

APPENDICES

Date: 12th April 2004

Company Address:

Dear Sir/Madam

REQUEST TO PARTICIPATE IN MBA RESEARCH STUDY

Title: "Comparative Study on relationship between Compensation Policy and Level of Organizational Commitment"

The purpose of this letter is to request your participation in my Research Paper.

My name is Mokhtar A. Rashid, a final year student of Master in Business Administration (MBA) at University of Malaya, Kuala Lumpur. I am currently working on my thesis paper on the above-mentioned title, under the supervision of Professor Dr. Nor Khomar Ishak, Faculty of Business and Accountancy.

The main objective of this research is to explore and establish the relationship between the extent of compensation policy and the level of employee's commitment, particularly in the construction industry. Much detail will be examined to strengthen our understanding of the antecedents of organizational commitment, and whether the compensation policy plays an important role in individual's working behavior.

Your participation is very critical and will affect the outcome of the study. You can be assured that your responses will be treated with confidentiality, and your identity will not be reviewed.

I thank you very much for the time and your participation. Please kindly submit the completed survey form before 30th April 2004 by using the self-addressed-stamped envelope or call me for collection.

With best regards,

MOKHTAR A. RASHID
Master in Business Administration, 2004
University Malaya

H/P : 012-291 6303
Email: mork29@hotmail.com

“University Malaya Letter Head”

Date: 12th April 2004

Dear respondent

RESEARCH STUDY BY MASTER OF BUSINESS ADMINISTRATION (MBA)
STUDENT: ENCIK MOKHTAR A. RASHID

This letter serves to confirm that the above-mentioned MBA student is currently conducting a research paper, entitled “**Comparative Study on relationship between Compensation Policy and Level of Organizational Commitment**”, as a partial fulfillment towards his MBA degree program.

I hope you can support him in his research effort by responding to his questionnaires and submit to him accordingly.

Thank you.

Yours sincerely

NOR KHOMAR ISHAK, Ph.D
Professor
Faculty of Business & Accountancy
University of Malaya

To be filled by Human Resource Manager/Personnel

This study is carried out to gather information on the relationship between compensation policy and the level of organisational commitment. You can be assured that the information will be treated confidentially and it will be used only for this MBA Research assignment.

SECTION A: Company Background

Instruction : Please indicate the appropriate responses by ticking on the appropriate line.

- | | | | |
|----|-----------------------|--------------------------|-----------------|
| 1. | Company ownership | <input type="checkbox"/> | Partnership |
| | | <input type="checkbox"/> | Private Limited |
| | | <input type="checkbox"/> | Public Listed |
| 2. | Company Establishment | <input type="checkbox"/> | <5 years |
| | | <input type="checkbox"/> | 5 – 10 Years |
| | | <input type="checkbox"/> | > 10 Years |
| 3. | Company Workforce | <input type="checkbox"/> | < 250 employee |
| | | <input type="checkbox"/> | > 250 employee |

SECTION B: Compensation Policy

Instruction: Please circle the number that best reflect your perception on each of the statement.

Description	Strongly Disagree	Disagree	Agree	Strongly Agree
	1	2	3	4
1. The compensation packages are designed based on the different levels of employees (internal equity).	1	2	3	4
2. The level of compensation does not consider the market rate (pressure).	1	2	3	4
3. The level of compensation is mainly determined according to seniority.	1	2	3	4

Description		Strongly Disagree	Disagree	Agree	Strongly Agree
		1	2	3	4
4.	The compensation policy is designed mainly to attract new staff to join the organisation.	1	2	3	4
5.	The compensation policy is aimed at retaining high quality staff.	1	2	3	4
6.	The compensation policy is designed basically to encourage employees' commitment.	1	2	3	4
7.	The organisation often finds difficulty in getting professional staff.	1	2	3	4
8.	The organisation believes that the only way to retain employees is through better compensation.	1	2	3	4
9.	The organisation will increase the compensation rate when the competitors do so.	1	2	3	4
10.	The organization will usually maintained a base compensation level even though there is an economic downturn.	1	2	3	4
11.	The organisation will proactively adjust its compensation levels whenever necessary.	1	2	3	4
12.	The organisation feels that the compensation rate is in accordance with the employees' performance.	1	2	3	4
13.	The organisation provides compensation rate based also on individual merit.	1	2	3	4

Description		Strongly Disagree 1	Disagree 2	Agree 3	Strongly Agree 4
14.	The organisation compensates based on work-team performance.	1	2	3	4
15.	Information on compensation levels are kept confidential.	1	2	3	4
16.	When the organisation does not achieve its target, the compensation rates are adjusted accordingly.	1	2	3	4
17.	The organisation strives to maintain internal equity in the compensation level.	1	2	3	4
18.	The compensation rate is usually the same for similar jobs.	1	2	3	4
19.	There is a standard formula to ensure internal equity in compensation levels in this organisation.	1	2	3	4
20.	Similar compensation policy is provided across the organisation regardless the branches, project sites, etc.	1	2	3	4
21	Do you consider your compensation packages as one of the top in the market?	1	2	3	4

End of Questionnaire

THANK YOU FOR PARTICIPATING

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Thank you.

Yours sincerely

NOR KHOMAR ISHAK, Ph.D
Professor
Faculty of Business & Accountancy
University of Malaya

This research is carried out to gather information on employee commitment. You can be assured that the responses will be treated confidentially and will be used only for this MBA Research assignment.

This questionnaire is meant for Engineers in the organisation.

SECTION A : Engineer's Background

Instruction : Please respond by ticking the appropriate line.

- | | | | |
|----|-------------------------------------|--------------------------|-------------------------------|
| 1. | Gender | <input type="checkbox"/> | Male |
| | | <input type="checkbox"/> | Female |
| 2. | Age | <input type="checkbox"/> | <30 years old |
| | | <input type="checkbox"/> | 30 – 39 years old |
| | | <input type="checkbox"/> | 40 – 49 years old |
| | | <input type="checkbox"/> | > 50 years old |
| 3. | Race | <input type="checkbox"/> | Malay |
| | | <input type="checkbox"/> | Chinese |
| | | <input type="checkbox"/> | Indian |
| | | <input type="checkbox"/> | Others |
| 4. | Period working with current company | <input type="checkbox"/> | Less than 1 year |
| | | <input type="checkbox"/> | 1 - 5 years |
| | | <input type="checkbox"/> | 5 – 10 years |
| | | <input type="checkbox"/> | More than 10 years |
| 5. | Total working experience | <input type="checkbox"/> | 1 – 5 years |
| | | <input type="checkbox"/> | 5 – 10 years |
| | | <input type="checkbox"/> | More than 10 years |
| 6. | Type of work | <input type="checkbox"/> | Design Engineer |
| | | <input type="checkbox"/> | Site Engineer |
| | | <input type="checkbox"/> | Contract Engineer |
| | | <input type="checkbox"/> | Business Development Engineer |
| | | <input type="checkbox"/> | Others |

SECTION B: Survey On Level of Employee's Commitment

Instruction : Please respond by circling the number that best reflect your perception on the following statement.

Description	Strongly Disagree	Disagree	Agree	Strongly Agree
	1	2	3	4
1. I am proud to tell others that I work in this organisation.	1	2	3	4
2. I will be very happy to work in this organisation until my retirement.	1	2	3	4
3. I feel a strong sense of belonging to this organisation.	1	2	3	4
4. I will not feel bad if I have to leave this organisation.	1	2	3	4
5. Other employees in this organisation are like my family members.	1	2	3	4
6. The organisation has provided for my personal growth.	1	2	3	4
7. The organisation has provided me with the challenges that I look for in a job.	1	2	3	4
8. This organisation deserves my loyalty.	1	2	3	4
9. I feel a strong commitment to stay on my job.	1	2	3	4
10. My superior will be very disappointed if I leave my job.	1	2	3	4
11. I stay on my job because I like the people working in it.	1	2	3	4
12. I do not feel it would be right to leave this organisation now, even if I get a better job offer.	1	2	3	4

Description	Strongly Disagree	Disagree	Agree	Strongly Agree
	1	2	3	4
3. I stay on my job because it is difficult to get other jobs.	1	2	3	4
4. I have to stay on my job because I have a lot of financial commitments.	1	2	3	4
15. I like to stay on with this organisation because I like the work environment.	1	2	3	4
16. Another organisation will not be able to pay as much benefits as I received here.	1	2	3	4
17. The compensation that I get in this organisation is more than I expected.	1	2	3	4
18. Do you think your compensation packages is among the best in the market?	1	2	3	4
19. Please rank your expectation 1 – 4 (from 1 being the very important, to 4 being the least important) of the compensation policy (especially for Engineers)				
i) Compensation level should be based on external market demand.				_____
ii) Compensation should be linked with the company achievement.				_____
iii) Compensation should be based on internal equity (similar jobs).				_____
iv) Compensation should be tied directly with the employee performance.				_____

End of Questionnaire

THANK YOU FOR PARTICIPATING