The impact of rewards on employee motivation in SME in Klang Valley, Malaysia

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ABSTRACT

In the economy of Malaysia, Small and Medium Enterprises (SMEs) play an important role that is considered as the backbone of the economy. Small and Medium Enterprises (SMEs) make so many contributions to development of economy by virtue of their contribution to Gross Domestic Product and employment rate in Malaysia. The importance of employee motivation, affecting the behaviors of small and medium enterprises’ employees to behave in right ways, can ultimately decide the failure and success of each small and medium enterprise. Therefore, it is important that managers of SMEs motivate their employees in their organizations. In developing economies like Malaysia, the lack of motivation among employees to improve productivity is due to their not having goal-oriented reward system. Thus, the objective of this study is to try to examine the relationship between rewards and employees motivation in SMEs in Klang Valley. In addition, quantitative method will be used while 200 questionnaires will be distributed to the employees who are my respondents in SMEs. The employees are of individuals that are above 18 years old who had worked in SME for more than six months. The data will be analyzed using SPSS (Statistical Product and Service Solutions) software version 20.

Key Words: SMEs, Rewards, Employee Motivation
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As Raph Waldo Emerson said "Cultivate the habit of being grateful for every good thing that comes to you and to give thanks continuously, because all things have contributed to your advancement, you should include all things in your gratitude". This word has explained the importance of acknowledging others for their help. Therefore, we must realize the significance of contributions from others.

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DECLARATION

"I hereby declare that this research project is of my own effort except for the information that has been used from various authors that have been cited accordingly and ethically."

Name: Yang Yu

Signature: [Signature]

Date: 27th August 2014
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LIST OF ABBREVIATIONS

KL  Kuala Lumpur
KMO  Kaiser-Meyer-Olkin
KV  Klang Valley
MITI  Minister of International Trade and Industry
MSA  Measures of Sampling Adequacy
SMEs  Small and medium sized enterprises
SPSS  Statistical Product and Service Solutions