplishing the goals of the organization. Motivation is the incentives, inducements and rewards that are given to workers at regular basis so as to boost their morale for enhanced productivity.

This includes personal as well as professional goals and targets (Baumeister & Voh, 2004). Robbins and Judge (2008) posited that motivation is the process that accounts for an individual's intensity, direction and persistence of the effort toward attaining a goal. This means that motivation determines how much effort a person puts in his or her work, the direction to which all efforts are focused and a measure of how long a person can maintain effort.

Motivation may be define as psychological forces that determine the direction of a person's behaviour in manufacturing sector, a person level of effort and person persistence in face of obstacles. Motivation plays a critical role in achieving goals and business objectives and is equally as important for companies that work in a team-based environment or in a workplace comprised of workers who work independently. It's also important to produce a good quality performance of worker. Making sure each worker's workplace goals and values are aligned with the organization's mission and vision is important for creating and maintaining a high level of motivation. It is can lead to higher productivity, improved work quality and performance across all departments.

Because of that, employee motivation is one of the strategies of managers to enhance effective job performance among workers in organizations. Motivation as a basic psychological process. Other meaning of motivating is the management process of influencing behaviour based on the knowledge of what make people tick (Luthans, 1998). Luthans (1998) asserts that motivation is the process that arouses, energizes, directs, and maintains the behaviour and performance. So, it is the process of stimulating people to action and to achieve a desired task. The one way of stimulating people is to employ effective motivation of employer, which makes workers more satisfied with and committed to their jobs. Money is not only motivator. There are other incentives which can also serve as motivators. However, in order to observe an effective of work performance in an organization, work motivation may not be only the key factor as put by Luthans (1998).

Motivation is the incentives, inducements and rewards that are given to workers at regular basis so as to boost their morale for enhanced productivity. To make the motivation are efficiency, human factor is the most vital and critical of all organizational resources. The human factor, through the leadership, mobilizes and utilizes all other factors for the production of concrete outputs. The non-human materials are considered to be mere potentials until turned to consumable goods and services. Consequently, for optimum performance, the workforce needs to be regularly

motivated and encouraged through incentives, which can be economic, material and psychological in nature. (Ajayi, 2004).

Fundamentally, motivation is the process that leads to behaviour, and this process cannot be directly measured or observed. Consequently, earlier researchers on motivation have identified various factors that could be applied in measuring motivation. In particular, Herzberg (1966) empirically identified satisfaction/no satisfaction factor and dissatisfaction/ no dissatisfaction factors as the determinants of staff motivation and staff contentment at work respectively. Nelson and Quick (2003) note that motivation factor are the more important of the two set of factor because they directly affect a person's motivation drive to do a good job.

From the recent survey by Watson Wyatt, it's showed that only three out of 10 workers agree that their company's performance management system helps improve performance. While, less than 40 percent of employees said their systems are established clear performance goals, generated honest feedback or used the technology to streamline the process. While these results suggest that there are may be poorly designed performance management systems in many organizations, it is typically not under developed tools and processes that cause difficulties with performance management. Rather, difficulties existence because, its core, performance management is a highly personal and often threatening process for both managers and employees.

1.3 Problem Statement and Issues

Nowadays, all people such as students, worker, children and others must have motivation in their self. Now, motivation is important not only for important self but also to achieve goals and objective of school for student and for worker it's important to achieve organization goals and objectives.

From the euro journal, in manufacturing sector many employees have problem when they feel that they are not recognized or appreciated by their employers for their hand work and in turn develop decrease motivation. Because of decrease of motivation, employees will fell down to doing their job and directly will effect to employees performance.

Besides that, other problem of motivation worker is the inherent problem I have identified is that many employers have attempted several different incentive programs to motivate their employees. This is a major problem faced by employers these days, because of the fact that each employer's company is founded on the strength of its employees' performance.

From other research before, they said in manufacturing, some leader do not appreciated the fact that employees have to be motivated to ensure they do what they have to do, so that the goals and objectives of the organization are achieved.

So, my research will focus the important factor of motivation toward worker performance. Besides that, I will determine how motivation can influence performance of worker. At the end of the research paper, some suitable recommendations will come out to overcome the ways of worker can be motivated.

1.4 Research Objectives

The objectives of a research project summarize what is to be achieved by the study. These objectives should be closely related to the research problem. The general objective of a study states what researchers expect to achieve by the study in general terms. It is possible (and advisable) to break down a general objective into smaller, logically connected parts. These are normally referred to as specific objectives. Specific objectives should systematically address the various research questions. They should specify what you will do in your study, where and for what it purpose. Research objective are shown below:

- i. To identify the important factor of motivation toward employee performance.
- ii. To determine relationship of factor motivation and employee performance.

1.5 RESEARCH QUESTION

A research question is a clear, focused, concise, complex and arguable question around which you centre your research. We should ask the question about an issue that you are genuinely curious about.

- i. What the important factor of motivations toward employee performance?
- ii. What are the relationships of factor motivation and employee performance?

1.6 RESEARCH HYPOTHESIS

H1: There is relationship between reward and employees performance.

H2: There is relationship between employer recognizes the employee's job and the performance of employees

H3: There is relationship between training of employees and employee's performance.

H4: There is relationship between Peer group and employee's performance.

1.7 RESEARCH SCOPE

In this research, the focus study is the employees' motivation in manufacturing sector. For this research, I focus on employees in manufacturing sector at My Sutera Sdn. Bhd., Pengkalan Chepa in Kota Bharu, Kelantan. I choose one manufacturing company at Pengkalan Chepa. It is because they are part of the social community experience in their work.

1.8 SIGNIFICANT OF THE STUDY

The research of my study is to identify the important factor of motivation. So as a result, manufacturer can avoid that factor. It is because, its can help them realize that the motivation is an important to worker performance. Useful and relevant information obtained from the study will ensure their worker performances are increase and their worker having higher value of motivation.

I also hope this study will help the manufacturing company achieve their goal with the availability of a motivated employee if the cause of demotivation is avoided. It is because, manufacturing company can increase the performance of worker in their job.

So, lead to increasing the motivation and performance of worker, it will be higher productivity of the company.

The result of study about motivation and worker performance also give advantage to company. For example, company increase the motivation among worker, increase the performance of worker and lead to increasing of company profit, then increase the productivity. So the higher motivation of worker is needed to increase the worker performance.

1.9 OPERATIONAL DEFINITION

Operational definition is an expresses the meaning of the terms as used in a particular field of study.

Motivation

In this study, motivation can be define as the process that leads to behaviour, and this process cannot be directly measured or observed. Motivation also is psychological forces that determine the direction of a person's behaviour in manufacturing sector, a person level of effort and person persistence in face of obstacles.

Performance

Performance defined as "those actions or behaviours that are relevant to the organization's goals and can be scaled in terms of each individual's proficiency" (Campbell, 1993). Also Performance is" the process of evaluating how well employees perform their jobs when compared to a set of standards, and then communicating that information to those employees" (Mathis & Jackson, 2000).

Employee Performance:

The activity of performance ; of doing something fruitfully; by knowledge as famous from simply possessing it; A performance Comprises an event in which

normally one group of people the performer or Performers act in a particular way for another group of people

Intrinsic motivation

Intrinsic motivation refers to motivation that comes from inside an individual rather than from any external or outside rewards, such as money or grades.

Extrinsic motivation

Extrinsic motivation is a construct that pertains whenever an activity is done in order to attain some separable outcome. Extrinsic motivation thus contrasts with intrinsic motivation, which refers to doing an activity simply for the enjoyment of the activity itself, rather than its instrumental value.

Incentive

Incentive is inducement or supplemental reward that serves as a motivational device for a desired action or behaviour. An incentive is something that motivates an individual to perform an action. The study of incentive structures is central to the study of all economic activity

1.10 Expected Result

In this study, I as students of this project hope that this study goes well so that I can spend this study and can gain some of the knowledge of the information sought. I also hope that the research conducted at the manufacturing sector at Pengkalan cheapa can meet the objectives of this study, where the studies made in this factory can provide complete cooperation. Other than that, I hope that with this study, how they resolve these issues and others. I also hope that this study provides positive results in evaluating the factor motivation of worker when the worker performance increases. This study also can identify and see the cause of employees' motivation.

I also hope this research can help to improve employees' performance at the workplace, to maintain employees and to help companies establish a good image. I also hope this research would help many managers and leaders in our society to identify the things that they need to do in order to successfully motivate their employees to perform at their best. Because, as a manager this knowledge will therefore help me to understand what new strategies I could implement in order to motivate employees to achieve optimal business results. So, it is evident that there is a need for this study because of the many companies that are constantly spending money on various ways to increase employee motivation.

1.11 THEORETICAL FRAMEWORK

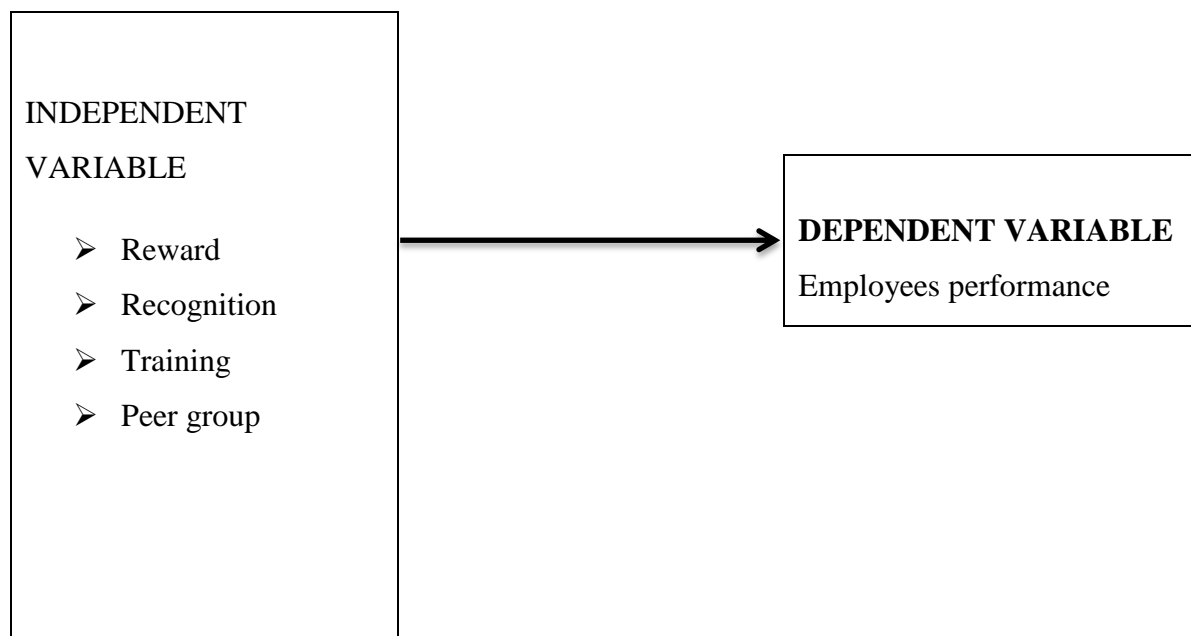


Figure 1.1: Theoretical framework of independent variable and dependent Variable

CHAPTER 2

LITERITURE REVIEW

2.1 Introduction

Literature is a critical summary and an assessment of the current state of knowledge, or current state of the art in a particular field. In this research topic, we'll found some proved come from source such journal, article, and etc that show that interrelated between independent and dependent variable. There is an avalanche of literature on motivation and motivational theories. Content of theories provide some insights into people's needs and help in the understanding of what people will (and will not) value as work motivation. There are four content theories: Maslow's Hierarchy of Needs, then, Herzberg's Two Factor theory, Alderfer's Three Part Hierarchy of Needs and McClelland's Achievement Motivation theory (Robbins, Millel, Caccioppe & Water-Marsh, 2001).

2.2 Motivation

According to Wikipedia (2010), Motivation, a Latin word ‘movere’ means to move. Motivation is the activation or energization of goal-oriented behaviour. According to Nelson and Quick (2003), motivation is the process of arousing and sustaining goal-directed behaviour. Luthans (1998) sees it as the process that arouses, energizes, directs and sustains behaviour and performance, while Pinder (1998) defines work motivation as the set of internal and external forces that initiate work related behaviour, and determine its form, direction, intensity and duration.

According to Kreitner (1995), motivation has been defined as the psychological process that gives behaviour purpose and direction, a predisposition to behave in a purposive manner to achieve specific, unmet needs (Buford, Bedeian, & Lindner, 1995), an internal drive to satisfy and unsatisfied need (Higgins, 1994).

Motivation can be defined as a driving force within a person which stimulates the individual to do something up to the target level in order to fulfil some need or expectation (Mullins, 2007). It is a complex issue of human behaviour which varies from person to a person as a result; different people are motivated in different way (Kressler, 2003). Everyone has motives inspired by certain factors that encourage the desire to enhance performance (ibid). People’s behaviour is determined by what motivates them and their performance is the product of both ability level and motivation (Mullins, 2007).

The cited definitions shared some implicative commonalities. First, motivation is in built in every human being and only needed to be activated or aroused. Second, motivation is temporal as a motivated person at one time can become demotivated another time. Hence, individual motivation must be sustained and nourished after it has been effectively activated. Third, the essence of individual motivation in management or an organizational setting is to align employees’ behaviour with that of the organization. That is, to direct the employees thinking and doing (performance) towards effective and efficient achievement of the organizational goals.

2.3 Job Performance

The most important dependent variable in industrial and organizational psychology is job performance. According to Borman (2004), one of the major concerns of manufacturing companies has focused on improving worker productivity, which is one of the job performance measures. Greguras (1996) describes job performance as the extent to which an organisational member contributed to achieving the objectives of the organization. According to Keller (2006), when you expect the best from your employees they will give you their best. On the other hand, when you expect the little from employee they will give you low performance in return, which was named by Manzoni and Barsoux (2004) as set up to fail syndrome.

Performance is behaviour exhibited or something done by the employees (Campbell, 1990). According to Motowidlo, Borman and Schmidt (1997), job performance is the behaviour that can be evaluated in terms of the extent to which it contributes to organizational effectiveness (Onukwube, Iyabga and Fajana, 2010). Hillriegel, Jackson and Slocum (1999) see job performance as individual's work achievement after having exerted effort. Viswesveran and Ones (2000) regard it as the behaviour and outcomes that employees engage in or bring about that are linked with and contributed to organizational goals. It is clear from these definitions that job performance is related to the extent to which an employee is able to accomplish the task assigned to him or her.