

**EFFECT OF COMPENSATION FACTORS ON
WORK MOTIVATION IN OIL PALM
PLANTATION: A STUDY ON YOUTH IN KOTA
KINABALU, SABAH.**



MOHD SUFRI BIN MOHD HAJAR

UMS
UNIVERSITI MALAYSIA SABAH

**SCHOOL OF BUSINESS AND ECONOMICS
UNIVERSITY MALAYSIA SABAH
2010**

**EFFECT OF COMPENSATION FACTORS ON
WORK MOTIVATION IN OIL PALM
PLANTATION: A STUDY ON YOUTH IN KOTA
KINABALU, SABAH.**

MOHD SUFRI BIN MOHD HAJAR



**DISSERTATION SUBMITTED IN PARTIAL
FULFILLMENT FOR THE DEGREE OF MASTER
OF BUSINESS ADMINISTRATION**

**SCHOOL OF BUSINESS AND ECONOMICS
UNIVERSITY MALAYSIA SABAH
2010**

UNIVERSITI MALAYSIA SABAH

BORANG PENGESAHAN STATUS TESIS

JUDUL : **EFFECT OF COMPENSATION FACTORS ON WORK
MOTIVATION IN OIL PALM PLANTATION: A STUDY ON
YOUTH IN KOTA KINABALU, SABAH.**

IJAZAH : **SARJANA PERNIAGAAN DAN PENTADBIRAN (MBA)
SESI PENGAJIAN 2007 - 2010**

Saya, MOHD SUFRI BIN MOHD HAJAR mengaku membenarkan tesis sarjana ini disimpan di Perpustakaan Universiti Malaysia Sabah dengan syarat-syarat kegunaan berikut:

1. Tesis adalah hak milik Universiti Malaysia Sabah.
2. Perpustakaan Universiti Malaysia Sabah dibenarkan membuat salinan untuk tujuan pengajian sahaja.
3. Perpustakaan dibenarkan membuat salinan tesis ini sebagai bahan pertukaran Institusi Pengajian Tinggi.
4. TIDAK TERHAD.

Disahkan oleh,

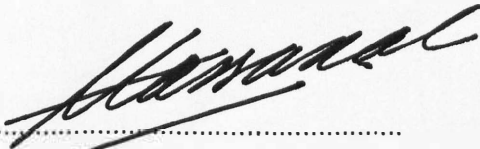


Penulis: Mohd Sufri Bin Mohd Hajar

Alamat:



TANDATANGAN PUSTAKAWAN



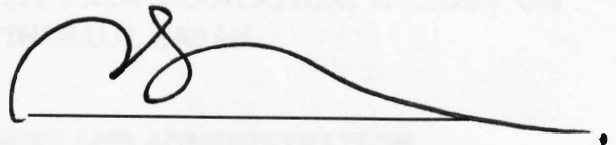
Dr. Awangku Hasanah Bahar Pengiran Bagul
Penyelia.

Tarikh: 19 Julai 2010

DECLARATION

I hereby declared that the materials in this dissertation are original except for quotes, excerpt, summaries and references, which have been appropriately acknowledged.

21 July 2010



**MOHD SUFRI BIN MOHD HAJAR
PE2007-8608**



UMS
UNIVERSITI MALAYSIA SABAH

VERIFICATION

NAME : MOHD SUFRI BIN MOHD HAJAR

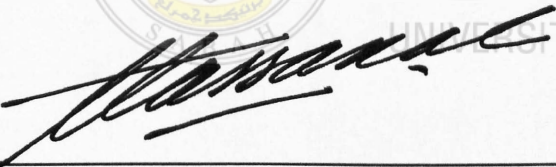
MATRIC NO : PE2007-8608

**TITLE : EFFECT OF COMPENSATION FACTORS ON WORK
MOTIVATION IN OIL PALM PLANTATION: A STUDY ON
YOUTH IN KOTA KINABALU, SABAH.**

DEGREE : MASTER OF BUSINESS AND ADMINISTRATION

VIVA DATE : 28 JUNE 2010

DECLARED BY:



DR. AWANGKU HASSANAL BAHAR PENGIRAN BAGUL
SUPERVISOR

ACKNOWLEDGEMENT

Bismillahirrahmannirrahim. I feel honored and privileged, all praised and glory to Allah the almighty who given me strength to accomplished this job.

Firstly, my gratitude to my beloved wife Caroline Ben and kids who was with me when I was up and down. Your love, support and patience have inspired me. And both my family who constantly given encouragement and support to my work.

In this small space, I would like to express my gratitude to my supervisor Dr. Awangku Hassanal Bahar Pengiran Bagul for the guidance and priceless expert advices throughout the process of completion of this research. Whereby, in the absence, I doubt that this research could be completed.

Next, I would like to thank Dr. Amran Harun and Dr. Stephen Sondoh for their countless hours to teach and guide me passionately throughout the course. Your priceless technical advices have made the research more complete.

My sincere thanks to Sabrina, Nabila and individual involved directly and indirectly during the completion of this research. Your help make this research completed.

Many thanks to all for made it possible.



UMS
UNIVERSITI MALAYSIA SABAH

ABSTRACT

EFFECT OF COMPENSATION FACTORS ON WORK MOTIVATION IN OIL PALM PLANTATION: A STUDY ON YOUTH IN KOTA KINABALU, SABAH.

The country faces the economic, social and political impact of relies to foreign workers in the oil palm plantations. Therefore, the locals are desperately needed to take the challenge to work in oil palm industry. This research aimed to examine the effect of compensation factors to work motivation. The compensation divided into five dimension namely monetary, facilities, self progress, company reputation and social significance. Vroom's expectation and valence theory explained that individuals are motivated if they know the outcome behind the action. 385 locals youth aged between 15 to 29 years old in Kota Kinabalu area were selected as sample and completed the questionnaire. Previous research suggested that there is a positive relationship between compensation and motivation. However, this research revealed that compensation factors partially supported the work motivation in oil palm plantation. The results suggested that information and effective communication regarding oil palm industry is needed to increase local interest and awareness. Finally, the research suggested that the oil palm industry players to frequently reviewing their system and packages and furthermore communicate well with local needs and lifestyle to remain significance as industry of choice.



UMS
UNIVERSITI MALAYSIA SABAH

ABSTRAK

Kesan ekonomi, social dan politik semakin terasa akibat kebergantungan terhadap pekerja asing dalam sector perladangan kelapa sawit di negara ini. Oleh itu, belia tempatan sangat diperlukan untuk menyahut cabaran bekerja dalam industry kepala sawit. Kajian ini bertujuan kesan factor ganjaran keatas motivasi pekerjaan. Ganjaran dibahagikan kepada lima dimensi termasuk kewangan, kemudahan, kemajuan diri, reputasi syarikat dan signifikan social. Teori "expectation" dan "valence" oleh Vroom menerangkan bahawa individu akan bermotivasi untuk bertindak sekiranya mengetahui hasil yang akan dijangka diperoleh. Seramai 385 belia tempatan berumur antara 15 hingga 29 tahun yang berada di Kota Kinabalu telah dipilih dan menyiapkan borang soal selidik yang disediakan. Kajian terdahulu menunjukkan hubungkait positif antara ganjaran dengan motivasi. Walaubagaimanapun, pada kajian ini ganjaran hanya menyokong sebahagian sahaja motivasi pekerjaan dalam perladangan kelapa sawit. Kajian menyarankan agar informasi dan komunikasi berkenaan kelapa sawit harus ditingkatkan bagi meningkatkan kesedaran dan minat. Akhir sekali, kajian ini mencadangkan agar industri kelapa sawit sentiasa menilai semula sistem dan pakej malah seterusnya mengekalkan komunikasi dengan keperluan dan cara hidup penduduk tempatan untuk kekal signifikan sebagai industri pilihan.



UMS
UNIVERSITI MALAYSIA SABAH

TABLE OF CONTENTS

	PAGE
TITLE	i
DECLARATION	ii
VERIFICATION	iii
ACKNOWLEDGEMENT	iv
ABSTRACT	v
<i>ABSTRAK</i>	vi
TABLE OF CONTENTS	vii
LIST OF TABLES	xi
LIST OF FIGURES	xii
LIST OF APPENDICES	xiii
 CHAPTER 1: INTRODUCTION	
1.1 Overview	1
1.2 Problem Statements	3
1.3 Objectives of the Study	4
1.4 Research Question	5
1.5 Scope of Study	5
1.5 Significance of Study	7
 CHAPTER 2: LITERATURE REVIEW	
2.1 Introduction	8
2.2 Definition of Concepts	9
2.2.1 Compensation	9
2.2.2 Extrinsic Rewards	9

2.2.2.1	Monetary	10
2.2.2.2	Facilities	12
2.2.3	Intrinsic Rewards	13
2.2.3.1	Self-Progress	13
2.2.3.2	Company Reputation	14
2.2.3.3	Social Significance	15
2.2.4	Work Motivation	16

CHAPTER 3: RESEARCH METHODOLOGY

3.1	Introduction	17
3.2	Research Framework	17
3.3	Definition of Variables	18
3.3.1	Compensation	18
3.3.2	Extrinsic Rewards	19
3.3.3	Intrinsic Rewards	19
3.3.4	Work Motivation	20
3.4	Research Hypothesis	21
3.4.1	The Relationship between Compensation Factors and Skills Knowledge	21
3.4.2	The Relationship between Compensation Factors and Plantation Benefit Packages	22
3.4.3	The Relationship between Compensation Factors and Job Responsibilities	22
3.5	Research Design	23
3.6	Research Sample and Sampling Design	24
3.7	Instrument	24
3.8	Data Collection Method	25

3.9	Pilot Study	26
3.10	Framework for Data Analysis	26
3.11	Methodology Frameworks	27

CHAPTER 4: RESULTS

4.1	Introduction	28
4.2	Data Collection and Response Rate	28
4.3	Profile of Respondents	29
4.4	Factor Analysis	31
4.4.1	Factor Analysis for Compensation Factor	31
4.4.2	Factor Analysis for Work Motivation	34
4.5	Reliability Analysis Results	36
4.6	Descriptive Statistics	38
4.7	Correlation Analysis	39
4.8	Multiple Regression Analysis	41
4.8.1	The Relationship between Compensation Factors and Skills Knowledge	41
4.8.2	The Relationship between Compensation Factors and Plantation Benefit Packages	42
4.8.3	The Relationship between Compensation Factors and Job Responsibilities	43
4.9	Summary of the Findings	44

CHAPTER 5: DISCUSSION AND CONCLUSION

5.1	Introduction	46
5.2	Recapitulation of the study	46
5.3	Discussion of Findings	48
5.3.1	The Effect of Compensation Factors on Skills and Knowledge	48

5.3.1.1	Monetary	48
5.3.1.2	Facilities	49
5.3.1.3	Self Progress	49
5.3.1.4	Company Reputation	50
5.3.1.5	Social Significance	50
5.3.2	The Effect of Compensation Factors on Plantation Benefit Packages	51
5.3.1.1	Monetary	51
5.3.1.2	Facilities	51
5.3.1.3	Self Progress	52
5.3.1.4	Company Reputation	52
5.3.1.5	Social Significance	52
5.3.3	The Effect of Compensation Factors on Job Responsibilities	53
5.3.1.1	Monetary	53
5.3.1.2	Facilities	54
5.3.1.3	Self Progress	54
5.3.1.4	Company Reputation	55
5.3.1.5	Social Significance	55
5.4	Recommendation	55
5.5	Limitation of the study	57
5.6	Suggestion for Future Research	58
5.7	Conclusion	59
REFERENCES		61
APPENDICES		65

LIST OF TABLES

	PAGE
Table 1.1: Population by Group Age and Citizenship, Sabah, 2010	6
Table 3.1: Variables in Research	21
Table 4.1: Response rate	28
Table 4.2: Profile of Respondents	30
Table 4.3: Factor Analysis for Compensation Factors	33
Table 4.4: Factor Analysis for Work Motivation	35
Table 4.5: Cronbach's Alpha Value for Variables	37
Table 4.6: Descriptive Statistics of Independent Variable	38
Table 4.7: Descriptive Statistics of Dependent Variable	38
Table 4.8: Pearson Correlation Matrix of Study Variables	39
Table 4.9: Regression Analysis of Compensation Factors on Skills and Knowledge	41
Table 4.10: Regression Analysis of Compensation Factors on Plantation Benefit Packages	42
Table 4.11: Regression Analysis of Compensation Factors on Job Responsibilities	43
Table 4.12: Summary of Research Findings	44

LIST OF FIGURES

	PAGE
Figure 3.1: Theoretical Research Framework	18
Figure 3.2: Research Methodology Framework	27



UMS
UNIVERSITI MALAYSIA SABAH

LIST OF APPENDICES

	PAGE
APPENDIX A: Questionnaire of Research	65
APPENDIX B: Frequencies for Respondent's Profiles	70
APPENDIX C1: Factor Analysis for Compensation Factors	73
APPENDIX C2: Factor Analysis for Work Motivation	77
APPENDIX D1: Reliability Analysis for Compensation Factors	80
APPENDIX D2: Reliability Analysis for Work Motivation	86
APPENDIX E: Descriptive Analysis	89
APPENDIX F1: Regression Analysis Compensation Factors on Skills and Knowledge	90
APPENDIX F1: Regression Analysis Compensation Factors on Plantation Benefit Package	93
APPENDIX F1: Regression Analysis Compensation Factors on Job Responsibilities	96
APPENDIX G: Correlation Analysis	99

CHAPTER 1

INTRODUCTION

1.1 Overview

Malaysia is one of the premier producers of oil palm in the world. Oil palm industry has brought the country to the new height for almost 30 years since 1970's. Couple of decades in Sabah, the industry still relies to foreigners to generate and maximize its profits. More than 85 percent of the workers in the industry are the Indonesian, where its home country already overtook Malaysia as the world's biggest palm oil producer in 2009. The competition to get more permanent and highly skilled manpower in Oil palm plantation would be the main threat to our country in years to come. The unemployment rate among the local youth in Sabah is quite high.

From The Star dated 9 February 2010, the Chief Executive of Malaysia Palm Oil Board (MPOB), Datuk Mamat Salleh indicated that there are more than 350,000 of foreign workers in oil palm plantation and the country dependency to foreign workers in that industry is between 50 to 90 percent. There are many vacant in the plantation but the local looks never been interested to grab the opportunities. The statistics show that not only the foreign worker supply threaten the industry but the cost to recruit foreigner also increases as the levies for plantations increased by the government from RM360 to RM540 per worker per year on 5 July 2005. Definitely, the company permanently faces the impact of hike of fixed cost if continuing employing foreigners. In contrast, the local youth likely did not take up the challenge to join the industry. The ratio of local against foreigner in the industry continuously five folded the locals. The industry player believe that issue like wages, remote locations and job difficulties are among the factors that contributed to the lower local ratio in the industry. Many initiatives initiated by the industry including the collaborations with federal and state agencies that aimed to increase the local ratio but still found difficulties and end up with failure. If the situation continues then we will see that the oil palm plantation in Malaysia will be in threat.

The immediate cure suggested is to increase wages and increase other monetary rewards like the allowances and insurance. Russel et al.(1967) in their study on 48 undergraduate students found that the monetary rewards helps in strengthen the bond of employee with employer where as at the end with proper monetary rewards resulted the productivity through less mistakes and less supervision required. The research indicates how the rewards play crucial roles in motivating employee and attracted them because it is the most instrumental and it can be used to purchase numerous other values. Money is directly or indirectly related to the needs. Locke et al. (1990) also concluded that no other incentive or motivational technique comes even close to money.

Understanding what will motivate people is crucial to overcome the problem. By understanding the target group that will help the industry to be sustained and able to take the challenge in future. There are three major models in understanding motivation; they are Maslow's hierarchy of need theory, Hersberg's two factors theory and Vroom's expectancy model.

Maslow (1943) indicates that there are five levels of needs for each individual. The lowest level is psychological whereas people need food, drink and shelter as basic need. After completing the basic need people will need safety and security. The third level is the need of belongingness, social and love. At this stage friendship, affiliation, interaction and love are the needs. The fourth level is the need of self-esteem. The highest level is the need to fulfil oneself by maximizing abilities, skills and potential, this level called as self-actualization. Maslow's theory assumes that a person needs to fulfil the basic needs before directing their behaviour towards satisfying upper-level needs.

Herzberg (1959) developed two-factor theory of motivation. The factors are called motivators-hygiene whereas the motivators is intrinsic rewards its include achievement, recognition and responsibilities and, while the hygiene is extrinsic like pay, status, job security, working conditions, fringe benefits, policies and procedures and interpersonal relationship.

Vroom (1964) suggested that certain action is followed by specific outcomes. The theory is a decision making model of work motivation which utilizes the concept of expectancy and valence. Persons are motivated to do an effort or extra effort on any subject if they know the outcome behind the actions.

In this paper, extrinsic rewards are the outcome that provided by an employers in Oil palm plantation in term of wages, allowances and any monetary intensives that will provide the force or motivation to the locals to join and be loyal to the industry. Motivation operationally defined as the inner force that drives individuals to accomplish personal and organizational goals. Motivation is force towards action is determined by sort of outcome that expected to be happened (Vroom, 1964);

1.2 Problem Statements

Oil palm plantation is labour intensive industry, the plantation is unable to produce and generate revenues to the potential if they are short of labour. Currently the oil palm plantation relies to foreign workers as main assets to do the harvesting and field maintenance. This type of job is very physical and it is very difficult to find and retain people to work for plantation.

What really matters for the local to join oil palm plantation? To attract them joining the industry many methodologies was created by the plantation itself or the industry. The common idea is to improve the compensation such as the wages, money incentives, bonus, improving the facilities and up to intrinsic compensation such as self progress and social significance.

In the era of technology and highly mobile environment, issues of rewards through money alone may not be sufficient enough to motivate people. The organizations in Oil palm plantation may look into other perspective that they may offer to attract local in joining them.

Kruglanski et al (1975) and Zur Shapira (1976) suggested that individuals are motivated by money. Bell (2005) suggested company reputation and

opportunity to progress as factors to motivate people. James Smith (1993) suggested achievement and job responsibilities.

The monetary rewards may enhance the intrinsic motivation of individual. Company's performance can be transformed by workers who themselves are personally benefited from the growth and improved quality (Jasinowski & Hamrin, 1995).

Individual behaviour is react to things that positively better to themselves therefore Vroom's Theory of expectation and valence will be applied in this study. Vroom's expectation and valence theory applied in this research because individual in this era are able to think and decide which is better for them. They what is the outcome for their action and behaviours.

All the literatures, suggested the same result which is the factors are contribute positively to work motivation. In case of oil palm plantation it could be different as the working conditions is different from the subjects that suggested by those literatures. Therefore, the research is looking into what motivates people in oil palm plantation.

1.3 Objectives of the study

This study aims to examine the effect of compensation factors and work motivation. In order to get the main objective the specific research objectives of the study listed as follows;

1. To examine the relationship between compensation factors and skills and knowledge.
2. To examine the relationship between compensation factors and plantation benefit packages.
3. To examine the relationship between compensation factors and job responsibilities.
4. To provide perspectives to the oil palm plantations on how to attract local joining the oil palm plantation.

1.4 Research Questions

The research questions in this study are in line with the research objectives as follows:

1. Does the compensation factors have a positive relationship with skills and knowledge?
2. Does the compensation factors have a positive relationship with benefit packages?
3. Does the compensation factors have a positive relationship with job responsibilities?

1.5 Scope of Study

The study will be focusing on the impact of compensation factors to individual work motivations and either the motivation developed will also motivate them to join the oil palm plantation. In other words, the study measures the influence of money, facilities, self progress, company reputation and social significance as motivation factor to increase the local number in oil palm plantation.

The study will be conducted in Kota Kinabalu, Sabah whereas the populations are modern and urban. Selection of the state because Sabah was national number one oil palm producer and hired the most foreigner in their oil palm. Selection of Kota Kinabalu as sample because the lifestyle in Kota Kinabalu is different to plantation life and the involvement of people from Kota Kinabalu in oil palm plantation also smallest compare to other district in Sabah.

The study will be conducted to the local youths in Kota Kinabalu. The National Youth Council's defined youth as young people commonly those between the ages of 15 and 29 years old. Selection of youth as sample because the group are actively seeking for job. With the modern lifestyle and highly sophisticated Malaysia's education system, the researcher is confident that the samples are able to give credible and rational answers to the questionnaire.

Therefore, the sample for this study would be among the youth between 15 to 29 years old in Kota Kinabalu. The selection of respondents also varies from employed and unemployed population.

Table 1.1: Population by Group Age and Citizenship, Sabah, 2010

Age Group	Malaysian	Non-Malaysian	Total
15-19	271,463	76,536	347,999
20-24	255,574	71,544	327,118
25-29	231,750	73,589	305,339
Segment Total	758,787	221,669	980,456
Grand Total	2,435,295	836,626	3,271,921

Source: Department of Statistics, Malaysia (2010).

The 2000 Population Census stated that Sabah population is 2,449,389. There are 354,153 or about 14 percent of total population is from Kota Kinabalu. This figure is excludes Penampang at 130,809. The Annual Average Growth Rate is consistently at 5.85 percent the growth rate is above the state's average. Beside that, the Population projection 2010 whereas the figure based on the 2000 Population Census, the Statistics is more details whereas the figures divided into Malaysian citizen and Non-Malaysian citizen with age groups.

As in 2000 Population Census there are 14 percent of Sabah Population is from Kota Kinabalu, therefore the Malaysian youth age 15 to 29 in Kota Kinabalu based on Projection 2010 Population Census and 2000 Census is 14 percent of 758,787 is 106,230. Therefore, for this study the total population is 106,230.

Uma Sekaran (2010) in hers sampling schedule clearly stated that for the population of 75,000 the sample size is 382 respondents and for the populations more than one million the sample size is 384 at least. Therefore for this study, the sample size is 383 respondents.

1.5 Significance of Study

This study highlights issues that are crucially important, not only to organizational level but up to the national level. Therefore, the significance of this study will help to provide better perspective of approach to attract our local joining the industry. By understand the effect of compensation to motivation, it definitely relates to increase the interest and the oil palm plantation know what to focus and improve to attract and recruit local.

The motivation from related rewards to the subject may help to motivate them but either the motivations is sufficient to make them to decide to select oil palm plantation as their path of career is another issue. Therefore this study will provide the prime answers from the targets point of view. The results will definitely help the industry players' better point of view and help them to manage the workers issues and especially the local issue effectively.

Beside that, this research not only contributes to the industry on how to get the locals but in the long period it may reduce the ratio gap between local and foreigner in this industry. The gradual approach to increase the local ratio shall be initiated from now on because of the tight competition of this industry between Malaysia and Indonesia as world major oil palm producer. Therefore to continue significant in the competition Malaysia need to produce on their domestic resource. The locals are the truly back bone for our country. A lot of disadvantages to Malaysia if Indonesia starts to stringent their regulations on foreign workers supply to this country.

Therefore, the best solution for Malaysia is to encourage the local joining the industry to increase the ratio in order to reduce the risks. So that this study will provide the better perspective to understand our local behaviour towards the industry, from this perspective the industry may develop the framework to recruit them in a better scale.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

The key literature review focuses on extrinsic rewards and its relationship to motivate person performance and behaviour. The connection within the current research and previously published and established models in motivation like Vroom's expectation theory and Maslow's theory also discussed to construct a strong foundation for this study. The review also identifies the subject of interest as well as if there is any relationship between each variable.

The concept of reward applied like a barter system whereas or like buying goods or services the customer paying the money to get at least similar value to the desired product or services paid. It has become closely related to the concept of employer branding, in terms of the term Employee Value Proposition (EVP) being used to define the underlying 'offer' on which an organisation's employer brand marketing and management activities are based. In this context, the EVP is often referred to as the Employer Brand Proposition (Barrow and Mosley, 2005).

The perspective from the other side also has the similar assumption on the things they are selling. The services or product they are selling has a breakeven value where if they satisfied with the value or price they will continue supply to similar customers.

In the case of worker motivations, it is important to provide better and reviewed rewards to the workers to ensure they are happy. Despite the obvious importance of reward system to both employers and employee and future employee, experience has shown that they are neither simple nor easy to design and implement in ways both parties will views as mutual beneficial and satisfactory (Steers, 1991).

2.2 Definition of Concepts

The definition of the concepts is more to define the broad problem area and ascertain our own theories about the situational factors impacting on the central problem.

2.2.1 Compensation

Reward is always referred to compensations. Milkovich & Newman (2008) defined compensation as all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship. Money is the crucial incentive because it is the most instrumental and it can be used to purchase numerous other values. Money is directly or indirectly related to all of man's needs. Locke et al. (1990) has summarized that no other incentive or motivational technique comes even close to money.

Lawler (1995) suggested that the role of compensation is to motivate. In an addition to determining what to motivate, compensation systems must also consider what types of rewards actually motivate (Ledford and Lawler, 1994). On top of as motivator, compensation is important as communicator (Lawler, 1994). Gross (1995) suggests that pay is primarily a communication device. Whereas from the pay check its send a message on the organization shapes and culture (Lawler, 1994)

A precondition to pay based on individual performance as a motivational device is that individual contributions can be accurately measured. The linkages between performance and rewards have to be established in details to avoid unexpected outcome in the future. In contrast, group performance base is recommended for different nature of work demand like the job nature that demanded close cooperation in the workforce (Gomes-Mejia & Welbourne, 1988).

2.2.2 Extrinsic Rewards

Extrinsic motivation refers to motivation that comes from outside of an individual. The money, incentives, allowance are always the medium to bridge people motivation towards work and achieving desired result. Grades also the extrinsic