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THE FACTORS AFFECTING EMPLOYEE PERFORMANCE IN PALM OIL
INDUSTRY AT FELDA JENGA 21, PAHANG

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"I acknowledge this is the result of my own work except the summaries and that I
have described each of the sources"

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I would like to dedicate the appreciation to my family members especially my parent, Mr. Juraimy Bin Mat Jani and Ms. Suhaidah Binti Kamarudin who motivate and encourage me in completing this study.

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ABSTRACT

The aim of the study is to identify the relationship between factors affecting on employee performance in Palm Oil industry at FELDA Jengka 21. In this study, the factors or the independent variables consists of personal motivation, work environment, remuneration, and training. Firstly, the researcher will determine the relationship between personal motivation, work environment, remuneration, and training to the employee performance. Second, this study will identify the factors increase employee performance. Thirdly, this study will describe the affecting of personal motivation, work environment, remuneration, and training on employee performance. The scope of this study will only cover whether personal motivation, work environment, remuneration, and training in relation with employee performance. The research method used to conduct the study is by quantitative approach where sample of 81 questionnaires was distributed to employee at Palm Oil Industry at Jengka 21 which is 30 questionnaires is used for pilot test and 51 questionnaires is used as actual data in this study. Then, the data have been analyse using descriptive analysis, pearson correlation, multiple, and linear regression analysis. The findings of multiple regression analysis indicated that there is significant relationship between with three of factors that affected employee performance. This study will be a piece of important additional information to employers to motivate employees and develop effective ways to improve employee performance.

Keywords: palm oil industry, personal motivation, work environment, remuneration, training, employee performance

ABSTRAK

Tujuan kajian ini adalah untuk mengenal pasti hubungan antara faktor-faktor yang mempengaruhi prestasi pekerja dalam industri minyak sawit di Jengka 21. Dalam kajian ini, faktor atau pembolehubah bebas terdiri daripada motivasi peribadi, persekitaran kerja, imbuhan, dan latihan. Pertama, penyelidik akan menentukan hubungan antara motivasi peribadi, persekitaran kerja, imbuhan, dan latihan kepada prestasi pekerja. Kedua, kajian ini akan mengenal pasti faktor-faktor yang meningkatkan prestasi pekerja. Ketiganya, kajian ini akan menggambarkan pengaruh motivasi peribadi, persekitaran kerja, imbuhan, dan latihan terhadap prestasi pekerja. Skop kajian ini hanya akan meliputi sama ada motivasi peribadi, persekitaran kerja, imbuhan, dan latihan berkaitan dengan prestasi pekerja. Kaedah penyelidikan yang digunakan untuk menjalankan kajian ini adalah melalui pendekatan kuantitatif di mana sampel sebanyak 81 soal selidik diedarkan kepada pekerja di Industri Minyak Sawit dan Jengka 21 yang mana 30 soal selidik digunakan untuk ujian perintis dan 51 soal selidik digunakan sebagai data sebenar dalam kajian ini. Kemudian, data telah dianalisis menggunakan analisis deskriptif, korelasi pearson, analisis regresi berganda, dan analisis regresi linier. Penemuan analisis regresi berganda menunjukkan bahawa terdapat hubungan yang signifikan antara dengan tiga faktor yang mempengaruhi prestasi pekerja. Kajian ini akan menjadi maklumat tambahan penting kepada majikan untuk memotivasi pekerja dan membangunkan cara yang berkesan untuk meningkatkan prestasi pekerja.

Kata kunci: *industry minyak sawit, motivasi peribadi, persekitaran kerja, imbuhan, latihan, prestasi pekerja*

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LIST OF ABBREVIATION

GDP	Gross Domestic Profit
DSM	Department Statistics Malaysia
FELDA	Federal Land Development Authority
FELCRA	Federal Land Consolidation and Rehabilitation Authority
RISDA	Rubber Industry Smallholder Development Authority
SOSCO	Social Security Organization
PEL	Personal Emergency Leave
MC	Medical Certificate
EL	Emergency Leave
et. al.,	and others
EP	Employee Performance
PM	Personal Motivation
WE	Work Environment
T	Training
R	Remuneration

CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter will describe the subject matter and the background of the study. The focus of this study is to understand about employee performance in palm oil industry. This study also will analyze how employees in FELDA Jengka 21 palm oil industry could be improving their task and duties performance. The aim of this chapter is to describe the background of the study which will give the reader a comprehensive overview of this study. Besides, it is also briefing about the problem statements, research questions, research objectives, and highlight the exact purpose of this study. At the end of this chapter, it will conclude with the scope, limitations, key assumption, and significant of the study.

1.2 Background of Study

Employee performance is essential for any organization. It can make substantial gains and improvement in a short time and have enormous impact on organization performance. The more efficient the employees are the more successful the organization can be. Most agreed that employee performance is vital but there is still a lot of misinformation about it – both factors influencing and the impact on employee performance. Through this study, a few variables will be analyzed to help the organization identify the factors that influence employee performance. Successful productivity was connected with employee performance. Therefore, it is essential for organization to understand and identify factors that influencing employee performance.

The factor affecting employee performance is not a new thing nowadays. Employee performance topic has become popular as research topics which have been investigated by researchers around the world. There is a lot of researched that has been conducted to identify influencing factors on employee performance. In this study, personal motivation, work environment, remuneration, and training have been conduct as the independent variables that will give imprint to the employee performance. The researcher chose this topic study due to many organizations fail to realize the relationship between these variables with employee performance. This study can help organization gain extra information and find solutions to overcome any problem regarding employee performance in organizations. The organization must stand out the performance of its employees to gain competitiveness.

The employees play an essential role in the success of the organization because in manufacturing industry, employee is like the backbones of the company. An organization is nothing without its employees. For example, in case of a poor performance of employees such as lack of consistency and not focus during work can affect the productivity of the organization which can bring to poor performance. In the end, it will affect the organization and made the organization having a hard time

to achieve its objectives and goals. Therefore, the organization is supposed to motivate its employees for the best performance or for achieving the organization objectives and goals. Nowadays, there are many discussions about the factors affecting employee performance and the relationship between an employee with efficient and effective of the organization that can enhance the better performance between both respectively.

1.3 Problem Statement

Managers have always tried to encourage their staff to perform tasks and duties to a high standard (Qayyum & Sukirno, 2012). Being flexible employee to do excellent tasks and duties nowadays is a must especially in a developing country like Malaysia. Being versatile can be described as organization provides employees with a better work-life balance and can help employer increase productivity and employee retention through personal motivation, work environment, remuneration, and training. The employee does their minimal best, unable to overcome challenges, and unmotivated were not news things today. This kind of situation always happens to any organization with poor flexible employment. Motivation remains a tough factor to manage because employee's aspiration and target do not always sensible to what their employers can provide (Lather & Jain, 2005).

Poor work surrounding such as incomplete equipment, bias, cannot adopt a new culture, and less communication between colleagues brought to the declining in employee performance especially in doing team works. Besides, remuneration is also the factors affecting employee performance. Sometimes, there is an employer who does not notice that employee performance decline because of motivation level is dwindling among the employee. This might have something to do with how

employers rewarded the employees for their works. Some organization does not appreciate their employees which lead to declining in employee performance.

Lack of consistency, un-focus during work time, keep repeating the same mistake and not prioritize of safety during working also not a new thing to the organization, especially in manufacturing industries. Therefore, training is one of effective method to increase employee performance through learning. However, some company does not want to waste too much on training their employee because of costly and they do not believe in their employee capability can help in improving organization performance through their employees.

1.4 Research Questions

To achieve the objectives of the study, the following questions were used to be the guideline for this study work:

1. What is the relationship between personal motivation, work environment, remuneration, and training to the employee performance?
2. What is the factor increase employee performance?
3. What is the affecting of personal motivation, work environment, remuneration, and training on employee performance?

1.5 Research Objectives

The objectives of this study were to help the researcher to find key factors of rising up and the rise down of employee performance. Therefore, the objectives were in the following below:

1. To determine the relationship between personal motivation, work environment, remuneration, and training to the employee performance.
2. To identify the factor increase employee performance.
3. To describe the affecting of personal motivation, work environment, remuneration, and training on employee performance.

1.6 Scope, Limitations and Key Assumption

This part will describe the scope, limitation, and key assumption of the study. The scope is focus on employee performance meanwhile the limitation will be held at palm oil industry in FELDA Jengka 21, Pahang. Lastly, this part also describe about the key assumption of the study which is participated respondents in this study.

1.6.1 Scope

This study is focused on the factors affecting employee performance. The results of this study only cover for having the personal motivation, work environment, remuneration, and training as independent variables and employee performance as a dependent variable. Besides that, the geographic research was carried out in area Jengka 21, Pahang. Thus, the researcher is chosen a potential of manufacturing industry which involved palm factory. The method that is used in this research is by distributed through a direct survey. The questionnaire is based on the literature review conducted during phase one of this study. The target of respondent are among the management and operation staffs in the palm oil factory which included executive staff and higher lever post. The respondents were selected from all departments of the palm oil industry in Jengka 21 which are office and store, operation, boiler, mechanical, compos, electrical, effluent, lab and grader staff. The respondents will be selected by using Krejcie and Morgan sampling method.

1.6.2 Limitations

Throughout this study, there has encountered several limitations. First, this study is due to time and resource constraints the study covered one year period only. The researcher additionally has a trouble to get permission from the organization authorities to conduct and attain a questionnaire survey that was visible as a possible constraint on this study. Furthermore, the subsequent difficulty is the researcher will face with the management personnel who is unwilling to offer collaborate in answering the questionnaire. The respondent might be much less cooperate and unwillingness to participate especially executive workforce and higher lever posts

because they are already overloaded with work and do no longer have time to complete the questionnaire. Besides that, there should probably a number of the respondents who will now not return back the questionnaire after final touch of the direct survey.

1.6.3 Key Assumption

The participated respondents in this study were assumed to have given their best in replying to the questionnaire. The result will help the researcher to draw valid deduction from the empirical data. The researcher imagined that the respondents have enough knowledge about the job performance of the palm industry. Independent variables were related as driving force that will be influencing the overall employee performance in achieving the company goals which to make employees feel self-efficient and allow employees to realize their potential so that they can be more excellent and responsibility in performing their tasks and duties which leading in improving their performance.

1.7 Significant of the Study

This study will be a piece of important additional information to employers to encourage employees and develop effective ways to improve employee performance. This study also can help the manufacturing palm industry to grow by creating a good relationship between management and operation staffs in the palm industry. Throughout this study, it can help the organization to manage an effective way in

heighten employee performance. This is important because the employee is the most valuable asset for an organization because a successful and highly productivity only can be achieved through excellent employee achievements. Furthermore, this study also will be given great benefits to the future researcher to conduct new research because this study will carry out more about the factors affecting employee performance at palm oil industry. By encouraging the involvement and commitment of the staff, organization objectives and goals can be achieved and will give benefits to both employer and employee respectively. The employer will gain less turnover and highly retention while the employee will get the benefits and enhance their own potential in the company. This will enhance job satisfaction among them and can cultivate loyalty and enthusiasm to the organizations.

1.8 Summary

This chapter introduces the reader about background, problem statements, research questions, research objectives, scope, limitations, key assumption, and significant of the study. It is also an outline of the main problem that was addressed and how the researcher intended to explore it. In the next chapter, we will describe the findings from the literature review on the independent variables that generally influence employee performance in the palm oil industry.

CHAPTER 2

LITERATURE REVIEWS

2.1 Introduction

This chapter will describe empirical literature on the subject matter. The relevant literature will be view under the following outline: the factors affecting employee performance are personal motivation, work environment, remuneration, and training. This chapter also comprises the theoretical framework and hypothesis of the study. This chapter brings to what can be done in order to improve employee performance. Palm oil industries in the manufacturing sector are selecting as the dimension to study the several factors that can enhance employee performance.

2.2 Palm Oil Manufacture Industry in Malaysia

The producing sector may be a very important part of Malaysia's economy (Ganesan, Xin Ling, & Kar Mun, 2017). It is often verified through Asian nation Gross Domestic Product (GDP). The producing sector witnesses growth over the year and contributed 4.9% to Asian nation economy within the second quarter of