

Impact of Non – Monetary Rewards on Managerial Employees’ Job Performance at selected Automobile Companies in Colombo District in Sri Lanka with Mediating Effect of Intrinsic Motivation

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1. Introduction

In traditional context, financial or the monetary rewards play a critical role in job performance as well as motivation. By giving high intrinsic motivation of their job, an organization can get higher contribution from the employees. Employee Performance has an impact on achieving business objectives and competitive advantage. An organization’s success depends on its human capital in which lies employee satisfaction motivation, engagement and performance. If there is absence of proper non - monetary reward practices, employees are demotivated, and they underperform. Also, employees have to suffer with stress, depression, some industrial sickness, family issues due to salary deduction and wasting money for health care needs etc. Therefore, to obtain excellent employee performance, there should be effective non - monetary rewards practices in organizations which will later create a motivated workforce. Ryan & Deci, (2017) stated, that employees have basically three psychological needs to satisfy. Those are competence, autonomy and relatedness. Intrinsic motivation develops through the support of these needs. According to Self-Determination Theory, intrinsic motivation is dependent on the fulfillment of autonomy, relatedness and competence. Hence it depicts a direct relationship of non- -monetary rewards and performance as employees are more satisfied with job, are highly committed leading to showcase improved performance. This helps to achieve organizational goals and objectives.

The main aim of the study is to determine the impact of non-monetary rewards on managerial employees’ job performance at selected automobile companies in Colombo District in Sri Lanka and the specific objectives are; find whether the impact of non-monetary rewards on managerial employee’s job performance is mediated through intrinsic motivation, identify effective non-monetary reward practices on job performance and examine autonomy, relatedness and competence factors impacting job performance.

Problem of the Study

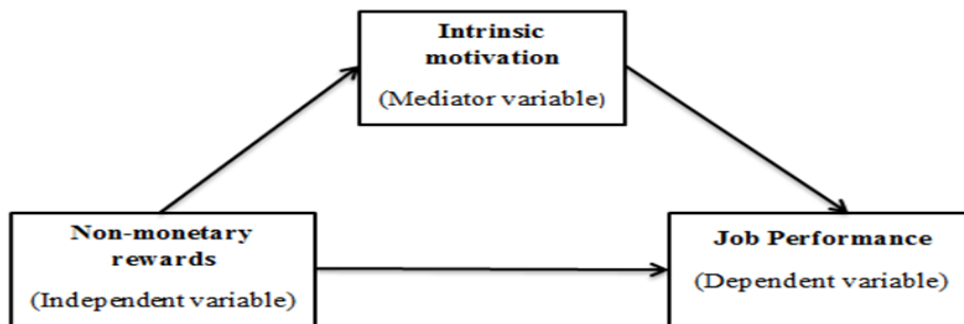
Organizations need effective non-monetary rewards to improve job performance and intrinsic motivation. Absence of a proper non-monetary reward practice in any organization will welcome many aspects which will negatively affect organizational survival, growth and retention in the industry. In order to obtain excellent employee performance, there should be effective non - monetary rewards practices in organizations which will later create a satisfied & motivated workforce. Therefore, organization’s non-monetary reward system has significant impact on job performance. This study focused on the impact of non- monetary rewards on employee performance and intrinsic motivation referring to automobile industry. Further through this, it tried to explore whether the impact of non-monetary rewards on job performance is mediated through intrinsic motivation.

2. Research Framework

Serena, et.al (2012) studied the relationship between rewards and employees job performance in Commercial Bank of Bangladesh. According to that study Non-monetary rewards have a positive influence on job performance on the employees of Commercial Bank of Bangladesh. A research was conducted on

central bank of Nigeria, by Abuja to examine the relationship between rewards and employee performance. The finding of the study was that there is existence of strong and significant relationship between non-monetary rewards and performance of employee. Employees of central bank of Nigeria were more motivated to perform because of non-monetary rewards. Researchers concluded that organizations must carefully develop reward structures because rewards affect employee's motivation level and this affect employee's level of performance (Ranjan & Mishra, 2017). As indicated by the empirical data, the managerial employee's job performance depended on organization non – monetary rewards practices. The research model of the study was given based on the above research findings are depicted in Figure 01.

Figure 01: Research Model



Source : Authors developed

Considering the above research findings in the different contexts, the following hypotheses were developed in this study.

- H₁ - There is a relationship between non-monetary rewards and Employee Job performance.
- H₂ - There is a relationship between Non-monetary rewards and intrinsic motivation.
- H₃ – The impact of non-monetary rewards on job performance is mediated by intrinsic motivation.

3. Methods

The sample of the study was randomly selected 80 managerial level employees in automobile industry in Sri Lanka and the questionnaire was the main data gathering instrument of the study. The questionnaire consisted of non–monetary rewards and employee performance and intrinsic motivation. The instruments of non–monetary rewards were Career Development, Training, Development Appraisal, Employee Recognition, Employee Participation, Job Autonomy and three components that were referred from self-determination theory that is autonomy, relatedness and competence were the instruments of measuring intrinsic motivation. Further the instruments of employee performance were traits, behavior and results. Non – monetary rewards were measured using the questionnaire developed by Marescaux and Winne (2013) and employee performance and intrinsic motivation were measured using the questionnaire developed by Broeck et al. (2010). The univariate, bivariate as well as multivariate analyses and mediator analysis were used to analysis the primary data gathered from the sample.

4. Results

The internal reliability of questionnaires which is used for data collection of the variables is measured by Cronbach's Alpha coefficients. The standard Alpha value for job performance, intrinsic motivation and non

– monetary rewards were 0.852, 0.882, 0.884 respectively and results from applying reliability analysis showed that tools were reliable. Table 01 presents the Pearson's correlation between the independent variable and dependent variable of the research model. Correlation between non – monetary rewards and job performance is 0.784 therefore there is a positive significance relationship between Non – monetary rewards and job performance.

Table 01 Correlation between Non – Monetary Rewards and Job Performance

Correlations			
		Non – Monetary Rewards	Job Performance
Non-Monetary Rewards	Correlation Coefficient	1.000	0.784**
	Sig. (2-tailed)	.	.000
Job Performance	Correlation Coefficient	0.784**	1.000
	Sig. (2-tailed)	.000	.

Source : Survey data

According to table 02, the correlation between non – monetary rewards and intrinsic motivation is 0.845 therefore there is a positive significance relationship between non – monetary rewards and intrinsic motivation.

Table 02 Correlation between Non – Monetary Rewards and Intrinsic Motivation

Correlations			
		Non – Monetary Rewards	Intrinsic Motivation
Non-Monetary Rewards	Correlation Coefficient	1.000	0.845**
	Sig. (2-tailed)	.	.000
Intrinsic Motivation	Correlation Coefficient	0.845**	1.000
	Sig. (2-tailed)	.000	.

Source : Survey data

According to table 03, the correlation between intrinsic motivation and job performance is positive significance.

Table 03 Correlations between Intrinsic Motivation and Job Performance

		Intrinsic Motivation	Job Performance
Intrinsic Motivation	Correlation Coefficient	1.000	0.819**
	Sig. (2-tailed)	.	.000
Job Performance	Correlation Coefficient	0.819**	1.000
	Sig. (2-tailed)	.000	.

Source : Survey data

The results of regression by considering non – monetary rewards and intrinsic motivation were independent variable and mediator on the job performance (dependent variable) are shown in the table 04.

Table 04 Results of Multiple Regression Analysis

R	R Square	Adjusted R Square	Std. Error of the Estimate	F Change	Sig. F Change
.837 ^a	.701	.693	.42420	90.131	.000

a. Predictors: (constant), Non- monetary rewards, Intrinsic motivation

b. Dependent variable: Job performance

Source : Survey data

The square of multiple R is 0.837 which indicated that 70.1% of the variation in job performance is explained by the independent variable and mediator variable jointly. The F value was 90.131 which were significantly at 1% ($p = .000$), which suggested that independent and mediator variables had significantly explained 70.1% of variation in the job performance of managerial employees.

Table 05 Impact of the non- monetary rewards on job performance

Variable	Standard Beta	St. error of Beta	T	Sig. t
Non-monetary rewards	.784	.0786	11.1644	.000

Table 06 Impact of non-monetary rewards on intrinsic motivation

Variable	Standard Beta	St. error of Beta	t	Sig. t
Non-monetary rewards	.845	.0649	13.9532	.000

Source : Survey data

In order to analysis the mediation impact, SPSS AMOS version 26.0 and Model 4 in the process macro of Hayes (2013) was used. First, table 07 shows that non-monetary rewards were positively associated with job performance ($b = 0.784$, $t = 11.1644$, $p = .000$). It was also found that non-monetary rewards were positively related to intrinsic motivation ($b = 0.845$, $t = 13.9532$, $p = .000$), which can be seen in table 08. Table 09 indicates the result of the mediation analysis support the mediating role of intrinsic motivation in the relation between non-monetary rewards and job performance. The direct impact of non- monetary rewards on job performance was ($b = 0.322$, $t = 2.7623$, $p = .007$) and indirect impact of non- monetary rewards on job performance was ($b = 0.462$, $t = 4.6929$, $p = .000$). In here indirect impact of non-monetary rewards on job performance that is mean mediator impact is greater than the direct impact of non- monetary rewards on job performance. Therefore, there was partial mediation impact of intrinsic motivation on the relationship between non- monetary rewards and job performance and it was systematically significant.

Table 07 Impact of Non- Monetary Rewards on Job Performance

Regression coefficient (b)	Standard Error	t	Sig. t
.784	.0786	11.1644	.000

Table 08 Impact of Non – Monetary Rewards on Intrinsic Motivation

Regression Coefficient (b)	Standard Error	t	Sig. t
.845	.0649	13.9532	.000

Table 09 Impact of Non – Monetary Rewards on Job Performance through Intrinsic Motivation

Impact	B	Standard Error	T	Sig. t
Total Effect (Direct effect +Indirect effect)	.784	.0786	11.1644	.000
Direct Effect of non-monetary rewards on job performance	.322	.1305	2.7623	.007
Indirect Effect of non-monetary rewards on job performance through intrinsic motivation		.462	.1217	.6929

Source : Survey data

5. Discussions and Conclusion

It was found that there is a strong positive relationship between non – monetary rewards and employee job performance of managerial level employees in selected automobile companies in Colombo District. The correlation between these two variables was 0.784, which was significant at 0.000 levels. This correlation was found to be strong as it is more than the lower bound of strong correlation (0.5). According to the results of multiple regression analysis, non – monetary rewards were found to have positive impact on employee job performance with the strength of b value of 0.784, which was significant at 1% (Sig. t = .000). Hence non – monetary rewards were found to be a predictor of employee job performance. In the discussion of the level of non – monetary rewards of the respondents in the sample, it was found that they had a favorable level of non – monetary rewards with the mean value of 3.3693 and standard deviation of 0.6840 and job performance with the mean value of 3.3819 and standard deviation of 0.76549 Accordingly, it was found that managerial employees in selected automobile companies in Colombo District in Sri Lanka were satisfied with their jobs. Serena, et.al (2012) studied the relationship between rewards and employees job performance in Commercial Bank of Bangladesh. An empirical study was done for this purpose. The result indicated that there was statistically significant relationship among all the independent variables with dependent variables. According to that study Non-monetary rewards had a positive influence on job performance on the employees of Commercial Bank of Bangladesh. As indicated by the empirical data, the job performance of managerial employees in selected automobile companies depended on the non – monetary rewards.

It was found that there is a strong positive relationship between non – monetary rewards and intrinsic motivation of managerial level employees in selected automobile companies in Colombo District. The correlation between these two variables was 0.845, which was significant at 0.000 levels. This correlation was found to be strong as it is more than the lower bound of strong correlation (0.5). According to the results of multiple regression analysis, non – monetary rewards were found to have positive impact on intrinsic motivation with the strength of b value of 0.845, which was significant at 1% (Sig. t = .000). Hence non – monetary rewards have found to be a predictor of intrinsic motivation. In the discussion of the level of non – monetary rewards of the respondents in the sample, it was found that they had a favorable level of non – monetary rewards with the mean value of 3.3693 and standard deviation of 0.6840 and intrinsic motivation with the mean value of 3.3763 and standard deviation of 0.73351. Accordingly, it was found

that managerial employees in selected automobile companies in Colombo District in Sri Lanka were motivated with their jobs. A research was conducted to see the impact of rewards on employee engagement and the role of motivation in Retail Store Operations in Delhi and NCR. The research explored the relationship between rewards and employee engagement by taking intermediary of motivation in the retail store operation in Delhi. The findings showed a positive relationship between rewards and motivation. As indicated by the empirical data, the intrinsic motivation of managerial employees in selected automobile companies depended on the non – monetary rewards.

As per the results of regression analysis between the two variables the regression coefficient (b) is 0.837, which was significant at 1% (Sig. t = .000). Mediation analysis was tested using the AMOS 26.0 and SPSS Process Macro method. The results of the mediation analysis support the mediating role of intrinsic motivation in the relation between non-monetary rewards and job performance. The direct impact of non-monetary rewards on job performance was (b =0.322, Sig. t = .007) and indirect impact of non- monetary rewards on job performance was (b = 0.462, Sig. t = .000). In here indirect impact of non-monetary rewards on job performance that is mean mediator impact was greater than the direct impact of non- monetary rewards on job performance. Therefore, there is partial mediation impact of intrinsic motivation on the relationship between non- monetary rewards and job performance and it is systematically significant. According to the research findings the non-monetary rewards on job performance are mediated through intrinsic motivation.

A research was conducted on central bank of Nigeria, Abuja to examine the relationship between rewards and employee performance. The finding of the study was that there is existence of strong and significant relationship between non-monetary rewards and performance of employee. Employees of central bank of Nigeria were more motivated to perform by non-monetary rewards. Researchers concluded that organization must carefully develop reward structure because rewards affect employee's motivation level and this affect employee's level of performance (Ranjan & Mishra, 2017). Therefore, the non-monetary rewards on job performance are mediated through intrinsic motivation.

In addition, most employees suggested that among various non-monetary rewards; the development appraisals, training, recognition as most important non-monetary rewards. In here most managerial employees mentioned that the companies lacked consideration regarding their career development, since there isn't career development procedure and senior level promotion opportunities. Most of the time senior level vacant positions were filled through external recruitment. This had caused demotivation for employee but according to their view companies provided enough training, development appraisals, employee recognition and participation as managerial employees. Therefore, according to their point of view managerial level employees were satisfied with companies overall non-monetary rewards facilities. Further, they mentioned that these non-monetary rewards led to improve their performance and motivation. Also, most of managerial employees were satisfied with their current organization non-monetary rewards practices. For further studies, while self-determination theory assumes the three basic needs to be universal, it does acknowledge the possibility of differences in need strength (Deci and Ryan, 2000). These research findings were based on survey data gathered in Managerial level employees in selected automobile companies in Colombo District in Sri Lanka.

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