A Proposed Conceptual Framework for Rewards and Motivation among Administrators of Higher Educational Provider in Malaysia

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Abstract
This study will examine the relationship between rewards and employee’s motivation in University Sultan Zainal Abidin (UniSZA), Kuala Terengganu, Malaysia. It designs to understand how intrinsic rewards as compare with extrinsic rewards are perceived as sources of motivation by administrators of the UniSZA. The study proposes a conceptual framework by linking the relationship between rewards and motivation. Two independent variables consisting of extrinsic and intrinsic rewards will be employed with motivation as the dependent variable. The findings of this research are expected to provide references to registrar department of UniSZA in developing an appropriate motivation approach for their administrators.

Key words: rewards, intrinsic rewards, extrinsic rewards, motivation and administrators

1. Introduction
Motivation is a basic psychological process (Tella, Ayeni & Popoola, 2007). It is a factor that exerts a driving force on actions and work. According to Luthans (1998) motivating is the management process of influencing behavior based on the knowledge of what make people think. It contributes to the process of stimulating people to act and achieve a desired task. Luthans indicated that motivation was the process that arouses, energizes, directs, and sustains behavior and performance. As defined by Bartol and Martin (1998) motivation was a force that energizes behavior, gives direction to behavior, and underlies the tendency to persist. Attitude was important concept in motivation; it is defined as a response to objects, people, or events in either a positive or negative way (Dessler, 2008). This definition recognizes that in order to achieve goals, individual need to act based on the work process of managing performance ensures that specific goals and outcomes are established.

As motivation concern, reward system is an important tool for management use to channel employees’ motivation in desired ways. Reward defined by Minden (1982) as any strengthened behavior followed immediately by a positive reinforce. Currently, either public or private sectors are implementing the
reward programs. According to Vroom (1964), it clearly stated that employees’ effort is increased when rewards are offered. In reward program, large amount of money are spent. The reason behind these, hopefully it will increase employees’ motivation. As stated by Ballentine (2003), the purpose of reward is to recognize excellent job performance, provide feedback, make it easier to get work done, encourage employees to be more productive and help management achieve their goal. From the discussion of Cameron and Pierce (2006), an effective reward system requires i) an experimental attitude; ii) continual fine-tuning of the system; iii) input from people within the system and iv) ongoing evaluation of the effectiveness of the system. The authors also found that the effective reward system leads to i) increased satisfaction for employees; ii) recognition of accomplishments; iii) a desire to attain high standards; iv) a means to achieve personal and social goals; v) high productivity and vi) feeling of competence and freedom.

Malaysian university has played a very significant and supportive role in the development of the country. Strong university administrators have enabled to propel the country to increase the development level and earned the admiration of countries around the world. The university is a large component of the national education transformation. The effectiveness of university in Malaysia is determined by the capacity, motivation, and integrity of the civil service and the quality of its leadership (National Economic Advisory Council, 2010). It shows that the government is concerned with the motivation and performance quality of its employee especially from the public sector and the higher learning institution as part of the government body. In order to achieve greater success, there must be a transformation in the way things are done and the need to refocus on key strategic area (Yusof, 2007).

The debate about the influence of extrinsic and intrinsic rewards on motivation appears to be cast in dichotomous terms (Tippet & Kluvers, 2009). However, much of the evidence indicating the importance of extrinsic rewards comes from the business sector. The focus is usually to determine the effects of changing the level or frequency of rewards rather than what participants are required to do. However, in a human services context the nature of the task is not trivial and in all likelihood is the reason for the employee being in the sector (Schepers et al., 2005). The fact that an individual is working in a non-profit organization is indicative of a set of values in which extrinsic rewards are not the first consideration (Weisbrod, 1983; Preston, 1989; Roomkin & Weisbrod, 1999).

Globally, there is an increasing expectation for public sector services to be comparable to the best in the private sector. In 10th Malaysia Plan, the government will embark on a series of transformational initiative to respond to the needs of the people and business. It includes designing efficient and convenient services for people and business. In order to administrators perform the tasks; the rewards should be reviewed accordingly. This is important to ensure administrators are motivated and deliver high quality services to people.

The management of UniSZA has put the interest on the development of human capital especially their administrators in preparation to accomplish the mission to become a world class university. The challenge for administrators in UniSZA is providing high quality services. High motivation is also related with achieving the quality, quantity, cooperation, dependability and creativity. The top management usually expects administrators to follow the rules and regulations, and perform the task assigned to them according to the standard set for them. However, administrators expect good working conditions, fair pay, fair treatment, secure career, power and involvement in decision making (Khan, Farooq & Ullah, 2010). Since the expectations are vary between top management and administrators, it is important to understand
what motivates the administrators, what factors influence motivation and which rewards influence motivation in order to enhance productivity (Beer, Spector, Lawrence, Mills & Walton, 1984) in UniSZA. The main objective of this study is to find out the relationship between rewards and motivation among staff of University Sultan Zainal Abidin, Kuala Terengganu. More specific objectives are:

i) To identify the relevancy of the rewards and motivation towards administrators staff in UniSZA.

ii) To propose the best predictor variable of motivation among administrators staff in UniSZA.

The main research questions that will be addressed in this study are:

i) What is the level of intrinsic reward, extrinsic reward and motivation among administrators’ staff in UniSZA?

ii) Is there any relationship between intrinsic reward, extrinsic reward and motivation among administrators’ staff in UniSZA?

iii) What is the best predictor variable of motivation among administrators staff in UniSZA?

Based on the objectives stated above, this study is structured as follows: First, a summary of literature on the concept of motivation and reward is thoroughly discussed. Second, the proposed conceptual framework is highlighted. Third, the methodology and sample are both described and finally the conclusion is provided by summarizing the avenues for future findings.

2. Literature Review

2.1 Underlying Theory

As the most known theorist of motivation, Maslow postulates that people are motivated to satisfy needs and that these needs can be arranged in a hierarchy of importance. According to Maslow, people constantly desire better circumstances; they always want what they do not yet have. Maslow’s theory on the hierarchy of needs is one of the most popular theories of motivation. Maslow (1943) stated that employees had five levels of needs and that human needs were in the form of a hierarchy ascending from the lowest to the highest namely: i) Physiological needs, ii) Safety Needs, iii) Social Needs, iv) Esteem Needs, v) Need for Self-actualization.

Physiological needs are the basic biological needs like air, water, food and shelter. In the organizational setting, these are reflected in the needs for adequate heat, air and a base salary to guarantee survival. Safety needs are the needs for security and protection from danger. In an organizational workplace, safety needs refers to the needs for safe jobs, fringe benefits and job security. Social needs are the needs for interaction with other people, belongingness, love etc. These needs reflect the desire to be accepted by one’s peers, have friendships, be part of a group and be loved. In the work environment, these needs affect the desire for good relationships with co-workers, participation in a work group and a positive relationship with supervisors. Esteem is the desire for respect, which is affected by the person’s standing reputation, his need for attention, recognition, achievement and appreciation etc. Maslow illustrated two versions of esteem needs, a lower one and a higher one. The lower one is the need for the respect of others, the need for status, recognition, attention, reputation, appreciation, and dignity. The higher form involves the need for self-respect, including such feelings as confidence, competence, achievement, mastery, independence, and freedom. Within organizations, esteem needs reflect a motivation for
recognition, an increase in responsibility, high status and appreciation for contributions to the organization. Self-actualization refers to the desire for self-fulfillment; it is a drive for individuals for self-development, creativity and job satisfaction. They are related to developing one’s full potential, increasing one’s competence and becoming a better person. Providing people with opportunities to grow, to be creative, and to offer training for advancement are the means that self-actualization needs can be met with in the organization.

Herzberg’s theory is a modification of Maslow’s theory. In this study, the Hygiene Theory was most suitable to be used. He stated that intrinsic factors are related to job satisfaction while extrinsic factors relate to dissatisfaction. Herzberg’s motivators are the factors that motivate employees to the highest level of performance. These motivators are an integral part of the work itself and include factors such as the nature of the work, the person’s sense of achievement, level of responsibility, personal development and growth, recognition for a job well done and feedback (Schultz, 1982). The relevance of Herzberg’s theory to the discussion of reward is that a dissatisfy employee cannot be motivated. It is thus important that an organization first give attention to hygiene factors before introducing motivators into the workplace (Nel et al., 2001).

Theories of motivation can be used to explain the behavior and attitude of employees (Rowley, 1996; Weaver, 1998). The theories include content theories, based on the assumption that people have individual needs, which motivate their actions (Hong & Waheed, 2011). In contrast to content theories, process theories identify relationships among variables which make up motivation and involve works (Heider, 1958; Vroom, 1964; Adams, 1965; Locke, 1976; and Lawler, 1973).

The hygiene factors, on the other hand, include company policy and administration, technical supervision, salary, working conditions, and interpersonal relations. These factors are associated with an individual’s negative feelings about the job and are related to the context or environment in which the job is performed, and these are extrinsic factors, or factors external to the job (Kim, 2006). In contrast, motivators are intrinsic factors or internal factors directly related to the job (Herzberg, Mausner & Snyderman, 1959). The main focus of this paper, however, is on Herzberg’s theory of motivation.

2.2 Motivation

The word motivation was originally derived from the Latin word “mover” which means to move (Shafiq, Mariam & Raza, 2011). The researchers stated that the various study attempted to have more comprehensive definition of the word and motivation has been defined in different ways. Most of them agree that it is a goal directed behavior. Motivation is a psychological process that gives behavior purpose and direction.

According to Butkus and Green (1999), the word motivation is derived from the word “motivate” which means to move, push or persuade to act to satisfy a need. However, Mol (1992) differentiated between the terms “movement” and “motivation”. He described movement as carrying out a task in order to be compensated or remunerated while motivation was the voluntary involvement and decision of a person to carry out a task. In his contribution, Baron (1983) defined motivation as a set of processes concerned with a kind of force that energizes behavior and directs it towards achieving specific goals. He went on to state that not only motivation can influence performance, but that performance can also influence motivation, if followed by rewards. A pointed by Page (2008), non-monetary incentives in the workplace defined motivation as the process that accounts for an individual’s intensity, direction and persistence of effort.
toward attaining a goal. Thus, from the various definitions, it can be seen that primary concerns while discussing motivation are what energizes, channelizes, and sustains human behavior.

2.3 Reward

Reward has been defined in various ways by different scholars. Reward can be defined as an external agent administered when a desired act or task is performed, that has controlling and informational properties. Reward practice have been adopted by numerous organizations either both organizations in public or private sector. Organizational rewards were found to be more effective if they were introduced in the companies where identification was strong (Rys, 2007). Identification is strong when the interests of the employees were very similar to the interests of the company in which they worked so that they strongly identified themselves with their company (Kankanhalli, Tan & Wei, 2005).

Rewards can be either extrinsic or intrinsic. Extrinsic rewards are tangible rewards and these rewards are external to the job or task performed by the employee. Extrinsic rewards can be in terms of salary or pay, incentives, bonuses, promotions, job security, etc. Intrinsic rewards are intangible rewards or psychological rewards like appreciation, meeting the new challenges, positive and caring attitude from employer, and job rotation after attaining the goal (Hafiza et al., 2011). Intrinsic rewards are claimed to have a positive effect on knowledge sharing by many authors.

According to Lawler (2003), a truly motivational reward system must be designed with a few parameters in mind. It must motivate employees to perform through valued and truly sufficient rewards, provide them with a clear line of sight, give them the power to influence their performance, and deliver on its promise.

Rewards need to be contingent on achieving desired performance levels rather than on merely doing certain tasks. It should be meaningful and valuable to the individual based on objective and goals. Rewards are not based on competitive struggles within the workplace, between conditions in the workplace (extrinsic) and fulfillment of individual needs (intrinsic). However, Wilson (1994) argues that a reward system needs to have a positive impact on behavior.

The magnitude of rewards must satisfy the basic human needs of survival and security (Lawler, 2003). Lawler also discussed that organizations must choose relevant rewards over which they have the potential capability to provide to their employees. The distribution of rewards must be perceived as being done in a fair and equitable manner. Organizational members must perceive a link or contingency between their job performance and the rewards they receive. Therefore, the rewards used by an organization must be valued by the individual members of that organization. In the absence of these factors, the rewards programme will not motivate in the long term and will discourage risk-taking behavior.

Extrinsic rewards often viewed as monetary reward, direct payment, cash payment and/or extrinsic reward (Bergmann & Scarpello, 2002; Chiu, Luk & Tang, 2001; Milkovich & Newman, 2008). Specifically, it consists of three major features: salary, bonus and allowance (Lowery et al., 2002; Tang, 2007; Young, 1999). Salary is often viewed as a base pay that is given to employees on a weekly, monthly or yearly basis based on job structure (e.g., basic salary, but not including incentives) (Henderson, 2006; Young, 1999). Bonus is usually seen as cash payment provided to employees based on their performance (e.g., monetary incentives for achieving job targets) (Bloom & Milkovich, 1998; Gupta & Shaw, 1998; Lowery et al., 2002). These income packages are designed to reward employees who perform a specific job or service (Anthony, Perrewe & Kacmar, 2002; Dessler, 2006; Ismail, 2007). Income as one of extrinsic reward is a crucial element of compensation management system (Drucker & White, 2000; Henderson, 2006; Mitchell and Mickel, 1999). Individuals engage in work related activities

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to attain some variety and magnitude of extrinsic rewards. Certain rewards, including pay, promotions, and company status are extrinsic since they are provided by the organization.

2.4 Relationship between motivation and reward

There was a positive association among work outcomes, public employees’ motivation and performance-related pay designs (Paarsch & Shearer, 2000) whereas Wright (2007) implied the positive relationship between the availability of extrinsic rewards and organizational performance. According to Hafiza et al. (2011) there was a positive relationship between extrinsic rewards and employee motivation. In contrast, there was insignificant relationship between extrinsic rewards and employee motivation (Tippet & Kluvers, 2009). This is also supported by Deci, Koestner and Ryan (1999) the extrinsic rewards had a significant negative effect on intrinsic motivation.

A survey also shows that the employees were satisfied with extrinsic factors, such as working environment, their co-workers and the professional work climate, benefits, job securities and flexible or normal work hours (Pawlowski, Suzanne, Datta, Pratim & Houston 2005). Another study performed by Baer, Oldham and Cummings (2003), showed that extrinsic rewards were positive for employees occupying simple jobs and negative for employees having jobs that were difficult and challenging.

Intrinsic rewards refer to the intangible benefits that arise from the content of the job itself and have consequences for the psychological development of the employee (Williamson, Burnett & Bartol, 2009). It includes motivational characteristics of the job such as autonomy, feedback and participation in decision-making (Hackman & Oldham, 1976). Intrinsic rewards stem from Maslow’s higher level needs (Roberts, 2005). It proposes that people can give themselves rewards in the form of self-esteem as well as in feelings of achievement and growth. Individuals can literally reward themselves for certain kinds of behavior because they feel they have accomplished something of worth, achieved a personal goal, learnt a new skill, or experienced excitement or intellectual stimulation. It would appear that the greatest amount of motivation is present when people perform tasks that are both intrinsically and extrinsically rewarding (Lawler, 2003).

Concerning the intrinsic rewards of motivation, Rainey and Steinbauer (1999) suggested that the effectiveness and performance of public agencies may be enhanced by three interrelated levels of rewards, namely task, mission and public service. Wright (2007) emphasized on public ethos, while Frank and Lewis (2004) have stressed the importance of public employees in such work characteristics as meaningful service and job security. As stated by Tippet and Kluvers (2009), there is a significant and positive relationship between intrinsic rewards and employee motivation.

A survey of IT professionals working in state agencies and universities of Louisiana, USA, conducted in 2002, showed that employees were mostly satisfied with intrinsic factors, such as: the technical aspects of the work and working with new technologies, the intellectual challenge and creativity require to solve complex technical problems, the constant learning and master skills related to new technologies, and a sense of contribution and pride in their accomplishment (Pawlowski, 2005).

Human beings are motivated by requirements that fulfill their needs. These depend on many factors and vary by the individual requirements and necessary situation. Besides basic needs that range from food, clothing, medicine and shelters, there is workplace that needs to be extended for acceptance and self-esteem (Khan et al. 2010). As suggested by Carraher, Gibson and Buckley (2006), there should be an effective reward system to retain the high performers in the organization and reward should be related to their productivity. A lot of work has been done on evaluating the relationship between rewards and
employee motivation and there exist a large number of studies in the literature describing impact of reward on employee motivation. In order to maximize the performance of the employees organization must make such policies and procedures and formulate such reward system under those policies and procedures which increase employee satisfaction and motivation (Hafiza et al. 2011).

Sometimes management pays more attention to extrinsic rewards but intrinsic rewards are equally important in employee motivation. Intangible or psychological rewards like appreciation and recognition plays a vital role in motivating employee and increasing his or her performance. From the study by Badrinarayan and Tilekar (2011), it found that job security, career advancement opportunity has a very positive impact on motivation. There was a positive relationship between rewards, recognition and motivation (Roberts, 2005). However, Andrew (2004) concludes that commitment of employees is based on rewards and recognition.

3. Proposed Conceptual Framework

As this study examines the relationship between rewards and motivation, the administrators of UniSZA have been taken as population. Motivation is taken as dependent variable and extrinsic and intrinsic rewards are taken as independent variable. The framework of the proposed conceptual model is shown in (Figure 1).

The following hypotheses are formulated based on the review of literatures. We hypothesized that:

H1: There is a positive relationship between extrinsic reward and motivation
H2: There is a positive relationship between intrinsic reward and motivation

4. Methodology

The study will be using quantitative research design and using survey research with questionnaires. The population in the study would be the non-academic administrative management group of UniSZA. The management group was composed of the assistant registrar, librarians, treasurer officers, IT officers, science officers and audit officers. They are from the N41 category group and that equivalent to the managers’ level. The populations in this study are 133 and sample of study are 103 respondents (Krejcie & Morgan, 1970). The respondents will be selected consists of permanent and contract staffs that work in UniSZA, either in Kota Campus or Gong Badak Campus.

For the purpose of this study, questionnaires will be used as the measuring instrument. There are three part of the questionnaire. First part of motivation questions will be set out and adapted by De Beer (1987) incorporates of Herzberg’s two-factor theory. It consists of nine dimensions as follows: (i) work content; (ii) payment; (iii) promotion; (iv) recognition; (v) working conditions; (vi) benefits; (vii) personal; (viii) leadership and (ix) general.

The second part of questionnaire will be adapted from Nawab et al. (2011). It will be designed to measure rewards as independent variables comprised of two dimensions which are (i) extrinsic rewards and (ii) intrinsic rewards. The third part of questionnaire comprises items seeking respondent’s information. Each statement in part one and part two will be measured on a seven-point Likert-type-scale, ranging from 1=strongly disagree to 7= strongly agree.
Complete questionnaires will be examined by the researcher. Data will be coded and enter into the computer to be processed using the SPSS. Reliability analysis will be used to test how well the items in a set are positively correlated to one another. For each variables of interest in this study, descriptive data will analyze in the form of frequencies and measures of central tendency appropriate for the type of data. In addition, Pearson correlation analysis is used to compute the correlation between variables and multiple linear regression is used to analyze the relationship between a single dependent variable and the two independent variables in the study.

5. Conclusion
The study attempts to examine the relationship between extrinsic and intrinsic rewards with motivation among administrators of UniSZA, Kuala Terengganu. A conceptual framework is proposed with three research questions to be tested. We expect a positive relationship between rewards and motivation. Hopefully, rewards systems could motivate employees to give their maximum efforts towards assigned work. Employers should continuously try to develop such a pay policies and procedures that will enable them to attract, motivate, retain and satisfy their employees. Having stressed the importance of a good remuneration on the administrator’s motivation and the different kinds of reward that can influence their effort, this study can therefore be seen as a sense of commitment to put in place appropriate incentive plan that will encourage administrators to be more purposeful and improve their performance. Findings of this study will be an attractive tool which could be used to provide ideas to individual problems that has resulted from poor reward system.

References


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The framework of the proposed conceptual model is shown in Figure 1.

![Conceptual framework of the relationship between rewards and motivation.](image)

*Figure 1. Conceptual framework of the relationship between rewards and motivation.*