



# **Financial vs Non-Financial Gifts and Workers' Performance: An Experimental Analysis of Reciprocity in the Workplace**

by

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## ABSTRACT

Background and research orientation, rationale and objectives. Gift giving or reciprocity is widely used in organisations as an attempt to further improve employee performance and productivity, which is ultimately believed to result in higher levels of organisational performance and success. Reciprocity theory, or the gift exchange view, assumes that employees and organisations pursue that which is in their own material self-interest.

Reciprocity research is, however, still largely dominated by research focusing on the impact of financial rewards, despite major reward theories, models and approaches that increasingly emphasise the importance of both financial and non-financial rewards in attraction, employee engagement or motivation and retention.

The aim of the current research study was to investigate the extent to which employees reciprocate discretionary effort, as indicated by higher levels of productivity, after receiving either a financial or non-financial gift or reward. Moreover, the impact of receiving either a financial or non-financial reward on perceived levels of both employee motivation and job satisfaction was measured, as well as to determine reward preference which was considered more motivating and satisfying.

Research approach. The present study made use of an experimental research approach, more so, a controlled field experiment in a naturally occurring work environment. Both quantitative and qualitative data were collected from employees to measure their perceived levels of motivation and job satisfaction. Productivity data was provided by the organisation employing the employees to determine the impact of the financial or non-financial reward. Composite questionnaires consisting of open-ended questions and Likert-type questions were distributed using a convenience, non-probability sampling approach. All completed questionnaires, along with the provided productivity data, were analysed using descriptive statistics, inferential statistics and content analysis.

Main findings. Results of the research study indicated a significant difference in employees perceived level of motivation and job satisfaction after receiving a financial or non-financial gift. Thus, employees experienced greater levels of motivation and job satisfaction after receiving a financial or non-financial gift. Results furthermore showed that employees were more productive after receiving the gift, although the productivity did not shift any different whether they received the financial or non-financial gift. Thus, employee reciprocated

discretionary effort after receiving a gift. A statistically significant association was found between the gift employees received and the gift they desired, with the likelihood of receiving a particular gift and desiring that specific gift not being random, but rather due to psychological feelings of appreciation.

*Keywords* reciprocity, gift-exchange, motivation, job satisfaction

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## CHAPTER 1

### INTRODUCTION

#### **Introduction**

The topics and constructs of interest of the current research study shall be introduced within this chapter. These topics and constructs shall be examined and briefly defined along with reviews of previous research findings in South Africa. An introduction into reciprocity and gift exchange views shall be provided and thereafter the aims of the current study shall be examined. Finally, the research objectives will be outlined along with the theoretical framework.

Employee attitudes and sentiments, such as employee motivation, employee engagement and job satisfaction have, for several decades now, been considered vital in ensuring high performing and sustainably successful organisations (Patro, 2013). This is due to the fact that these attitudes and sentiments are positively related to organisational performance and success, given in that they are related to various desirable organisational behaviours, such as productivity and attendance, while on the other hand, being inversely related to negative organisational behaviours, such as stress and burnout, (O'Malley, 2000; Vigoda-Gadot, 2003; Robbins, Odendaal & Roodt, 2003).

Employee motivation is a key factor that drives or moves an individual to become or remain focused on achieving their goals, even despite challenges and adverse circumstances that may arise (Afful-Broni, 2012). Job satisfaction and employee engagement relate to feelings and emotional commitments about one's job and organisation (Abdullah & Lai Wan, 2013; Imandin, Bisschoff & Botha, 2015). Employee engagement is further concerned with the emotional commitment of employees towards an organisation and takes into consideration the magnitude of discretionary effort employees are willing to invest in their organisations (Imandin et al., 2015). Engaged employees and an engaged workforce provide significant competitive benefits to organisations, and for this reason, organisations cannot afford to ignore the employee engagement.

High levels of employee engagement and an increased emotional connection between employees and the organisation result in employees committing to achieve organisational goals, a willingness to contribute their personal time and skills, lead employees to actively

engage with the organisation to rectify organisational issues or concerns, and so positively contribute to organisational performance (Imandin et al., 2015). Moreover, engaged employees extend their discretionary efforts to go above and beyond the accepted organisational performance standard, as well as think innovatively to assist with the progression of the organisation (Imandin et al., 2015).

In South Africa, the State of Employee Engagement report attempted to test the theory which suggests increased engagement improves employee productivity (HR.com, 2018). In 2015, the State of Employee Engagement in South Africa reported a general decline in employee engagement since the release of their previous report in 2014, thus reporting an average of 42 out of every 100 employees were not motivated to affect change within their organisation. Results of their 2018 State of Employee Engagement research found that 66% of respondents believed that less than 70% of employees in their organisations were engaged at work (HR.com, 2018). In addition, the report concluded that despite the lasting effects of engaged employees in the organisation, South African organisations still fail to ensure the engagement of their employees and do not place sufficient emphasis on employee engagement (HR.com, 2018).

The State of Global Workplace furthermore reported that 63% of employees worldwide are not engaged, suggesting that employees who lack motivation are less likely to invest discretionary effort into the organisational goals or outcomes (Crabtree, 2013). It was also found that 24% of employees are actively disengaged (Crabtree, 2013). Based on the number of their surveyed employees, this translates into about 900 million employees who are not engaged and 340 million actively disengaged employees around the globe (Crabtree, 2013).

Providing rewards and incentives for employees have been empirically shown to increase employee levels of motivation, engagement, job satisfaction and productivity (Jehanze, Rasheed & Rasheed, 2012). In several recent studies, it was found that incentives, such as flexible working conditions, career development and provided opportunities, increased perceived levels of employee engagement, allowing employees to feel more engaged (for example, Setiyani, Djumarno, Riyanto & Nawangsari, 2019; Semwal & Dhyani, 2017).

A well-established body of research exists that support the notion that productivity, motivation levels, engagement attitudes and behaviours are positively affected by both financial and non-financial rewards. Non-financial rewards are rewards not being valued in

cash. On the contrary, financial rewards include salaries and contingent remuneration, as well as financial benefits such as pensions and health insurance, bonuses, cash payments and gift vouchers (Hodor, 2015). Total reward strategies, policies and practices within organisations are, traditionally, made up of a combination of both financial and non-financial rewards (Hodor, 2015).

Another way many organisations go about to provide employees with praise and recognition, as well as reward and incentivise employees, is by providing gifts to employees. Gift giving or reciprocity is widely used in organisations in an attempt to positively impact and/or improve levels of employee performance and productivity, which ultimately are believed to contribute to greater organisational performance and success. In support of this notion, Akerlof (1982) argued that giving gifts in the workplace resulted in employees acquiring positive attitudes and sentiments toward the organisation, which employees reciprocated by providing higher levels of discretionary effort and productivity.

Gift exchange theories and models are based on the principles of reciprocity, in other words, when receiving a gift, the person who received the gift experiences an obligation to give a 'gift' in return which can be a tangible gift or even intangible, such as providing unsolicited discretionary effort (Bellemare & Shearer, 2009). Ultimately, reciprocity in its simplest form is the exchange of resources between two people, in other words, giving something will result in something being given back in return.

The commonly held gift exchange view, as described above, assumes that employees and organisations pursue that which is in their own material self-interest, and much of the theoretically reward literature explores how explicit and implicit contracts can be designed for alignment between employee interest and organisational objectives (MacLeod, 2007). The reciprocity literature is largely based on sociological and psychological insights which underline the importance of reciprocity and questions the assumption of pure self-interest that has underpinned the study of reciprocity in economics (Fehr, Goette & Zehnder, 2009).

According to the reciprocity view, organisations may achieve higher levels of employee and organisational performance, profits and success by treating employees kindly or decently. Treating employees kindly for instance, for example, paying fair or equitable wages, providing decent working conditions, and treating employees with respect and dignity. It was further argued that offering employees unexpected recognition or rewards may result in workers

reciprocating positively and even returning the favour by exerting higher levels of effort and productivity in return for the gifts (Akerlof, 1982).

The empirical evidence on gift exchange is, however, mixed and there have been calls for further research into this phenomena (Kube, Marechal & Puppe, 2012). Reciprocity research is still largely dominated by research focusing on the impact of financial rewards on motivation, attitudes and behaviours, despite major engagement, motivation and job satisfaction theories stressing the importance of both financial and non-financial rewards (Hofmans, De Gieter & Pepermans, 2012). Moreover, previous research studies neglected the nature of the gift and have almost exclusively focused on financials rewards. Results from field experiments have also in the past provided weak to moderate support for positive reciprocity (for example, Gneezy & List 2006; Kube et al., forthcoming; Cohn, Fehr, & Goette, 2009).

The aim of the current research study was, therefore, to use a controlled field experiment in a naturally occurring work environment to analyse the extent to which employees reciprocate discretionary effort, indicated by higher productivity, when receiving either a financial or non-financial gift. Moreover, the level of motivation and job satisfaction was measured before and after receiving a non-financial or financial reward to assess the relationship between the type of reward on motivation and job satisfaction. It is hoped that the current study will contribute to the current gap identified in literature, as well as contribute to reward practices within organisations given the importance of rewards in relation to employee and organisational performance.

### **Research objectives**

Given the aim of the study, as described above, the main objective of the research study was to investigate whether employees reciprocated when receiving either a financial or non-financial gift, with their reciprocation being measured as an increase or decrease in productivity.

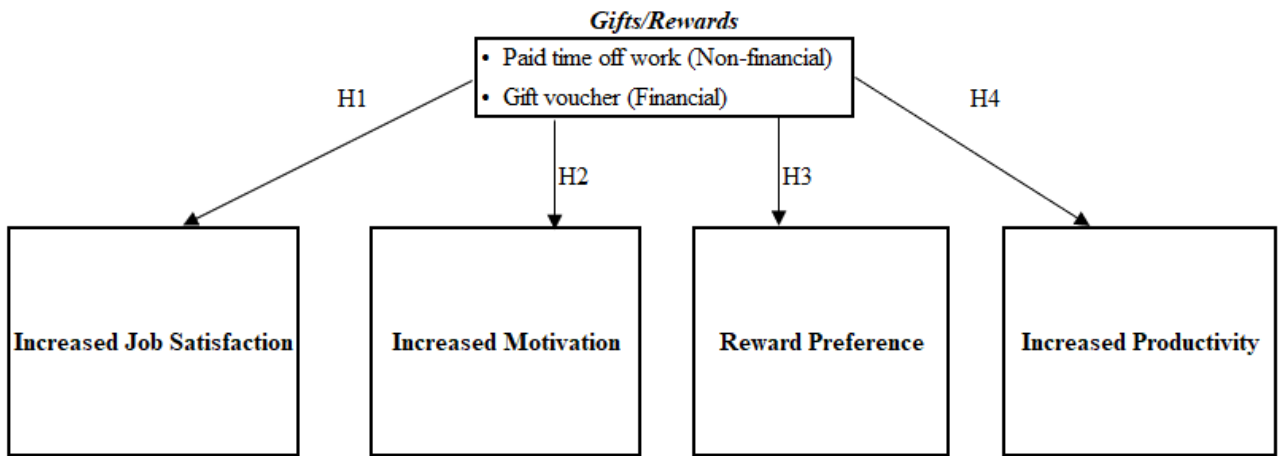
The secondary research objectives of the current research study are stated below:

- i. To analyse how employees', reciprocate discretionary effort when receiving either non-financial or financial recognition in the form of a gift, in other words, to specifically assess which form of reward (financial or non-financial) leads to higher levels of productivity;

- ii. To measure employees' level of perceived motivation before and after receiving either a non-financial or a financial gift;
- iii. To measure employees' level of perceived job satisfaction before and after receiving either a non- financial or a financial gift; and
- iv. To measure employee's preference to receive either a non-financial or a financial gift to identify reward preferences which may be considered more motivating and satisfying.

**Research framework**

The below figure depicts the aims and objectives of the current study.



*Figure 1. The Research Framework*

Figure 1 provides an illustration of the aim and objective of the current study along with the movement of this paper. The top pane displays the two reward types, financial and non-financial, whereas the bottom panes show the proposed hypotheses.

**Conclusion**

In closing, this chapter has provided a brief introduction to the constructs of interest and reviewed previous research findings within the South African context. In addition, gift exchange and reciprocity views were introduced whilst the aims and objectives of the current study was outlined.

## **CHAPTER 2**

### **LITERATURE REVIEW**

Within this chapter, a broader understanding of the constructs of interest in the current study namely rewards and gifts, and gift exchange shall be provided, to understand their role in job satisfaction and employee motivation.

In this chapter, employee motivation and job satisfaction, as well as the theories underlying these constructs are discussed as they provide a theoretical foundation for the current study. The literature regarding rewards and reward types are then reviewed, followed by a discussion of the relationships between the variables of interest. Finally, the use of gifts in motivation is discussed, as well as the gift exchange theory and reciprocity, which underpins it.

#### **Theoretical foundations of the current study**

A number of psychologists have studied the behaviour of humans and formalised their findings by publishing their insights in the form of theories. These theories of motivation exist to provide an understanding of how individuals behave, and what motivates them to act in certain ways. In addition, the theories attempt to provide organisations with standards and suggestions to motivate their employees and cultivate motivated centred environments where high levels of job satisfaction are experienced by employees that assist the organisation in achieving their goals, and ultimately achieving desirable organisational outcomes.

The dominant definitions and theories of employee motivation and job satisfaction, which can be found in the literature, are discussed in further detail below.

#### **Employee motivation**

In today's highly competitive business environment, organisational leaders and those in management roles are under pressure to develop and implement policies and procedures which are meant to ensure organisational competitiveness and sustained success. Given the importance of human capital or employees in achieving organisational goals and also producing and/or providing the products and services efficiently and effectively to generate revenue, organisations require a motivated, engaged workforce.

There is a wide-spread belief, amongst researchers and practitioners alike, that motivation plays an integral function within the organisational setting, as it is related to both individual

and organisational performance (Muogbo, 2013). Maintaining and increasing employee levels of productivity and performance through motivating employees and enhancing job satisfaction is, therefore, widely accepted to be of key importance for organisations. As a result, employee motivation and organisational performance have been extensively researched over the years in an attempt to better understand these phenomena and their role in ensuring and improving job satisfaction, motivation and productivity (Muogbo, 2013). These efforts have further produced a variety of strategies and measures that have successfully been implemented in organisations and been shown to aid in the achievement of these desirable organisational outcomes.

### ***Defining motivation***

Various theories of work motivation emerged in the 1960s in an attempt to tailor the work environment in such a manner as to make it conducive for higher levels of efficiency (Robbins & Judge, 2012). Despite there being a large established body of motivation theory and practice, which is the result of an exponential increase in the number of motivation related articles over decades, the examination and study of employee motivation continues unabated (Kanfer, Frese & Johnson, 2017). One of the reasons which could be a contributing factor to the ongoing research interest into the motivation construct, has been that the motivation construct is still described as being somewhat vague wide ranging (Kanfer et al., 2017).

Afful-Broni (2012) described employee motivation as a factor which moves an individual to achieve their goals and as a guiding principle which allows individuals to remain focused, despite challenges which may arise. Further building on this notion, Azar and Shafiqhi (2013) defined motivation as energising factors which contribute to the drive of individuals, and any living organisms for that matter.

Afful-Broni (2012) further argued that motivation theories typically comprise of internal, individualistic and unique forces that encourages action and determines the amount of effort an individual places in their work. Motivation is also described as a process, rather than a single or once-off feeling which accounts for the individual's persistence, direction and intensity expended in achieving a goal (Robbins & Judge cited in Afful-Broni, 2012). Similarly, Luthans and Sommers (2005) also described motivation as a process which alters attitudes, energises and sustains the behaviour of an individual.

Nelson and Quick (2003) defined motivation as a behaviour which is goal-directed, whilst Bartol and Martin (cited in Dobre, 2013) suggested that motivation is a reinforcement tool

within an individual. This reinforcement tool focuses on the behaviours of an individual and triggers what prompts ones' tendency to continue or continuously try (Bartol & Martin, cited in Dobre, 2013). Thus, a motivated individual directs their efforts to the goals they wish to achieve and is always conscious of these goals.

### **Theories of motivation**

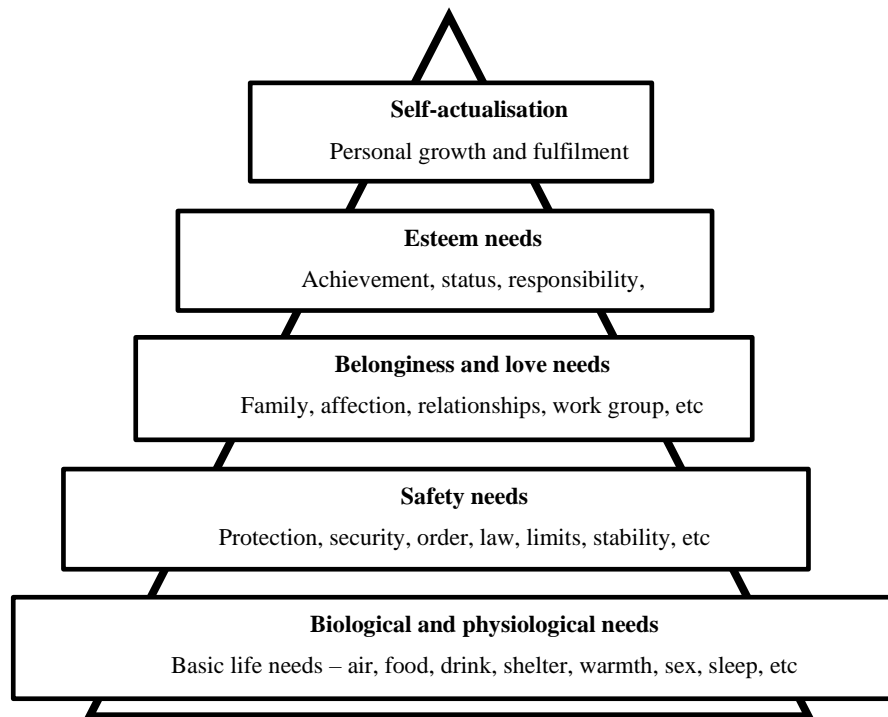
When defining and attempting to understand motivation, it is often understood to be a simple construct, however, it seems this is not the case. As a result, a number of motivation theories exist which have all been attempts to understand and explain why certain individuals behave in certain ways, whilst others do not. In addition, theories of motivation have also influenced how organisations manage their employees to achieve a motivated workforce and how to continuously motivate their employees (Dartey-Baah & Amoako, 2011).

Two well-known theories of motivation, Maslow's Hierarchy of needs and Vroom's Expectancy Theory are briefly discussed here.

#### ***Maslow's Hierarchy of needs***

Abraham Maslow, a clinical psychologist, was interested in understanding what makes individuals happy and motivated. Based on his personal judgement, he introduced his theory known as the need hierarchy theory in which he essentially argued that individuals have five needs and outlined these needs in a hierarchal manner. Maslow (1943). He further argued that individuals are motivated to achieve certain needs and once fulfilled, the individual attempts to fulfil a subsequent need (Kaur, 2013).

Maslow's (1943) motivation theory, which is graphically represented in Figure 2 (see below), was shaped around a five-stage hierarchical model that is divided into basic and growth needs and he argued that only once basic needs are fulfilled can growth level needs be achieved (Maslow, 1943).



**Figure 2.** Maslow’s Hierarchy of Needs

In his theory, Maslow (1943) suggested that individuals are first motivated to fulfil their basic physiological needs before transcending to other, growth or advanced needs. These basic needs included survival, such as food, clothing, shelter and warmth and it was argued an individual is hungry, they are motivated to fulfil their need for food as it influences their behaviour. The second level of Maslow’s (1943) model was identified as security needs, followed by social needs and thereafter self-esteem needs. The final level of Maslow’s (1943) hierarchy was identified as self-actualisation and referred to one becoming their competent self. When exploring the final level of the hierarchy, Maslow (1943, p.382) concluded that “...what a man can be, he must be”.

From an occupational and organisation perspective, Maslow (2013) incorporated different elements such as, remuneration, benefits, organisational culture and management performance, into one unified whole. Based on his hierarchical theory, physiological or basic needs within the occupational perspective are satisfied through the wages or salaries provided to employees by organisations, whilst safety needs relate to such aspects as job security, structure and responsibilities of the employee (Steward, Nodoushani & Stumpf, 2018). Belonginess and love needs are argued to be satisfied through a positive organisational culture, whereas esteem needs can be fulfilled by positive relations with management and leaders (Steward et al., 2018).

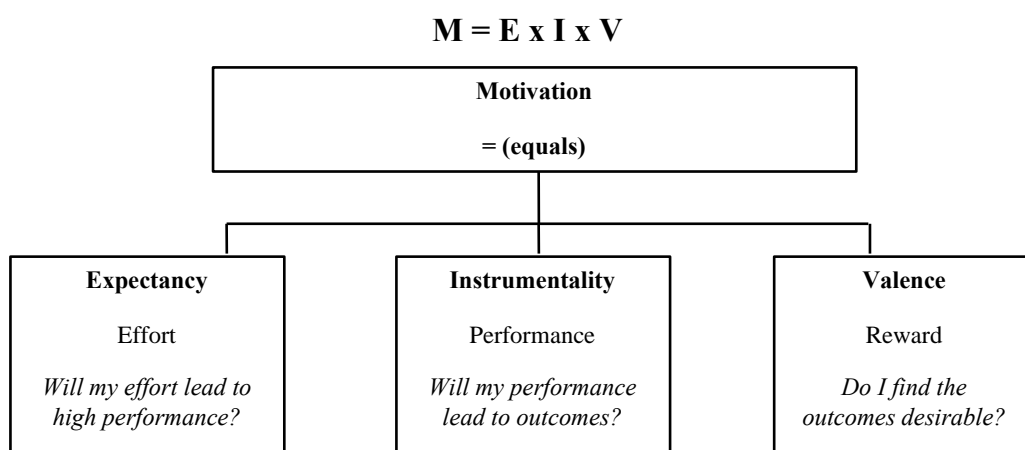
This allows for feelings of trust and capability for the employee within their role (Steward et al., 2018). Finally, self-actualisation needs in the workplace are somewhat harder to fulfil and involves active engagement from management to ensure employees are motivated with meaningful work which meets their potential (Steward et al., 2018).

### ***Vroom's Expectancy Theory***

Victor Vroom (1964), an industrial psychologist was the first theorist to develop an expectancy theory with applications to the work setting (De Simone, 2015).

Vroom developed his theory based on value, expectancy and force, and explained motivation to be the product of expected value to individual action (Vroom, 1964). He furthermore believed that motivated behaviour was goal-orientated due to individuals acting in a hedonistic way (Vroom, 1964). According to the Vroom's expectancy theory, 1) expectancy, 2) instrumentality and 3) valence are proposed to be the determining factors in causing motivation, with the absence of any one of these factors resulting in a lack of motivation (Suciu, Mortan & Lazar, 2013).

Ultimately, the Expectancy Theory views the strength of a tendency to act as dependent on the strength that the act will in fact lead to the desired outcome. Thus, determiner behaviour is orientated towards anticipated and individualised goals. Vroom's expectancy theory is graphically represented in Figure 3 (see below).



***Figure 3. Vroom's Expectancy Theory (1964)***

Vrooms (1964) theory was based on three beliefs. The first belief encompassed the relationship between performance and effort, arguing that effort will lead to success (Vroom, 1964). The second belief involved the relationship between performance and outcomes and was concerned with individuals' belief about what you do and what you get (Vroom, 1964). Lastly, the third belief examined the relationship between outcomes and satisfaction and was associated with how much value outcomes will have in the future, rather than now (Vroom, 1964).

As described above, Vroom's (1964) theory described the determiner as equivalent to motivation; valence as an individual's preference for the goal; expectancy as the probability of the action leading to the desired outcome; and instrumentality as the link from one outcome to other outcomes. Based on these notions, Suci et al., (2013) argued that when individuals 1) believe their effort leads to performance; and 2) the link between performance and results are transparent, they will be motivated as the results are viewed as important to them. Buchanan and Huczynski (1985) further argued that motivation will be zero if a high value is placed on a goal, yet the expected probability of achieving the goal is zero.

To conclude this section, it is evident that these theories attempt to understand and explain the process of motivation and manner in which employees are motivated in the workplace. Furthermore, they provide guidelines to organisations around what should be implemented to create a motivated workforce and how these measures result in motivated employees.

Similarly to that of motivation, research into the job satisfaction construct and its underlying theories have existed for decades now.

### **Job satisfaction**

Research into job satisfaction is relevantly widespread due to the intuitive link it provides to a variety of employee behaviours (Hofmans et al., 2012). Interest in job satisfaction, both in academia and industry rose dramatically when numerous theoretical and practical studies confirmed a clear link between job satisfaction and overall organisational performance (Delic, Kozarevic, Peric & Civic, 2014). As a result, the job satisfaction construct has seen increased attention from organisations.

Job satisfaction involves the way by which individuals feel about their job and the aspects thereof (Abdullah & Lai Wan, 2013). It further includes mental responses, such as cognitive,

affective and behaviour, to an individual's job (Hulin & Judge, 2003). Ultimately, job satisfaction describes the extent to which an individual likes or dislikes their job (Abdullah & Lai Wan, 2013).

Job satisfaction has been regarded as vital as it relates to employee and organisational outcomes, ranging from health, longevity and job performance (Spector, 2003). Isen (2005) argued that satisfied employees build positive relationships in the workplace resulting in cooperation, operative teamwork, increased communication and effective conflict mitigation. In addition, satisfied employees were found to be more loyal, committed to work and experienced fewer symptoms of stress and burnout (Jachnis, 2008; Sarmiento, Laschinger & Iwasiw, 2004). Argyle (2004) concluded that satisfied employees resulted in reduced absenteeism, lack of work avoidance and improved health, all of which are beneficial to the organisation. The importance of job satisfaction is often further highlighted in organisations as it is said that higher levels of perceived job satisfaction are related to lower levels of voluntary employee turnover, less grievances, improved health, decreased absenteeism and increased productivity (O' Malley, 2000).

The management and measurement of employee job satisfaction is, therefore, deemed necessary and important in organisational efforts to improve employee and organisational performance. In attempting to understand the complexity of job satisfaction, an understanding of what job satisfaction means must be known.

### ***Defining job satisfaction***

While the term job satisfaction is widely used, there seems to not be one universal definition thereof (Delic et al., 2014). A number of definitions have been formulated through the last decade with most authors defining it in terms of feelings, beliefs and attitudes.

McCormick and Ilgen (1980) described job satisfaction as an individual's attitude towards their job, whilst similarly, Arnold and Feldman (1986, p.86) described it as "...the amount of overall affect that individuals have toward their job". Both these definitions involve an emotional response to the job, namely attitude and affect, which suggest these responses may vary from positive to negative (McCormick and Ilgen, 1980). Locke (1976) proposed job satisfaction as a positive emotional state or a pleasure resulting from one's job or job experience. On the other hand, Megginson, Mosley and Pietri (1982) described it as a feeling individual's experience when they feel good about their jobs.

Hoppock (1935), on the other hand, defined job satisfaction as a combination of conditions including psychological, physiological and environmental which prompt an individual to believe they are satisfied with their job. Similar to that of motivation, what provides one employee with job satisfaction and feelings of satisfaction within their job, may differ to another employee or among other employees within the same organisation setting (Patterson, cited in Abdullah & Lai Wan, 2013). A number of factors are identified as being influential to job satisfaction, with these factors often categorised into two groups. More specifically, those factors associated with the organisation and job performance and those associated with experiences of employees (Eskildsen & Kristensen, 2006). It would seem, therefore, that job satisfaction is ultimately created and caused by a variety of interrelated components

Organisational determinants of job satisfaction include job design, the environment, content of work, treatment principles, organisational rewards, the competence of managers and supervisors, and interpersonal relationships (Delic et al., 2014). On the contrary, personal determinants of job satisfaction include age, gender, marital status, alignment between personal and work interests, level of education, status and position within the organisation and overall satisfaction with life (Delic et al., 2014).

Perceived levels of job satisfaction vary throughout an individual's career due to the transformation of age, working and life experience and working conditions. Bubas and Milosevic (2009) suggest an increase in job satisfaction after the age of 36 years, with job satisfaction levels being greater in older age groups. Kirkman and Rosens (1999) found greater levels of job satisfaction in individuals in higher positions within the organisational hierarchy, whilst Fabra and Camison (2009) argued that individuals with a higher level of education are more satisfied within their jobs.

Based on the arguments and notions described above, Frederick Herzberg asked people to describe times where they felt good and bad about their job (Dartey-Baah & Amoako, 2011). The findings of his investigation ultimately moulded Herzberg's Motivation-Hygiene Theory, also known as Hertzberg's Two Factor Theory (1959), which became a key theory in understanding job satisfaction, as well as job dissatisfaction in the workplace.

### ***Herzberg's Two Factor Theory***

Influenced by Maslow's Hierarchy of Needs (1943), Hertzberg, Mausner and Snyderman published their Motivation-Hygiene Theory of Work Motivation in 1959. Alshmemri,

Shahwan-Al and Maude (2017) claimed that the two-dimensional theory concentrated on factors influencing individuals' attitudes toward their work, whereby Herzberg, Mausner and Snydermann (1959) argued that certain factors lead to positive attitudes of work and others to negative attitudes.

Herzberg's theory initially claimed that job satisfaction and job dissatisfaction are affected by two factors and therefore the two constructs cannot be measured on the same continuum. Upon further studying the influencing factors of the work environment and causes of job satisfaction and dissatisfaction, Herzberg, Mausner and Snydermann (1959) restated and adjusted the hypothesis of the theory, changing the theory to the Two-Factor Theory of Job Satisfaction (Alshmemri et al., 2017).

Hertzberg's Two-Factor Theory (1959) proposed that employees are influenced by two factors, 1) motivators and 2) hygiene factors. Motivators are associated with the needs for self-actualisation or growth, whereas hygiene factors were associated with the need to avoid unpleasantness (Alshmemri et al., 2017). Example of motivators includes achievement, recognition, growth and increased responsibility whereas hygiene factors include workplace policies, working conditions and working relationships. Hertzberg's Two-Factor Theory (1959) further suggested that motivation factors are intrinsic to the job, while hygiene factors are extrinsic to the job and, therefore, hygiene factors reduce job dissatisfaction whereas motivation factors function to improve job satisfaction (Herzberg, 1966).

To expand his theory, Herzberg (1966) further argued that satisfaction occurred when work was perceived as significant yet the factors portraying job satisfaction are different to those which lead to job dissatisfaction. The opposite of job dissatisfaction is, therefore, not job satisfaction but rather no or the absence of job satisfaction. The Two-Factor Theory further claimed that employee motivation was achieved when employees were confronted with enjoyable, yet challenging work where they can grow, achieve and demonstrate responsibility within the organisation (Dartey-Baah & Amoako, 2011). Motivation and job satisfaction are , therefore, achieved once employee efforts are recognised.

As was suggested in Hertzberg's Two-Factor Theory (1959), it is important to understand that in the workplace hygiene factors do not simply remove job dissatisfaction from employees, just as much as it does not only take motivator factors to motivate employees. Managers and organisational leaders need to rather effectively combine factors that suit the needs of their

employees if they wish to motivate and satisfy them (Dartey-Baah & Amoako, 2011). Hoole and Vermeulen (2003) argued that the extent to which employees are motivated is often positively related to their job satisfaction. Therefore, although motivation and job satisfaction complement one another, they cannot be isolated (Ayub & Rafif, 2011). The relationship between the two is furthermore important since several facets of the work environment serve as motivators to the performance of employees (Herzberg, 1966).

### **Rewards in Organisations**

Rewards are believed to play an essential role in building and sustaining employee commitment, performance, job satisfaction and constancy within organisations (Jehanzeb et al., 2012). Rewards are typically defined as financial benefits, tangible services or any other benefit an employee receives as a result of their employment relationship (Bratton & Gold cited in Jehanzeb et al., 2012). Luthans and Sommers (2005) argued that rewards are received as a direct result of an exchange of service between an employee and the organisation. Rewards are furthermore used as a guidance tool for employee behaviour and performance as well as it is used to keep employees satisfied and motivated (Rynes, Gerhart & Minette, 2004). Additionally, rewards aid employee motivation which subsequently contributes to their job satisfaction.

Rewards are traditionally grouped into two categories, namely 1) intrinsic rewards, and 2) extrinsic rewards (Khalid, Salim & Loke, 2011). Based on this categorisation, total reward models acknowledged the importance of both financial (extrinsic) rewards which are argued to be related to extrinsic motivation, but also emphasised the importance of complementing these financial rewards with other types of non-financial (intrinsic) rewards (Armstrong, 2010). Total reward models, therefore, define rewards more broadly and as practically any valued outcome received by an employee for their effort and contribution (Henderson cited in Hofmans, De Gieter & Pepermans, 2012). This has consequently resulted in organisations diverging from previous models looking at only extrinsic or intrinsic rewards, to a total reward model which include a number of other factors identified as rewards (Hewitt, 2015).

#### ***Total reward models***

Total rewards systems or models are described as the total value of an employee's reward package, and includes items that are viewed as important and valued by the employee (Bussin & Van Rooy, 2014). Total reward models have also been defined in terms of total value

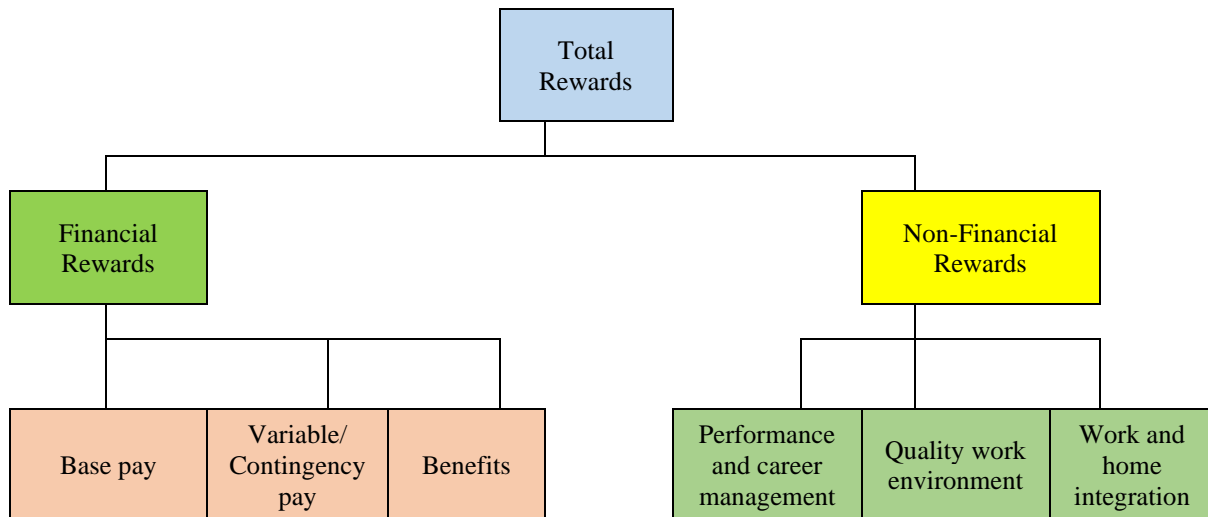
proposition, offered by the organisation to its employees (Reilly & Brown, 2008). Evidentially, it is, therefore, a combination of different rewards including financial, non-financial, extrinsic and intrinsic captured in an Employee Value Proposition (EVP) that is provided in exchange for the value-added to the organisation by an employee (Gross & O'Malley, 2007). Based on this notion, a number of total reward models have been developed in recent years. Despite most total reward models offering similar rewards, differences among models have also been found to exist.

Armstrong and Brown's (2006) model comprised of remuneration, benefits, work-life, performance and recognition, development and career opportunities and work experience. The WorldatWork Model (2007) had a similar structure yet only included five categories, thus excluding work experience. The Corporate Leadership Council (CLC) (2005) model included six components, namely, base pay, health and wellness benefits, leave benefits, retirement benefits, bonus and incentives and family-friendly benefits. Whereas, Zingheim and Schuster's (2007) comprised of three reward groups, total pay, performance or people management and other types of rewards. Their model was somewhat popular due to its integration with human resource processes (Zingheim & Schuster, 2007). Nienaber (2010) developed a reward preference model based on an integration of existing prominent total reward models, which includes a comprehensive and multidimensional view of total rewards and suggesting six reward types.

Nienaber's (2010) model, which is graphically represented in Figure 4 below, includes base pay, performance and career management, contingency pay, quality working environment, benefits and work-home integration. Base pay was identified as the monthly remuneration provided to employees by the employer, as well as savings, retirement programmes and health benefits, all of which were provided to the employee to supplement their remuneration. Variable pay was classified as long and short-term incentives (Hoole & Hotz, 2016). Variable or contingency pay, refers to short term incentives which are usually linked to individual performance, whereas long term incentives included share appreciation rights and share option schemes (Hoole & Hotz, 2016).

Non-financial rewards, performance and career management, on the other hand, involves an organisation providing employees with growth and development opportunities meant to advance their careers, whereas a quality work environment comprises the organisation focusing

on the impact work may have on its employees' lives (Hoole & Hotz, 2016). Lastly, work and home integration focused on the organisations' implementation of policies and practices supporting and encouraging employees to achieve a successful work-life balance (Hoole & Hotz, 2016).



**Figure 4.** Nienaber's (2010) Total Reward Preference Model

Intrinsic and extrinsic rewards, as reflected on most total reward models, seem to differ to a great extent. Intrinsic rewards are internal to the job itself whilst extrinsic rewards are external to the job and include tangible rewards (Thomas, 2009). A number of studies investigating the impact of intrinsic and extrinsic rewards have been conducted and there are ongoing discussions to determine whether extrinsic rewards are indeed out-dated (Pink, 2011). Extrinsic rewards, on the other hand, have been said to be out-dated as employers are probing alternative ways to motivate and stimulate employees within the workplace (Pink, 2011).

***Intrinsic rewards***

Intrinsic rewards are generally non-financial and inherent to the job. They are identified as positive emotional gratifications employees receive for their efforts in their job roles (Thomas, 2009). Intrinsic or non-financial rewards are typically intangible and involve emotionally rewarding work-related experiences (Thomas, 2009). Examples of intrinsic rewards include appreciation, recognition, an attitude of caring from the organisation and achieving new challenges (Yousaf, Latif, Aslam & Saddiqui, 2014). Autonomy, responsibility as well as personal and professional growth are furthermore examples of intrinsic rewards (Ozutku, 2012). Mahaney and Lederer (2006) argued that intrinsic rewards include the feeling of self-

esteem, praise from co-workers and status. Ozutku (2012) furthered this by suggesting that intrinsic rewards increase both self-esteem and feelings of accomplishment. Intrinsic rewards are common practice within organisations and can be noticed when organisations reward employees with letters of appreciation or certificates, lunches and events for their efforts (Ozutku, 2012).

Intrinsic rewards are linked to many organisational outcomes such as job satisfaction, decreased stressed, motivation and commitment (Jacobs, Renard & Snelgar, 2014). Thomas (2009) found that intrinsic rewards were strongly correlated with job satisfaction with employees reporting increased job satisfaction and intrinsic motivation when receiving intrinsic rewards. In addition, Nujjoo and Meyer (2012) also found a positive correlation between intrinsic rewards, commitment and intrinsic motivation within the South African context suggesting that intrinsic rewards promoted intrinsic motivation.

When analysing intrinsic rewards in relation to Herzberg's theory, Khan, Waqas and Muneer (2017) suggested these reward types fulfilled the intrinsic motivators of employees which ultimately motivated them. Intrinsically motivated employees find activities interesting, challenging and tend to ensure the activity is associated with their personal selves, thus getting satisfaction from performing the activity (Giancola, 2014). Opposite to intrinsic rewards, extrinsic rewards are external to the job itself (Ozutku, 2012).

### ***Extrinsic rewards***

Porter and Lawler (1968) defined extrinsic rewards as tangible benefits gained as a result of completing a task or job; and are external to one's job (Ozutku, 2012). These rewards are not only financial, but include non-financial benefits. Non-financial extrinsic rewards include healthy relationships with colleagues, support and verbal praise from superiors (Mottaz, 1985 cited in Nujjoo & Meyer, 2012). Non-financial extrinsic rewards furthermore include social climate, job security and promotions (Ozutku, 2012). On the contrary, financial extrinsic rewards include salaries, wages, bonuses, gifts, incentives, allowances, pay raises and direct forms of payment (Yousaf et al., 2014; Ozutku, 2012).

Previous literature suggested that financial rewards as extrinsic rewards are often shunned by leaders. Ozutku (2012) argued that financial extrinsic rewards often destroy teamwork and are counterproductive. He furthered his argument around counterproductivity by suggesting

that when extrinsic rewards are used, organisations are unable to accurately measure performance as performance is influenced by factors beyond the control of employees.

### **The role of rewards in employee attitudes and sentiments**

Armstrong (2010) argued that rewards are key components in the employee-organisation relationship due to rewards being identified as an organisational tool to guide employee performance and behaviour. Often, the purpose of rewards, both financial and non-financial, is to motivate employees to devote their skills and efforts toward achieving organisational goals (Delic et al., 2014). Rewards are directed to employees to achieve full engagement and satisfaction which results in increased productivity, effectiveness and efficiency (Delic et al., 2014).

### **The relationship between rewards and job satisfaction**

Rewards as a determinant of job satisfaction are evident in at least two theories or models, namely the Discrepancy Model and the Equity Model. The Discrepancy model of Porter and Lawler (1968) suggested that employee job satisfaction is determined through a comparison of an employee's current job conditions and benefits to their ideal job. Similarly, the Equity Model of Adams (1965) proposed that individuals compared their input and output ratio with this ratio reflecting rewards received due to work performed. Thus, the comparison determines whether an individual displays satisfaction in their job (Hofmans et al., 2012).

Marzuki, Permadi and Sunaryo (2012) investigated the impact of rewards on job satisfaction levels amongst a sample of blue-collar construction employees. Their results concluded that rewards and incentives positively influenced employees' perceived job satisfaction and performance. Another study by Najimuddin, Lanka, Abeysundara and Lanka (2019) consisting of factory workers in a manufacturing plant found that work arrangements were the most important and influential factor leading to employee job satisfaction of machine operators.

Abdullah, Bilau, Enegbuma, Ajagbe and Ali (2011) also conducted a study among construction firms to measure the relationship between job satisfaction and performance. Their results concluded that job satisfaction was indeed significantly related to employee job performance (Abdullah et al., 2011).

Most of these studies measured job satisfaction among lower-level employees and found that rewards influenced levels of job satisfaction. A study on job satisfaction conducted among 120 bank employees found that pay was the primary requirement for satisfied employees (Hu, Kaplan & Dalal, 2010). When comparing job satisfaction among lower-level employees and white-collar employees, it was found that blue-collar employees tend to be less satisfied with various aspects of their jobs (Hu, Kaplan & Dalal, 2010).

Locally, Terera and Ngirande (2014) conducted a study on rewards and job satisfaction among nurses situated in the Eastern Cape Province of South Africa. The results of the study found no association or relationship between rewards and job satisfaction which suggested rewards were not a determinant of employee job satisfaction, nor was there a relationship between the two (Terera & Ngirande, 2014).

### ***Non-financial rewards and job satisfaction***

Organisations make use of different types of non-financial rewards to enhance job satisfaction of their employees (Tausif, 2012). Additionally, a large variety of literature relating to rewards and employee job satisfaction is available. Tippet and Kluvers (2009) found that non-financial rewards enhance job satisfaction of employees working in non-profit organisations. Similarly, Tausif (2012), who conducted his research among full-time employees within public sector high schools also found a significant relationship between non-financial rewards and employee job satisfaction.

### ***Financial rewards and job satisfaction***

Ismail (2007) conducted research to establish the impact of financial rewards on job satisfaction. His study was conducted among academicians and found that financial rewards were significantly correlated to employee job satisfaction (Ismail, 2007). Similarly, Muhammad and Maqbool (2015) found that employees employed within the banking sector displayed increased levels of job satisfaction when rewarded with financial rewards, compared to non-financial rewards. Despite the above confirming the relationships between rewards and job satisfaction, further research found no relationship between the two.

## **The relationship between rewards and employee motivation**

The management of rewards is a key strategy used to create a motivated workforce with the influence of rewards on employee motivation being reflected quite clearly in practice

(Nujjoo & Meyer, 2012). Through the introduction of rewards in the workplace, organisations are able to motivate their employees and obtain understanding of how these rewards influence motivation (Safiullah, 2014).

Khan, Farooq and Ullah (2010) found a positive relationship between rewards and employee motivation among employees working in commercial banks of Pakistan. Similarly, Smith, Joubert and Karodia (2015) conducted a study to determine the extent to which employees at a medical devices company in South Africa value rewards as motivators. The results of their study confirmed that employees at the organisation do in fact, value rewards as motivators as a statistically significant relationship was found between rewards and motivation (Smith et al., 2015).

Although a direct relationship between rewards and motivation is clearly evident and supported, somewhat contradictory results have also been found amongst studies that have compared the nature of the reward, in others, whether it was financial or non-financial and the relationship with motivation.

#### ***The case for financial rewards***

In 1911, Frederick Taylor described money as the most important reward to motivate lower-level employees to achieve increased productivity (Biswas & Mittar, 2015). However, Biswas and Mittar (2015) disagreed with this argument suggesting a lack of conclusive proof of the impact of financial rewards on the performance of employees.

Hafiza, Shah, Jamsheed and Zaman (2011) empirically examined the relationship between rewards and employee motivation among employees of non-profit organisations in Pakistan and found support for a direct relationship between extrinsic rewards and employee motivation, with intrinsic rewards not significantly being related to motivation (Hafiza et al., 2011).

#### ***The case for non-financial rewards***

Pink (2011) argued that organisations should shift their emphasis from extrinsic rewards to intrinsic rewards as these rewards result in greater performance, increased motivation and increased job satisfaction. This notion has been corroborated in several studies.

A study conducted among employees working in a manufacturing plant in Mumbai found non-financial rewards to be positively associated with employee motivation (Nandanwar, Surnis & Nandanwar, 2010). Similar results were obtained in a study conducted by Tausif

(2012) among teachers in public schools which concluded that non-financial rewards were strong predictors of job satisfaction. Tymon, Stumpf and Doh (2010) also found a positive correlation between intrinsic rewards and job satisfaction. In addition, Abdullah and Lai Wan (2013) also found a positive relationship between non-financial rewards and job satisfaction.

Tippet and Kluver (2009) investigated whether employees of non-profit organisations in Australia are motivated by extrinsic and intrinsic rewards. They found a non-significant relationship between employee motivation and extrinsic rewards and concluded that employees in these organisations appear to rather be motivated by intrinsic rewards (Tippet & Kluver, 2009).

Gaille (2017) argued that financial incentives lack the ability to create sustained or long-lasting levels of satisfaction and tend to be quickly forgotten. To substantiate this argument, he questioned respondents in his study regarding their feelings, thoughts and opinions of incentives and detailed their responses which confirmed that boosting morale, as well as praise and recognition was the preferred incentive, rather than financial incentives (Gaille, 2017).

As a result, some authors believe that the nature of the relationship and importance of intrinsic vs extrinsic rewards on motivation may be dependent on other factors. They argue that employees have different financial, personal goals and even professional goals and, therefore, given their needs the same types of rewards or incentives cannot be equally motivating for them at all times (Bagram, Cunningham, Portgieter & Viedge, 2007).

Venter and Arnolds's (2007) research on blue-collar employees found that these workers rated recognition as the best reward, which may suggest that the relationship may be contingent on factors experienced at different levels in the organisational hierarchy.

Further studies into the role that extrinsic vs intrinsic rewards and their relationship with employee motivation has, therefore, been called for by several authors and the current study is an attempt to heed this call and provide further input into this debate.

### **Rewards to increase motivation, job satisfaction and productivity**

Improved performance whilst reducing costs is something organisations strive to achieve (Biswas & Mittar, 2015). Organisational strategies focusing on rewards and motivation towards job satisfaction are said to have a strong effect on the success of the organisation as all

three variables are interlinked to one another (Devanna, Fombrun & Tichy cited in Jehanzeb et al., 2012).

Jehanzeb et al., (2012) argued that rewards and motivation are two factors affecting employee job satisfaction. Similarly, employees with increased levels of job satisfaction are motivated by rewards (Amabile, Hill, Hennessey & Tighe, 1994). Jehanzeb et al., (2012) found a direct link between rewards, motivation and job satisfaction. Thus, arguing that rewards possess the potential of significantly improving job satisfaction levels of employees (Ali & Ahmed, 2009).

Ali and Akram (2012) investigated the relationship between rewards, employee motivation and employee job satisfaction and found that rewards positively impacted employee levels of motivation and job satisfaction (Ali & Akram, 2012). Likewise, Jehanzeb et al. (2012) concluded a strong relationship between the degree of rewards, motivation and job satisfaction of employees in the banking sector. They further concluded that when rewards are increased within the organisation, variance in employee motivation shall transpire, resulting in increased job satisfaction (Jehanzeb, et al., 2012). Evidentially, rewards must therefore be adjusted accordingly to improve employee motivation and enhance employee satisfaction within their jobs.

Bellemare and Shearer (2009) studied the impact of financial rewards on productivity. Their results indicated a positive response to the financial gift and concluded an increase in participant productivity. These results supported those of Akerlof (1982) who concluded that employees positively reciprocate to rewards by exerting increased effort. Despite this, Biswas and Mittar (2015) concluded that although most research support financial rewards to motivate, it only motivates for a short period of time. They further concluded that the best way to motivate employees is by using non-financial rewards or incentives as it possesses intrinsic value to employees (Biswas & Mittar, 2015).

From the above findings, it is evident that different reward types such as financial and non-financial influence the impact of the reward on job satisfaction. Certain employees may find financial rewards more satisfying, whereas other employees' may find non-financial rewards more satisfying. Thus, there is no established reward type which is said to more impact job satisfaction, as it dependent on the context of employees. Ultimately, different reward types impact employees inversely.

## **Gifts as rewards**

One of the reward practices and measures that are widely used to address and improve levels of employee motivation, job satisfaction and productivity is providing employees with gifts to recognise their performance and achievements. This practice is underpinned by gift exchange theory,

Akerlof (1982), based on the theoretical underpinnings of gift exchange theory suggested that organisations may benefit from giving gifts to their employees. He proposed that when employees are gifted, they attain "...sentiment for the firm" which results in them reciprocating by providing increased effort and productivity (Akerlof, 1982, p.542). Molm (2010) identified reciprocity as the giving of gifts or benefits to one another, in return for something else.

Decades before this though, Gouldner (1960) had proposed four dimensions of gift exchange, which was believed to have impacted reciprocity. These four dimensions were 1) the value or meaning the recipient attached to the generosity of the donor; 2) the recipients' attributions about motivations of the donor; 3) the status of the recipient and giver; and 4) the history and nature of the relationship between the recipient and giver (Gouldner, 1960).

## **Gift exchange theory**

Several studies have provided experimental evidence to support the effectiveness of gift exchange theory (Fehr & Gächter, 2002). An experiment conducted by Fehr, Kirchsteiger and Riedl (1998) found support for gift exchange theory in that reciprocity enhanced employee's level of efficiency. Although the evidence on gift exchange is still somewhat mixed, a limited number of researchers have attempted to investigate reciprocation, as well as examine the relationship between gifts/rewards, productivity and whether the gifts are likely to cause reciprocity.

Gouldner (1960) further proposed that gifts are most likely to elicit reciprocity among those employees at lower levels in the organisational hierarchy, as well as when the relationship between the recipient and giver has been orientated towards mutual support and affiliation. He further also argued that reciprocity is most likely to be elicited when the receiver views the gift as given due to generosity and when the giver is perceived as not been pressured into offering the gift in the first place (Gouldner, 1960). Ultimately, employees are likely to reciprocate

increased efficiency and productivity when the gift is perceived to have been given out of goodwill.

In 2006, the gift exchange theory was tested inside a tree-planting firm among 18 tree planters (Bellemare & Shearer, 2009). An experiment was conducted over a period of seven days starting on a Thursday and ending the following week Friday. On the second day of the experiment, upon the arrival of the tree-planters, they were notified that they would be receiving a reward of US\$80 in addition to their normal pay. To measure their hypothesis, the researchers compared productivity on the day of the experiment to the productivity of previous days, under the same conditions (Bellemare & Shearer, 2009). Their results yielded that the expected reward had a significant positive effect on daily planter productivity.

Another study examining the gift exchange theory by Kube et al., (2012) attempted to analyse how strongly workers reciprocate non-financial and financial rewards with higher productivity. Researchers recruited individuals for the experiment who had the responsibility to catalogue books from a library at an hourly rate of £12. The treatment groups received a financial and non-financial reward, with the financial reward represented in the form of a 20% wage increase whereas the non-financial reward was represented by a thermos bottle of equivalent value to the financial reward (Kube et al., 2012). The results of their study showed that the financial gift had no significant impact on productivity, whilst the non-financial reward resulted in 25% higher productivity (Kube et al., 2012). In another study by Kim, Kim and Holland (2020), they similarly found that three intrinsic motivators were crucial for nurturing reciprocity in the workplace.

### ***Gifts and employee motivation theory***

Gifting employees with the intention to motivate contributes to satisfying the self-esteem needs and self-actualisation of employees. Self-esteem refers to ones' evaluation of themselves, their worth as a person and involves feelings of self-respect and self-acceptance (Donnellan, Trzesniewski & Robbins, 2011; Ackerman et al., 2011). When rewarded with gifts, employees believe their contributions and performance are recognised as well as they feel they are achieving organisational goals which ultimately contribute to satisfying their self-esteem needs.

Maslow's Hierarchy of Needs, as described above, is often used in the workplace to determine how to more effectively motivate employees. Understanding the hierarchy assists

with determining whether the needs of employees are met as well as how these needs can be further fulfilled.

Vroom's Expectancy Theory (1964) suggested that employees are motivated to improve performance when they believe improved performance will lead to appraisal, which result in some form of reward. The applicability of this theory to the research study can be seen through employees experiencing heighten motivation to improve performance as they believe their improved performance will result in appraisals which lastly resulted in rewards.

The premise of Vroom's (1964) theory is that individuals make behavioural choices which allows them to achieve their desired outcomes (Vroom, 1964). The theory therefore attempts to explain the process individuals implement to make decisions, with these decisions being based on different behavioural alternatives. Thus, upon receiving a gift, employees will calculate whether their decision will indeed lead to improved performance and whether the improved performance will result in their desired outcomes. Finally, valence in the theory looks at the value the employee places on the reward. Ultimately, if the employee places great value on the gift and if the gift is meaningful to them, they will be motivated to improve their performance.

### ***Gifts and job satisfaction***

As argued within Herzberg's (1966) theory, motivation and job satisfaction are achieved when the efforts of employees are recognised. When applying this theory to the current research study, it is possible to assume that levels of job satisfaction are likely to increase as employees believe that by receiving a gift, their efforts are recognised. The impact of rewards on job satisfaction levels as well as the relationship between the two have been empirically shown in a number of previous research studies with some studies confirming that rewards positively impacted job satisfaction whereas others found no relationship between the two (Terera & Ngirande, 2014; Tippet & Kluvers, 2009; Tausif, 2012; Marzuki, Permadi & Sunaryo, 2012).

### **Conclusion**

In closing, this chapter has provided an overview of the growing literature around employee motivation, job satisfaction and rewards. In addition, a review of applicable previous research studies has been examined. Although limited, the evidence of the gift exchange theory has been investigated and reviewed in relation to past studies testing the theory. Despite this,

the limited empirical research of this theory in the South African context merits attention for literature and experiments that provide a deeper understanding of the theory and its effects.

## CHAPTER 3

### METHOD

In this chapter, the research design, approaches and methods that were utilised for the purposes of the current study to address the research question, are discussed. The data collection procedures, measuring instruments, and demographic information of the realised sample are further also described. Finally, the statistical techniques used to analyse the data was described.

#### **Research design and approaches**

The basis of good quality research is represented by the research design that was employed (McGivern, 2013). The purpose of the research design is to structure the study in such a manner as to answer the research problem appropriately (McGivern, 2013). For the purposes of the current study, and given the stated aim and research objectives, an experimental research design was selected. Experimental research designs are identified as qualitative research methods by which researchers attempt to determine the impact of interventions on outcomes within a study (Creswell, 2002).

This research design was deemed appropriate to measure how strongly employees reciprocate discretionary effort with higher productivity when receiving either a non-financial or financial gift. It was furthermore appropriate to measure and assess the impact of the non-financial or financial reward on employees' perceived levels of motivation and job satisfaction. Making use of a field experiment was identified as pragmatic as it evaluated the real-world effectiveness of variables, instead of the efficiencies of the variables of interest (Schweizer, Braun & Milstone, 2016).

The current study adopted a cross sectional approach to data collection, as primary quantitative and qualitative data was collected and analysed using closed-ended and open-ended question, respectively. The study can also be described as being of the *ex post facto* variety, in other words, investigating the phenomena 'after the fact'.

#### **Description of the method**

A controlled field experiment in a naturally occurring work environment was utilised to compare groups and used to estimate and reveal relationships by observing conditions based on data already collected (Kerlinger, 1986). Field experiments involve manipulation of the

naturally occurring environment, by the researcher, to induce exogenous variation (Thompson, 2014).

The use of a field experiment from an *ex post facto* approach begins with groups which are already different, instead of taking equivalent groups and exposing them to different treatments (Cohen, Manion & Morison, 2000). Within the current study, the groups were already different in terms those employees who received the gift voucher (i.e. a financial gift), whereas others received the paid time off work (i.e. a non-financial gift).

### **Threats to Validity**

Validity refers to the ability of the research design, and methods used in a research study to produce clear and accurate evidence to answer research questions (McGivern, 2013). It is furthermore concerned with the meaningfulness of the research components (Drost, 2011). Internal and external validity are the two types of validity which must be considered when examining validity and is important when evaluating the quality of research (McGivern, 2013).

#### ***External validity***

External validity refers to whether findings and results of a study conducted among a sample can be generalised across different individuals and settings (Drost, 2011). Thus, if research has external validity, it is said that the results can be generalised to the wider population (McGivern, 2013).

Two threats to external validity were present in the current research study, more so in relation to the sample selection and in relation to the Hawthorne effect. Non-probability sampling techniques are not representative of the wide population and due to the current research study making use of this sampling technique, the external validity was threatened.

The Hawthorne effect refers to a change in behaviour as a response to observation or assessment (Sedgwick & Greenwood, 2015). Based on this, if employees were aware that their productivity was being measured, they could have worked harder than normal to satisfy the aims of the current study, instead of working harder as a result of the reward. Thus, the Hawthorne effect may have influenced the external validity of the current research study as well as had an impact of the generalisability of results.

Despite this, the Hawthorne effect can be eliminated from the study as employees were not aware their productivity or performance was being observed. The productivity data provided by the organisation is the usual productivity statistics used by the organisation.

### ***Internal validity***

Internal validity is concerned with the validity of the research itself (Drost, 2011). It means that "...any relationship observed between two or more variables should be unambiguous as to what it means rather than being due to something else" (Fraenkel & Wallen, 1996 p.169). Internal validity refers to the ability of the study to provide credible evidence to address the research question and is greatly concerned with the research design (McGivern, 2013).

Experimental research designs are seen as an effective way to eliminate threats to internal validity as it possesses the power to control external variables (Frankel & Wallen, 1996). Although experimental designs often have high internal validity, threats to internal validity may exist with possible threats including history, maturation, testing instrumentation, selection, morality and diffusion of treatment (Drost, 2011).

The selection of participants in the current research study could have potentially posed a threat to the internal validity. The selection posed a threat due to a convenience sampling technique being used with participants not being randomly selected to receive a specific gift. Internal validity was threatened as random assignment reduces systematic bias and accounts for threats to internal validity (Thompson, 2014).

### **Design of the experiment**

Prior to scheduling the experiment, a pilot study was conducted whereby three individuals were requested to provide feedback on the questionnaire. This was to confirm whether instructions were understandable and items were clear and comprehensible. Participants of the pilot study confirmed the instructions are understandable and suggested some word changes to read better. Participants of the pilot study were not employed by the organisation but were also identified as blue-collar employees working in a different printing and manufacturing organisation.

One week prior to the experiment being conducted, shifts for the following week was communicated to employees. These shifts included additional overtime. Employees within the organisation who agreed to work the additional overtime were included in the study. Printed

copies of the questionnaire were handed to the relevant Supervisors in the organisation. All participants in the current study reported to these Supervisors. The purpose of the current study was explained to the Supervisors as well as the process for administrating both questionnaires.

Two days prior to the experiment, participants completed a pre-test questionnaire measuring their perceived levels of job satisfaction and motivation. On the day of the experiment, employees who agreed to complete the pre-test questionnaire randomly selected an unmarked envelope from a box. Each envelope contained either a gift voucher for a local retail chain to the value of R200 which represented the financial gift, or a letter confirming a half day time off from work at full pay to represent the non-financial gift. Upon selection of the envelope, participants commenced working. Upon completion of their shift, participants completed a self-designed questionnaire. All completed questionnaires were placed in a sealed box by participants.

Group 1	Hourly wage + overtime rate + financial gift voucher
Group 2	Hourly wage + overtime rate + non- financial paid time off

### **Measurement Instruments**

In this section, the measurement instruments utilised in the current study will be discussed and example items from the questionnaire will be provided.

#### ***Job Satisfaction***

The Minnesota Satisfaction Questionnaire (MSQ) developed by Buitendach and Rothmann (2009), which included extrinsic satisfaction, intrinsic satisfaction and general satisfaction dimensions was used as a guideline in the development of items for this subscale. Buitendach and Rothmann (2009) argued that the MSQ is relevantly popular in research investigating job satisfaction, whilst Fields (2002) suggested it has been widely studied and validated.

The measure was originally designed to measure employee satisfaction with their job and included 100 items across 20 dimensions with five questions on each dimension, classified as the long form of the MSQ (Hancer & George, 2003). The short form of the MSQ included only 20 items of the original 100 items (Ahmadi & Alireza, 2007). The MSQ was used as a guideline in the development of the questionnaire that was used for the purposes of the current study as

it has been deemed applicable to any organisation, easy to use and understand, valid as well as reliable.

The self-developed questionnaire comprised of 13 quantitative items adapted from the MQS and also two open-ended questions. Each of the 13 items were carefully selected from each dimension of the short form MSQ, according to applicability towards the current research study. Scale items were rated on a 5-point Likert-type scale ranging from “1= Strongly Disagree” to “5 = Strongly agree”. An example of an item was (JS6) “In my job, I am satisfied with the working conditions under which I do my job”. An example of one of the open-ended questions was “Would you recommend your job to someone working outside your company? Yes or No? If yes, why would you? If no, why wouldn’t you?”.

Previous research has yielded satisfactory Cronbach’s alpha coefficients ranging from .85 to .91 for the MSQ (Martins & Proenca, 2012). More specifically, Rothmann, Scholtz, Fourie and Rothmann (2000) reported an alpha coefficient of 0.96 for the MQS whereas Cook, Hepworth, Wall and Warr (1981) reported test-retest reliabilities of between .70 and .80 for the MQS.

### ***Motivation***

An adapted version of the Motivation at Work Scale (MAWS) developed by Gagne et al. (2010) was utilised in the current study. The MAWS consisted of 12 items and provided a multidimensional conceptualisation of motivation. The MAWS is postulated in the self-determination, theory, therefore measuring four variables derived from the theory. These variables included 1) intrinsic motivation, 2) identified regulation, 3) introjected regulation and 4) external regulation (Gagne et al., 2010). The items most applicable to the current study, were once again selected for utilisation in the current research study.

To test the validity of the MAWS, Gagne et al., (2010) conducted a study on Canadian workers and confirmed the validity of the measure. As the MAWS is a relatively new instrument, Gagne et al. (2010) recommend it be tested and applied in different situations. Gagne et al., (2015) later found internal reliability and face validity problems with the instrument which encouraged the improvement of the measure.

The motivation subscale within the self-developed questionnaire consisted of nine quantitative items and two qualitative questions. Similar to the job satisfaction subscale, items

in this subscale were also rated on a 5-point Likert-type scale ranging from “1= Strongly Disagree” to “5 = Strongly agree”. Examples of items were (MOT1) “On most days, my job is exciting” and (MOT9) “The pay I receive motivates me”. Another example of a qualitative question in the measure was “What would make you work harder (i.e. be more productive)?”. Motivation was measured before and after participants received their reward.

### ***Reward Satisfaction***

To measure reward satisfaction, the reward subscale of the questionnaire comprised of five quantitative items and three qualitative questions. The quantitative items attempted to establish the type of reward selected, feelings of the participant once the reward was received, the importance of choice in relation to reward selection and perceptions of whether participants worked harder or not once receiving the reward. An example of a quantitative item (REW5) was “How important would it have been for you to have a choice in which reward/gift you received, instead of randomly choosing one?”.

In determining participant feelings around their received rewards, a graphic smiley face Likert scale was used. Smiley face rating scales are frequently used in questionnaires with the faces presenting sentiments from negative to neutral to positive (Jager & Bortz, 2001). The ‘smiley face’ response scale is said to measure emotions, easy to use and is often supported by lower-level respondents. Stange, Barry, Smyth and Olson (2018) also found that lower literacy respondents relied more on smiley faces than respondents with higher literacy. The use of a smiley face Likert scale was therefore applicable to the current study as participants were blue-collar employees who were identified as having lower levels of literacy.

### ***Productivity***

Productivity was measured prior and post participants receiving their gift through productivity data and information provided by the organisation. The productivity data per participant was provided to the researcher using unique numbers to enforce anonymity. Upon completion of questionnaires, participants inserted their unique numbers issued by the organisation on the front cover of the questionnaire.

The productivity data provided by the organisation included the number of labels produced before and after receiving the gift per participant as well as the percentage of target met per participant. The percentage of target and number of labels produced took downtime of

machinery into consideration. Reasons for downtime included scheduled maintenance, operator waiting for sign off from quality control (QC), load-shedding, cleaning and resetting of rollers, compressor issues and mechanical motor issues. Targets before and after receiving the gift differed due to different targets being allocated for different label types.

In saying this, each employee included in the experiment operated their own machine with specific targets. Thus, if employees operated their machine working on a specific label type prior to receiving the reward, they would work on that specific label type post receiving the reward too.

### ***Demographics***

Demographic items were included in the questionnaire to describe participants and provide the researcher with an understanding of the composition of the sample. The demographic items were not used to address any research questions and the items included race, highest level of education, gender, birth year, number of dependents, age of dependents and breadwinner status.

### **Data Collection Procedure**

Data for the current research study was collected by means of a pencil-to-paper questionnaire. Participants completed the questionnaire in accordance with the instructions. Thus, marking the relevant ranking anchors in each item and providing written answers in required items. Data collection took place over two days and completed questionnaires were placed in a sealed box and later collected by the researcher from the organisations' premises.

As stated above, the Production Manager of the organisation provided productivity data to the researcher upon completion of the experiment.

### **Realised Sample**

The present study made use of a convenience, non-probability sampling approach to select participants. Non-probability sampling is a technique which is subjective and occurs when researchers obtain samples without utilising random selection (Tansey, 2007). The two disadvantages of this sampling approach is firstly, the inability of results to be generalised, and secondly, the increased likelihood of bias occurring during the sampling which poses a threat to result validity (Tansey, 2007). Despite these disadvantages, this sampling approach was deemed appropriate as it was cost effective and allowed for timely data collection, especially

so given the financial and time constraints of the present study (Terre Blanche, Durrheim & Painter, 2006).

The realised sample comprised of employees working within a manufacturing organisation in the Western Cape, South Africa. The questionnaires were distributed to employees working within the production department of the organisation. Approximately 36 questionnaires were distributed, of which 29 were returned. A realised sample of  $n=29$  was, therefore, achieved which represented a response rate of 80%.

Table 1 (see below) below describes the realised sample in terms of gender, race, level of education, number of dependents and breadwinner status. The realised sample comprised of exclusively coloured employees, with only one participant identifying as black. This is however not representative of the South Africa population as according to Statistics South Africa (2020), 8.8% of the population is coloured whilst 80.8% of the population is black. Although this is not reflective of South African population, it is somewhat a presentation of the population in the Western Cape whereby 46.4% of the population are coloured whilst 37.7% are black. This, in addition to the education level of the realised sample can be explained given that the present study was conducted within a factory environment whereby employees were identified as blue-collar.

Blue collar employees as those individuals who primarily perform physical, yet simple work (Gibson & Papa, 2000). Their jobs are classified as low entry jobs with low skills requirements and identified as less demanding with pay just above the minimum wage (Odendal, 2003). They are also said to have restricted career paths (Gibson & Papa, 2000). Thus, blue-collar employees are not expected to have high levels of education as a requirement of their role. It is therefore expected that the realised sample somewhat presents what is expected within this working environment.

**Table 1**  
*Demographics of Participants*

<b>Demographic</b>	<b>Variables</b>	<b>Frequency</b>	<b>Total</b>	<b>Percentage (%)</b>
<b>Gender</b>	Male	14	29	48.3%
	Female	15		51.7%
	Other	0		0%
	Prefer not to say	0		0%
<b>Race</b>	Black	1	29	3.5%
	Coloured	28		96.5%
	Indian	0		0%
	White	0		0%
	Prefer not to say	0		0%
	Other	0		0%
<b>Level of education</b>	Grade 8 (Standard 6)	1	29	3.4%
	Grade 9 (Standard 7)	2		6.9%
	Grade 10 (Standard 8)	3		10.4%
	Grade 11 (Standard 9)	1		3.4%
	Grade 12 (Standard 10)	17		58.7%
	N2	1		3.4%
	N3	2		6.9%
	N4	0		0%
	Other	2		6.9%
	Prefer not to say	0		0%
	<b>*Dependents</b>	Yes		23
No		6	20.7%	
<b>Breadwinner status</b>	Breadwinner	19	29	65.5%
	Non-breadwinner	10		34.5%

Notes. \*Dependents = Refers to any children or adults cared for by the participant

### **Ethical considerations**

Prior to the commencement of the current study, the Commerce Faculty Ethics in Research Committee and the University of Cape Town granted ethical clearance. Further written permission was obtained from the organisation to conduct the experiment.

Published guidelines from The American Psychological Association (APA) were adhered to and informed consent was obtained from all participants. The identity of all participants were kept confidential and data collected from respondents were anonymous.

Each questionnaire included a cover letter explaining the purpose of the study, instructions for completing the questionnaire and answers to some potential questions (See Appendix A).

The cover letter also provided contact information of the researcher in the event of participants requiring further clarity. Lastly, the cover letter emphasised voluntary participation as well as anonymity and confidentiality of participants

Participation in the present study was not harmful to participants, nor believed to be deceptive. Participants were furthermore able to opt out of the study at any given time without any consequences.

Participants were assured of their freedom to participate in the study by the cover letter of the questionnaire reiterating voluntary participation. Supervisors administering questionnaires to participants furthermore reiterated freedom to participate to participants. The researcher of study was not directly involved in the administration of the experiment.

### **Data Analysis**

Prior to statistical analyses, the data collected was cleaned and coded. To ensure reliable and valid findings, statistical analyses were performed using the Statistical Package for the Social Sciences (SPSS ver 25). To answer and address research questions, the data that was collected was analysed using descriptive statistics, reliability analysis by calculating Cronbach's alpha and utilising the SPSS item-analyses technique, Exploratory Factor Analysis and t-tests. The next section displays the results of the statistical data analyses.

### **Conclusion**

To conclude, this chapter has provided an outline as to why the research design and approach as well as the research method was deemed most appropriate to the current study and why these approaches would best answer the research aim and objectives. The chapter further identified the threats to both internal and external validity as well as provided an overview of the measurement instruments used, the data collection process followed and the ethical considerations taken in consideration. Finally, the chapter provided a brief introduction into the analyse used to analyse the collected data.

## CHAPTER 4

### RESULTS

The purpose of this chapter is to present the results obtained from various analyses performed on the data collected. Statistical analysis was conducted on the quantitative data, whereas content analysis was performed on the qualitative data that was collected using the open-ended questions.

To determine the validity of each scale and assess unidimensionality, principle component analysis (PCA) was used whilst Cronbach's alpha coefficient ( $\alpha$ ) was used to determine the reliability. Thereafter, descriptive statistics are presented. Following the descriptive statistics, inferential statistics, such as t-tests were calculated used to address each objective of the study. The results from the inferential must be interpreted with caution, given the small sample size into account.

#### **Unidimensionality**

Before analysing the data, the measurement properties of the Motivation Scale and Job Satisfaction Scale were investigated. Principle Components Analysis (PCA) was utilised to assess construct validity. PCA was furthermore used to determine the number of components to extract, reduce the set of variables and assess the underlying structure of items in each scale. PCA is especially useful to identify clusters of variables and to understand the structure of these variables (Field, 2017). This method was chosen as it re-expresses multivariate data with fewer dimensions; ultimately representing a set of variables by factors (Baglin, 2014).

To determine suitability of data of factor analysis, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of Sphericity were calculated. These results exposed conditions which support the application of factor analysis. Field (2013) suggests that a KMO value close to 1 shows that item correlations are likely to yield reliable and distinct components whilst a KMO value of greater than .50 is considered as satisfactory.

When conducting PCA, scale items were rotated using the direct oblman method to control for degrees of correlation between components. By using oblique rotation, item loadings could be examined and correlations between factors were revealed (Osborne, 2015). Oblique rotation furthermore allowed for factors to correlate, whereas orthogonal rotations

produce uncorrelated factors (Osborne, 2015). In addition, oblique rotation is further said to yield superior results to that of orthogonal rotations (Osborne, 2015).

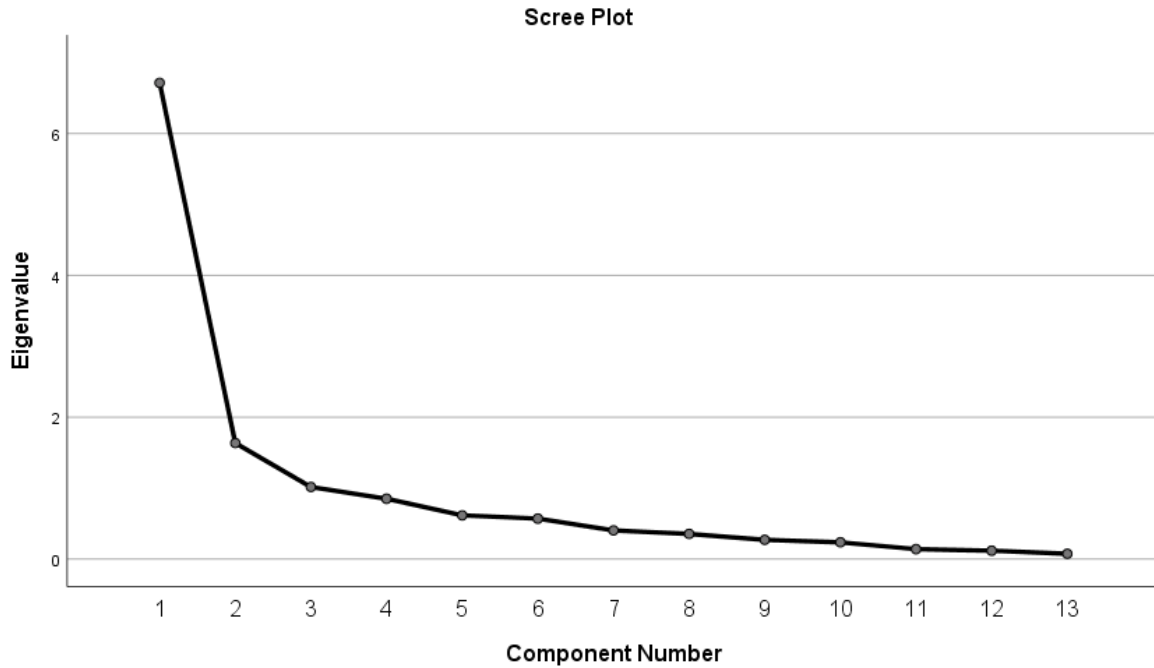
Components were extracted by use of the Kaiser criterion which suggest factors are common when Eigenvalues are greater than 1 (Whitford & Coetsee, 2006). Factor loadings greater than .30 were minimally accepted and retained, loadings above .40 were considered important and factor loadings above .50 were significant as suggested by Peterson (2000).

## **Job Satisfaction Scale**

### ***Validity analysis***

The job satisfaction scale consisted of 13 items which were designed to measure perceived levels of job satisfaction among employees. None of the items were reverse coded. The KMO statistic showed that the strength of the relationships among the variables were satisfactory with KMO = .783 i.e. >.50. This KMO result further indicated sufficient items. The Bartlett's Test of Sphericity was found to be significant ( $\chi^2 = 232.79$ ;  $df = 78$ ;  $p < .01$ ).

PCA with direct oblimin rotation showed two significant factors. Using the Kaiser criterion, which recommended retaining factors with Eigenvalues ( $\lambda$ ) greater than 1.0, results from PCA indicated that two components had eigen values greater than 1.0 ( $\lambda > 1$ ) and thus, should be retained. Using Catell's scree test, the scree plot in Figure 5 below further suggested two significant factors. In combination, these two factors explained 64.23% of the variance. The first component accounted for 51.65% of the variance whereas the second component accounted for 12.58% of the variance.



**Figure 5.** Scree Plot illustrating the eigenvalues of 13 factors

After determining the number of factors to extract, PCA using direct oblimin rotation with Kaiser normalisation was performed to interpret factor loadings. Seven scale items loaded significantly on factor one, namely, items 6,11,9,10,12,7 and 5, whilst the remaining six items loaded onto the second factor. Table 2 below represents the loadings on two factors. To furthermore determine whether the job satisfaction scale was unidimensional, PCA with one factor extraction was conducted. Results of the analysis confirmed unidimensionality, thus confirming the scale did indeed measure only job satisfaction.

**Table 2***PCA – Job Satisfaction Scale*

		<b>Overall Job Satisfaction</b>	<b>Role Satisfaction</b>
JS6_R	In my job, I am satisfied with the working conditions under which I do my job	0.979	
JS11_R	In my job, I am satisfied the resources I receive which allow me to complete my duties	0.861	
JS9_R	In my job, I am satisfied with the praise I get for doing a good job	0.837	
JS10_R	In my job, I am satisfied with my relationships with my colleagues	0.663	
JS12_R	In my job, I am satisfied with the opportunity I have to express myself	0.598	
JS7_R	In my job, I am satisfied with the support I receive from my superior to accomplish my tasks in an efficient manner	0.589	
JS5_R	In my job, I am satisfied with the way my superior (i.e. the person who manages me) values my contribution	0.556	
JS2_R	My job provides me the opportunity to complete different duties from time to time		0.951
JS3_R	My job provides me the opportunity to be involved in decision making which impacts my job		0.768
JS13_R	In my job, I am satisfied with how my work directly influences the success of the company		0.713
JS1_R	My job provides me the opportunity to keep busy most of the time		0.697
JS4_R	My job provides me the opportunity to utilise my skills as much as is possible in my job		0.645
JS8_R	In my job, I am satisfied with the pay I receive		0.521
Eigen values		6.714	1.636
Individual variance (percent)		51.65	12.583
Cumulative variance (percent)		51.65	64.23

Notes: n = 29. Principle component analysis with direct oblimin data. JS = Job Satisfaction

### ***Reliability analysis***

To measure the internal consistency of the job satisfaction measurement, reliability analysis was conducted, as presented in Table 3. Cronbach's alpha ( $\alpha$ ) is said to be the most commonly used test to determine reliability and was therefore utilised within this research study (Heale & Twycross, 2015). Cronbach's alpha ( $\alpha$ ) values greater than 0.70 were considered acceptable (Fraenkel & Wallen, 1996). The job satisfaction scale presented a

Cronbach's alpha coefficient ( $\alpha$ ) of 0.914 which exceeded the conventional acceptance level of .70.

**Table 3**

*Mean, standard deviation and Cronbach's  $\alpha$  coefficient for the job satisfaction scale*

<i>Variable</i>	<b>M</b>	<b>SD</b>	<b>Variance</b>	<b><math>\alpha</math></b>
Job Satisfaction	3.9	8.629	74.453	0.914

Notes. n = 29. M = mean; SD = standard deviation;  $\alpha$  = Cronbach's Alpha

The item-total correlations for job satisfaction, seen in Table 4, shows the item-total correlations to be strong and above the adequate level of .20 as described by Bagby, Parker and Taylor (1993). Removing any item from the job satisfaction would not lead to an increase in Cronbach's alpha ( $\alpha$ ).

**Table 4**

*Item-Total Statistics for Summary Job Satisfaction Scale Items*

	<b>Scale Mean if Item Deleted</b>	<b>Scale Variance if Item Deleted</b>	<b>Corrected Item-Total Correlation</b>	<b>Cronbach's Alpha if Item Deleted</b>
JS1_R	46.52	69.187	0.611	0.911
JS2_R	46.59	66.537	0.552	0.911
JS3_R	47.55	60.756	0.696	0.905
JS4_R	46.66	62.734	0.753	0.903
JS5_R	47.00	61.786	0.732	0.903
JS6_R	46.79	65.241	0.610	0.908
JS7_R	47.07	62.281	0.678	0.906
JS8_R	48.03	67.320	0.361	0.919
JS9_R	47.59	57.537	0.744	0.904
JS10_R	46.59	64.823	0.739	0.905
JS11_R	46.90	66.525	0.597	0.909
JS12_R	47.10	61.025	0.783	0.901
JS13_R	46.38	64.887	0.628	0.908

Notes. JSR = Job Satisfaction post gift.

Based on the above basket of evidence, it is possible to assume that the job satisfaction measure is both valid and reliable. Thus, the job satisfaction scale measured what it aimed to measure, and measured it consistently.

## Motivation Scale

### *Validity analysis*

The motivation scale consisted of nine items which were designed to measure perceived levels of motivation among employees. None of the items were reverse coded. Again, PCA with direct oblimin rotation showed two significant factors. Using the Kaiser criterion, results from PCA showed that two components had Eigenvalues greater than 1.0 ( $\lambda > 1$ ) and should be retained. In combination, these two components explained 71.95% of the variance. KMO = .729, suggesting the strength of the relationships among variables to be satisfactory. The Bartlett's Test of Sphericity was also found to be significant ( $\chi^2 = 145.39$ ;  $df = 28$ ;  $p < .01$ ).

To interpret factor loadings, PCA using direct oblimin with Kaiser normalisation was performed. As seen in Table 5 below, five items loaded significantly onto factor one whereas two items loaded onto factor two.

**Table 5**  
*PCA Motivation Scale*

		<b>Job Motivation</b>	<b>Recognition Motivation</b>
MOT5_R	My job inspires me to do my best at work on most days	0.954	
MOT1_R	On most days, my job is exciting	0.925	
MOT4_R	I often have fun while doing my job	0.91	
MOT3_R	My job allows me the opportunity to achieve my career goals	0.828	
MOT2_R	My job motivates me	0.717	
MOT6_R	I often 'go the extra mile' in my job	0.419	
MOT8_R	In the last 6 months, my manager has discussed my performance with me		0.956
MOT7_R	The praise I receive motivates me to want to do better in my job		0.762
Eigen values		4.242	1.514
Individual variance (percent)		53.023	18.928
Cumulative variance (percent)		53.023	71.951

Notes: n = 29. Principle component analysis with direct oblimin data. MOT = Motivation

### *Reliability analysis*

Reliability analysis, as seen in Table 6, was conducted to measure the internal consistency of the motivation measurement. Again, Cronbach's alpha ( $\alpha$ ) coefficients values of greater than

0.70 were considered acceptable (Fraenkel & Wallen, 1996). The motivation scale presented a Cronbach's alpha coefficient ( $\alpha$ ) of .81 which exceeded the conventional acceptance level.

**Table 6**

*Mean, standard deviation and Cronbach's  $\alpha$  coefficient for the motivation scale*

<i>Variable</i>	<b>M</b>	<b>SD</b>	<b>Variance</b>	<b><math>\alpha</math></b>
Total Motivation	3.6	5.408	29.249	0.810

Notes.  $n = 29$ .  $M = \text{mean}$ ;  $SD = \text{standard deviation}$ ;  $\alpha = \text{Cronbach's Alpha}$

The item-total correlations for motivation, seen in Table 7, shows the item-total correlations to be strong and above the adequate level of .20 as described by Bagby, Parker and Taylor (1993). From the table it is evident that the removal of item 6 and 8 in the scale would result in an increased Cronbach's alpha coefficient, however, this was not done given that the increase in Cronbach alpha is so small (to the second decimal) and Cronbach alpha scale already achieved a satisfactory level.

**Table 7**

*Item-Total Statistics for Summary Motivation Scale Items*

	<b>Scale Mean if Item Deleted</b>	<b>Scale Variance if Item Deleted</b>	<b>Corrected Item-Total Correlation</b>	<b>Cronbach's Alpha if Item Deleted</b>
MOT1_R	27.86	22.123	0.803	0.755
MOT2_R	27.72	23.564	0.749	0.769
MOT3_R	28.34	20.948	0.649	0.768
MOT4_R	27.83	22.291	0.684	0.767
MOT5_R	27.59	23.537	0.626	0.778
MOT6_R	27.52	27.116	0.301	0.814
MOT7_R	28.69	20.293	0.557	0.788
MOT8_R	28.69	24.150	0.212	0.856

Notes. MOTR = Motivation post gift.

Similar to the job satisfaction scale and based on the above results, it is possible to conclude that the motivation measurement was both valid and reliable.

### **Reward satisfaction**

Due to the limited number of items within the reward satisfaction scale, PCA could not be conducted. Despite this, reliability analysis was conducted, as seen in Table 8. Cronbach's alpha ( $\alpha$ ) for the reward satisfaction scale was  $\alpha = .325$ , thus not exceeding the conventional acceptance level. Eisinga, Grotenhuis and Pelzer (2013) suggested that calculating Cronbach's

alpha ( $\alpha$ ) coefficients for scales with a small number of items is not always recommended as the results are likely to yield low  $\alpha$  coefficients values, even if the scale is indeed reliable. This could explain the Cronbach's alpha ( $\alpha$ ) coefficient for reward satisfaction ( $\alpha = .325$ ) as the scale comprised of only 5 items. In order to improve the alpha ( $\alpha$ ) coefficient for reward satisfaction, the number of items could have increased.

The item-total correlations for reward satisfaction, seen in Table 9, shows the item-total correlations for items 1,2,4 and 5 to be strong and above the adequate level of .20 as described by Bagby, Parker and Taylor (1993). Item 3 showed an item-total correlation of .064, which is less than .20 and was therefore considered weak. It was furthermore evident that the removal of item 5 in the scale would increase Cronbach's alpha coefficient to .518.

**Table 8**

*Mean, standard deviation and Cronbach's  $\alpha$  coefficient for the reward satisfaction scale*

<i>Variable</i>	<i>M</i>	<i>SD</i>	<i>Variance</i>	<i><math>\alpha</math></i>
1. Reward satisfaction	2.6	2.462	6.063	0.320

Notes.  $n = 29$ .  $M = \text{mean}$ ;  $SD = \text{standard deviation}$ ;  $\alpha = \text{Cronbach's Alpha}$

**Table 9**

*Item-Total Statistics for Summary Reward Satisfaction Scale Items*

	<b>Scale Mean if Item Deleted</b>	<b>Scale Variance if Item Deleted</b>	<b>Corrected Item-Total Correlation</b>	<b>Cronbach's Alpha if Item Deleted</b>
REW1_R	11.82	5.189	0.266	0.240
REW2_R	8.86	5.016	0.185	0.260
REW3_R	10.25	3.380	0.332	0.064
REW4_R	11.75	5.380	0.181	0.279
REW5_R	10.46	3.739	0.017	0.518

Notes. REWR = Reward satisfaction post gift

## **Descriptive Statistics**

To investigate the distribution of scores on each variable, descriptive statistics for each variable is reported in Table 10. These descriptive statistics were calculated to provide numerical comparisons of the perceived job satisfaction, motivation and reward satisfaction scores. The means ( $M$ ) and standard deviations ( $SD$ ) were computed. Results indicated that all means for each scale were above the midpoint of 3 on a five-point scale, where 1 = Strongly Disagree and 5 = Strongly Agree. This indicated that respondents experienced moderate levels of motivation and job satisfaction. Motivation post reward represented the highest mean score

( $M = 4.0$ ;  $SD = .78$ ) being the only variable above the scale midpoint 3. The job satisfaction pre gift scale represented the lowest mean score of 3.6 ( $SD = .72$ ).

Skewness and Kurtosis values which do not exceed 1 and -1 are said to be suggestive of normally distributed data (Tabachnik & Fidell, 2007). Thus, Skewness and Kurtosis of perceived motivation post receiving the gift, as seen in Table 10, falls outside the acceptable range.

**Table 10**  
*Descriptive Statistics for Scales*

<b>Variables</b>	<b><i>n</i></b>	<b><i>M</i></b>	<b><i>SD</i></b>	<b>Skewness</b>	<b>Kurtosis</b>
Job Satisfaction Pre Gift	29	3.6	0.72	0.4	-0.6
Job Satisfaction Post Gift	29	3.9	0.66	-0.6	-0.2
Motivation Pre Gift	29	3.7	0.76	-0.1	-1
Motivation Post Gift	29	4	0.78	-1.1	1.4
Reward Satisfaction Post Gift	29	2.7	0.49	-0.5	-0.4

Notes.  $n$  = Number of respondents;  $M$  = Mean;  $SD$  = Standard deviation

### **Objective 1: Measuring perceived levels of job satisfaction before and after receiving a financial or non-financial gift**

To address the first objective, namely, to determine whether perceived levels of job satisfaction increased after receiving a financial or non-financial gift, a paired sample t-test was conducted. A paired sample t-test was deemed most appropriate as participants in the one sample were measured twice (Fralick, Zheng, Wang, Tu & Feng, 2017). Moreover, qualitative data from the study was analysed to determine respondents' perceptions of their job satisfaction levels as well as their opinions on how their perceived level of job satisfaction could improve.

Figure 6 and Figure 7 displays a visual representation of the frequency of responses in relation to perceived levels of job satisfaction before and after receiving the gift. Both graphs centre the neutral responses in the middle which allows for easier comparison of the responses. The graph furthermore shows negative responses to the left of the baseline and positive responses to the right of the baseline. When comparing the two graphs, it is evident that the second graph, which represents responses post receiving the gift, displays fewer negative responses.

## Job satisfaction responses - Pre gift

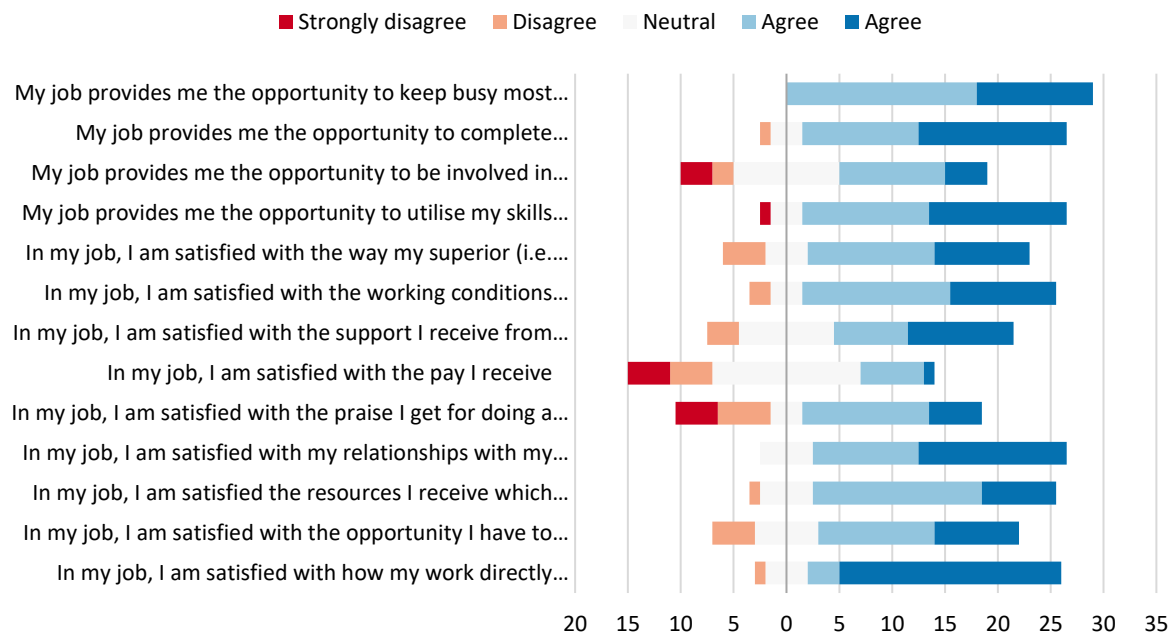


Figure 6. Diverging graph displaying job satisfaction responses pre receiving a gift

## Job satisfaction responses - Post gift

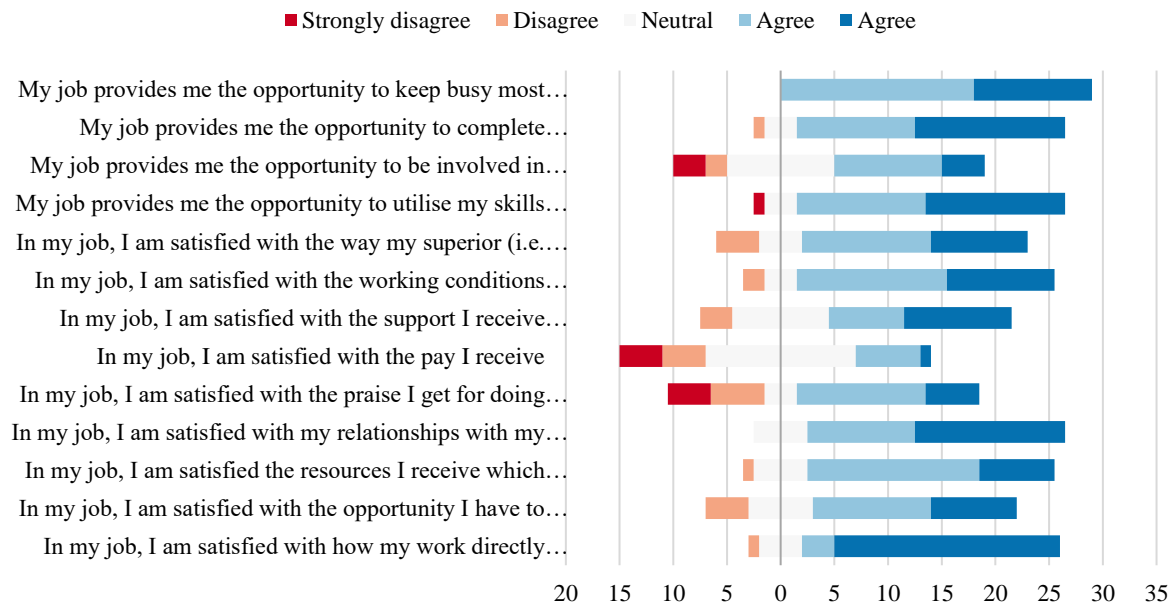


Figure 7. Diverging graph displaying job satisfaction responses post receiving a gift

### *Qualitative results*

Prior to receiving the gift, respondents recommended “increased wages”, “recognition”, “equality”, “improved communication”, “company transport” and “more benefits” as means to improve their level of job satisfaction. These measures to improve job satisfaction have been confirmed by literature, especially so recognition and communication. Recognition or praise as an antidote was found to be positively related to job satisfaction, especially so when it was desired by the employee (Linz & Semykina, 2012).

In addition, communication was found to have a significant association with employees’ levels of job satisfaction and was furthermore found to be an important determinant of job satisfaction (Saleem, Majeed, Aziz & Usman, 2013; Abdulla & Djebavni, 2011). In relation to “company transport” as a means to improve levels of job satisfaction, Yousaf et al., (2014) found that providing transportation facilities to employees enhanced their level of job satisfaction and perceived level of motivation. They argued that public transport was costly and unpleasant therefore when transport facilities were provided to employees, it reduced their financial burdens and mental stressors (Yousaf et al., 2014).

### *Quantitative results*

Results of the paired sample t-test showed perceived levels of job satisfaction statistically differed before receiving the financial or non-financial gift ( $M = 3.6$ ,  $SD = 0.72$ ) and after receiving the reward ( $M = 3.9$ ,  $SD = .66$ ) at the .05 level of significance ( $t = 2.88$ ,  $df = 28$ ,  $n = 29$ ,  $p < .05$ , 95% confidence interval for mean difference 3.6 to 3.9). Thus, as displayed in Table 11, there was a numerical and statistically significant difference, at the .05 significance level, in the pre gift and post gift scores for job satisfaction.

Therefore, contrary to the Two-Factor Theory (Hertzberg, 1959), and in line with the Discrepancy Model (Porter & Lawler, 1968) and Equity Theory (Adams, 1965), the results indicated that employees were more satisfied after receiving the financial or non-financial gift.

**Table 11***Perceived levels of Job Satisfaction Pre and Post Receiving the gift*

Outcome	Pre-Reward		Post Reward		n	95% CI for Mean Difference	t	df	Sig.
	M	SD	M	SD					
Job Satisfaction	3.6	.72	3.9	.66	29	.088, .521	2.884	28	.005

Notes. *M* = Mean; *SD* = Standard deviation; *n* = Number of respondents; *df* = Degree of freedom; *Sig* = Significance level; *CI* = Confidence interval

## Conclusion

The paired-sample t-tests results were supported by the qualitative results of job satisfaction. Prior to receiving the gift, 72% of respondents reported they were satisfied within their jobs whereas after receiving the gift, 79% reported they were satisfied. Prior to receiving the gift, respondents indicated they experienced job satisfaction due to “the company providing opportunities”, “believing it was a good company to work for” and “constant learning which occurs”. After receiving the reward, respondents indicated their level of job satisfaction was a result of “opportunities to develop” and “having a stable job with no retrenchments or short time”. “Enjoy my job” and “enjoy working at the company” was reported both before and after receiving the gift as reasons why respondents felt satisfied.

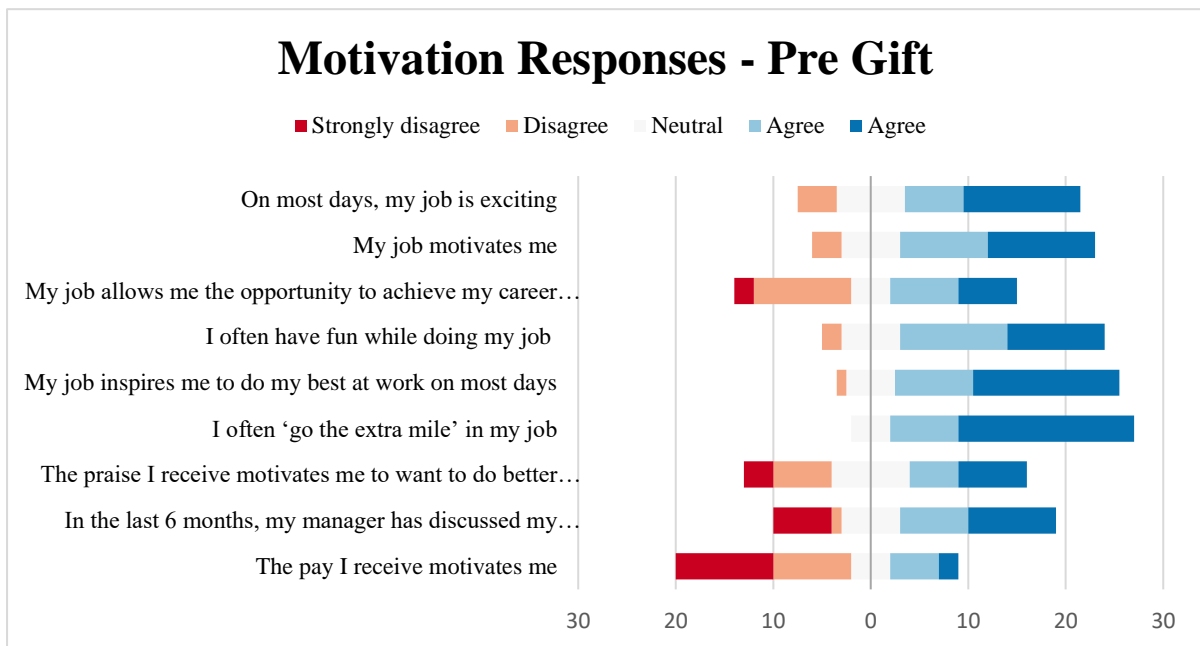
In addition, “rewards and incentives for employees” was suggested by respondents as measures to increase levels of job satisfaction within the organisation. Thus, this recommendation supported the notion that financial and non-financial gifts could enhance perceived levels of job satisfaction. These findings were consistent with past research which found that gifts were positively related to improved job satisfaction and that job satisfaction and gifts were significantly correlated (Jehanzeb et al., 2012; Hofmans, De Gieter & Pepermans, 2012; Marzuki et al., 2012; Abdullah et al., 2011). Support for H<sub>1</sub> was therefore found confirming receiving a financial or non-financial gift increased employees’ levels of perceived job satisfaction.

## Objective 2: Measuring perceived levels of motivation before and after receiving a financial or non-financial gift

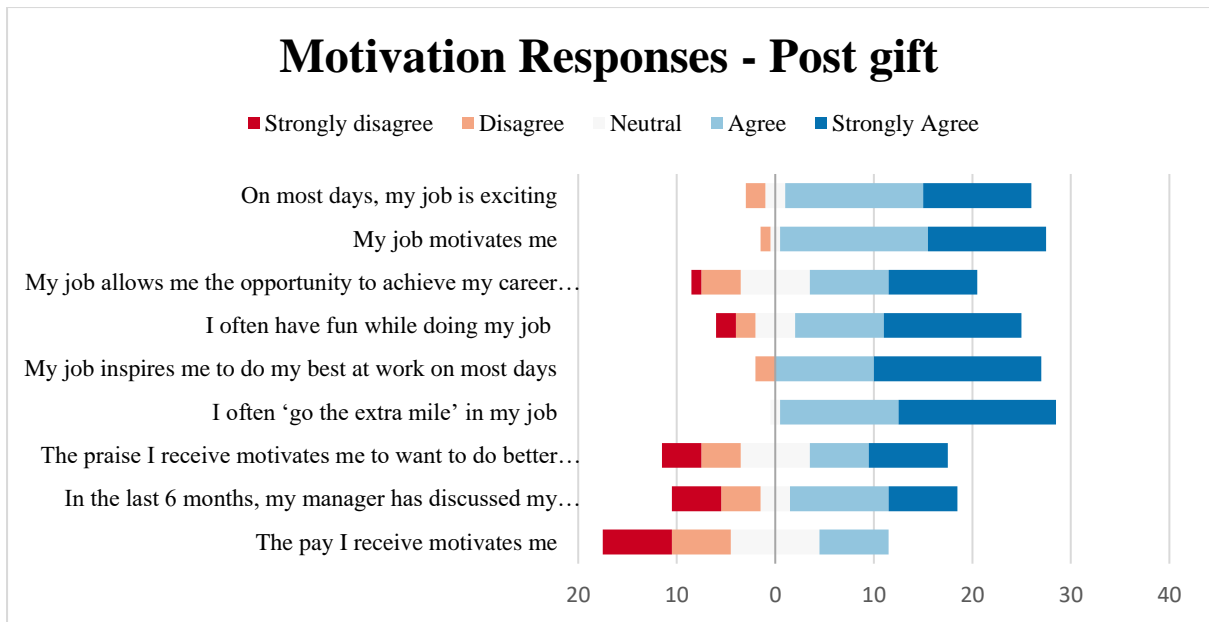
As with addressing the first objective, quantitative data was analysed to examine respondent’s perceptions around their perceived levels of motivation before and after receiving

a financial or non-financial gift, whilst qualitative data was analysed to understand what participants believed motivated them.

The graphs presented in Figure 8 and Figure 9 display visual representations of the frequency of responses to perceived motivation before and after receiving the gift. The graph shows negative responses to the left, positive response to the right and neutral responses in the middle, at the baseline. Again, it is evident to see that some of the negative responses in Figure 9, representing perceived motivation after receiving the gift, decreased in comparison to Figure 8.



*Figure 8. Diverging graph displaying motivation responses pre receiving a gift*



**Figure 9.** Diverging graph displaying motivation responses post receiving a gift

#### **Qualitative results**

Prior to receiving the reward, respondents believed “knowing there is opportunity to grow”, their “family” as well as their “love and passion for what I’m currently doing” motivated them. Family, as a motivating force has been investigated in previous research. Menges, Tussing, Wihler and Grant (2017) found family, and the desire to support family, as a vital source of motivation among employees. They furthermore argued that supporting family was one of the major reasons as to why employees work, yet minimal research has examined this area (Menges et al., 2017). Gifts, as a reward type, were not recommended by respondents as means to motivate.

After receiving the gift, respondents suggested that “increased wages”, “improved communication” and “recognition and acknowledgment” would improve their perceived levels of motivation. Taylor and Taylor (2011) argued that money possess the ability to produce outcomes which satisfy psychological and physiological needs and is therefore seen as a motivating property for wages. Money as a determinant to improve motivation has been established in research. Crewson (1997) found that wages were a significant motivator for approximately 80% of employees both the private and public sector.

Similarly, Negash, Zewude and Megersa (2014) found a strong positive relationship between employee motivation and recognition and concluded that recognition was a

determinant factor to employee motivation. They furthermore found that recognition as a determinant for employee motivation took precedence over others determinant factors (Negash et al., 2014). Despite these suggested means to improve motivation being supported by previous studies and established literature, only 7% of respondents proposed “rewards or incentives” as means to improve motivation, which contradict the below statistical results.

***Quantitative results***

To address the second objective, namely, to measure perceived levels of motivation before and after receiving a financial or non-financial gift, a paired sample t-test was conducted. As reported in Table 12, results of the analysis showed that perceived levels of motivation changed after receiving the gift. Results showed that prior to receiving the reward,  $M = 3.7$  and  $SD = .76$  whereas after receiving the reward  $M = 4.0$  and  $SD = .78$ , at a 0.5 significance level ( $t = 3.23$ ,  $df = 28$ ,  $n = 29$ ,  $p < .05$ , 95% confidence interval for mean differences 3.7 to 4.0). These results therefore indicated a significant difference between perceived levels of motivation before and after receiving the gift. These results further conclude that perceived levels of motivation improved after receiving the reward, thus suggesting that respondents were more motivated at work after receiving the gift.

These results are supported by Herzberg’s (1959) Two Factor Theory. Hertzberg (1959) supported these results by saying “Movement is a function of fear of punishment or failure to get extrinsic rewards” and “motivation is a function of growth from getting intrinsic rewards out of interesting and challenging work” (Herzberg, 1987, p.118).

**Table 12**  
*Perceived levels of Motivation Pre and Post receiving the gift*

Outcome	Pre-Reward		Post Reward		n	95% CI for Mean Difference		t	df	Sig.
	M	SD	M	SD						
Job Satisfaction	3.7	.76	4.0	.78	29	.130	.582	3.225	28	.003

Notes. *M* = Mean; *SD* = Standard deviation; *n* = Number of respondents; *df* = Degree of freedom; *Sig* = Significance level; *CI* = Confidence interval

## Conclusion

The findings of both the qualitative and quantitative results of objective 2 therefore confirm that gifts in terms of rewards does indeed positively influence perceived levels of employee motivation and therefore the H<sub>2</sub> was accepted.

### Objective 3: Measuring employees' choice to receive either a financial or non-financial gift to identify gift preferences

To address the third objective, quantitative data was analysed to measure employee's choice to receive either a financial or non-financial gift. In addition, qualitative data was furthermore analysed to support the findings of the quantitative analyses.

#### *Quantitative results*

As demonstrated in Table 13 below, the t-test results showed when receiving a gift voucher, that the differences between the job satisfaction and motivation pre- and post-gift scores were not statistically different ( $p=.122$  and  $p=.097$ , respectively). In relation to paid time off, the difference in job satisfaction and motivation scores were not only numerically different but also statistically different ( $p=.035$  and  $p=.018$ ; respectively) in both cases.

These results are further supported by the correlations in Table 13 below which show that the correlations for the gift voucher (.784 and .826) are higher than the correlations of paid for leave (.531 and .537). The gift voucher correlations were more similar suggesting they are more similar, whereas the paid time off correlate less, showing they are less the same. These results, therefore, concluded that respondents who received paid time off reported a small, but statistically significant shift in their perceptions.

**Table 13**

*Perceived Job Satisfaction and Motivation Pre and Post receiving the gift voucher and paid time off*

Outcome		Paid for leave		Gift voucher		n	95% CI for Mean Difference		t	df	Sig.
		M	SD	M	SD						
Paid for leave	JS_Pm - JS_Rm	.35	.61			29	.027, .679	2.311	15	.035	
	MOT_Pm - MOT_Rm	.43	.65			29	.084, .778	2.652	15	.018	
Gift Voucher	JS_Pm - JS_Rm			.23	.53	29	-.075, .565	1.666	12	.122	
	MOT_Pm - MOT_Rm			.26	.53	29	-.055, .581	1.799	12	.097	

Notes. *M* = Mean; *SD* = Standard deviation; *n* = Number of respondents; *df* = Degree of freedom; *Sig* = Significance level; *CI* = Confidence interval; *JS\_Pm* = Job satisfaction pre gift; *JS\_Rm* = Job satisfaction post gift; *MOT\_Pm* = Motivation pre gift; *MOT\_Rm* = Motivation post gift

**Table 14**  
*Reward Preference - Correlations*

		n	Correlation	Sig.
Paid for leave	JS_Pm - JS_Rm	16	.531	.034
	MOT_Pm - MOT_Rm	16	.537	.032
Gift Voucher	JS_Pm - JS_Rm	13	.784	.002
	MOT_Pm - MOT_Rm	13	.826	.001

Notes. *M* = Mean; *n* = Number of respondents; Sig. = Significance level; JS\_Pm = Job satisfaction pre gift; JS\_Rm = Job satisfaction post gift; MOT\_Pm = Motivation pre gift; MOT\_Rm = Motivation post gift

To determine whether a systematic association existed between the gift received by respondents and the gift wanted by respondents, a Chi-Square Test was conducted. As seen in Table 14 above, results of the analysis  $X^2 (2, N = 29) = .045, p < .05$ , concluded a significant association between what one received and what one desired.

**Table 15**  
*Association between gift received and gift wanted*

	Value	df	Asymptotic Significance (2-sided)	n
Pearson Chi-Square	6.192	2	.045	29
Likelihood Ratio	7.751	2	.034	
Linear-by-Linear Association	1.135	1	.287	

Notes. df = Degree of freedom; n= Number of respondents

To furthermore examine the significant association between the gift received and gift desired, a cross tabulation analysis was conducted. As presented in Table 15 above, 37.93% of respondents received paid time off from work and desired that gift, whereas 17.24% received paid time off yet desired the gift voucher. In terms of the gift voucher, 34.48% received the gift voucher and desired it, whilst 10.34% received the voucher but desired paid time off work. Thus, a statistically significant association can be seen between what respondents received and what they desired. Ultimately, if respondents received the gift voucher, they were more likely to desire the gift voucher. The results for paid time off were identical. If respondents received the paid time off work, they were more likely to desire the paid time off.

**Table 16***Examination of association between the gift received and the gift desired*

	Paid for leave	Gift Voucher	Continuity Correction		Fishers Exact Test
			Value	df	Asymptotic Significance
Paid for leave	11	5			
<i>Expected</i>	7.7	8.3			
Gift Voucher	3	10			
<i>Expected</i>	6.3	6.7			
			4.302	1	0.038
					.018

Table 16 above furthermore displays results of the likelihood association if gift options were equally distributed. These results suggest that 26.55% of respondents would have received and desired paid time off work, whereas 28.62% would have received paid time off yet desired the gift voucher. On the contrary, 21.72% of respondents would have received and desired the gift voucher whilst 23.10% would have received the gift voucher yet desired the paid time off work. These results therefore verify that respondents who received the gift voucher liked the gift more than expected.

Findings of the quantitative results were supported by both the qualitative results of the research study, as seen below, and by previous literature. Respondents were asked to report how they felt upon receiving their gift. More than 50% of respondents reported feeling “excited”, “very happy”, “pleased” and “grateful”. Other respondents reported they were “shocked” and “confused” whilst roughly 10% of respondents believed it was a “sweet gesture” from the organisation and “something fresh to start off”.

As shown in the qualitative results, respondents were asked how important it would have been for them to have a choice in the reward they received. The results of this question ( $M = 2.9$ ;  $SD = 1.52$ ) were neutral, with no pattern identified. These results furthermore support the sentiment that respondents were happy with the gift they received.

**Table 17**  
*Examination of gift happiness*

	Neutral	Happy	Very Happy	Pearson Chi-Square		
				Value	df	Asymptotic Significance
Paid for leave	1	7	8			
<i>Expected</i>	<i>1.7</i>	<i>5.5</i>	<i>8.8</i>			
Gift Voucher	2	3	8			
<i>Expected</i>	<i>1.3</i>	<i>4.5</i>	<i>7.2</i>			
				1.641	2	.440

Note. df = degree of freedom

To determine furthermore how happy respondents were upon receiving their gift, a crosstabulation analysis was conducted as seen in Table 17 above. Despite results showing no statistical significance, it further demonstrated that again, what respondents received, they were relevantly happy with. The results displayed in Table 17 furthermore provide the likelihood of happiness if the gift options were equally distributed. These expected results were relevantly equal to the results displaying actual happiness. The above results pose restrictions to the research study as the aim of the third objective was to determine gift preference, yet respondents were generally happy with the gift they received.

### **Qualitative results**

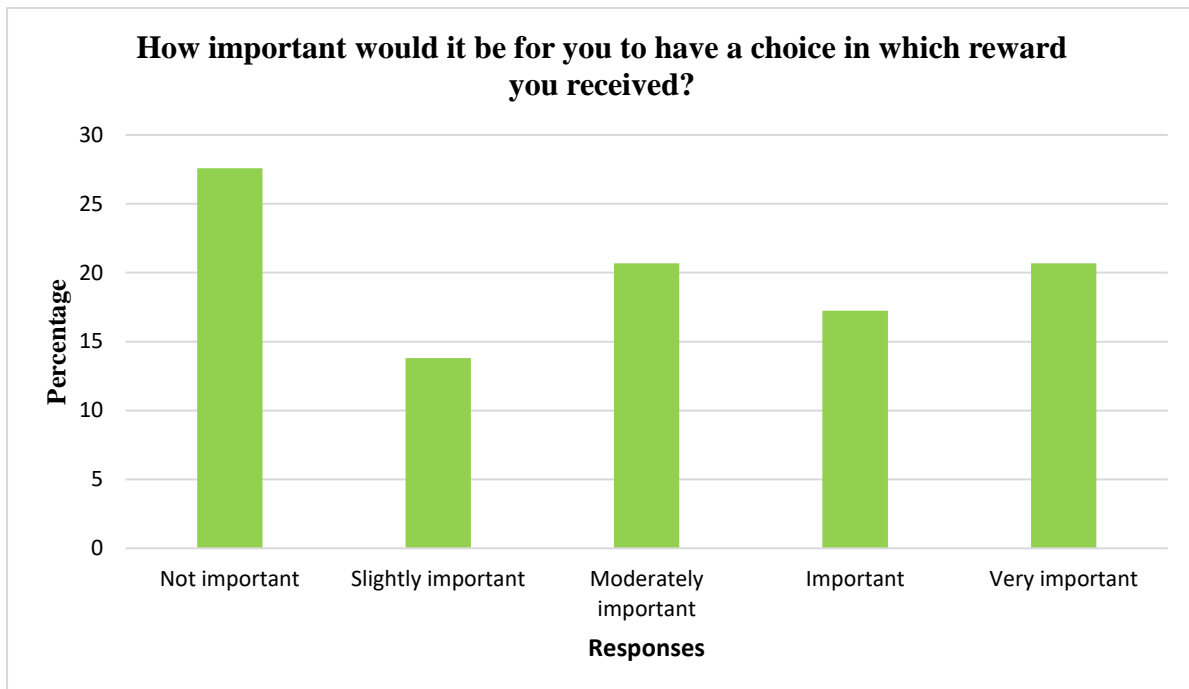
In determining gift preferences, respondents were asked “How important would it have been for you to have a choice in which reward/gift you received, instead of randomly choosing one?” as well as “If you had the option to choose a reward, which reward/gift would you choose?”. As displayed in Figure 10 below, 28% of respondents felt it was not important to have a choice in their gift selection. On the contrary, 20% of respondents felt their choice to select a gift was very important, whilst 17% believe it was somewhat important.

From the total respondents, 45% randomly selected the paid time off from work whereas 55% randomly selected the financial gift voucher. Results of the “If you had the option to choose a reward, which reward/gift would you choose” question were exactly opposite whereby 55% of participants selected they would choose the paid time off work and 45% selected they would choose the financial gift voucher, as seen in Figure 11 below.

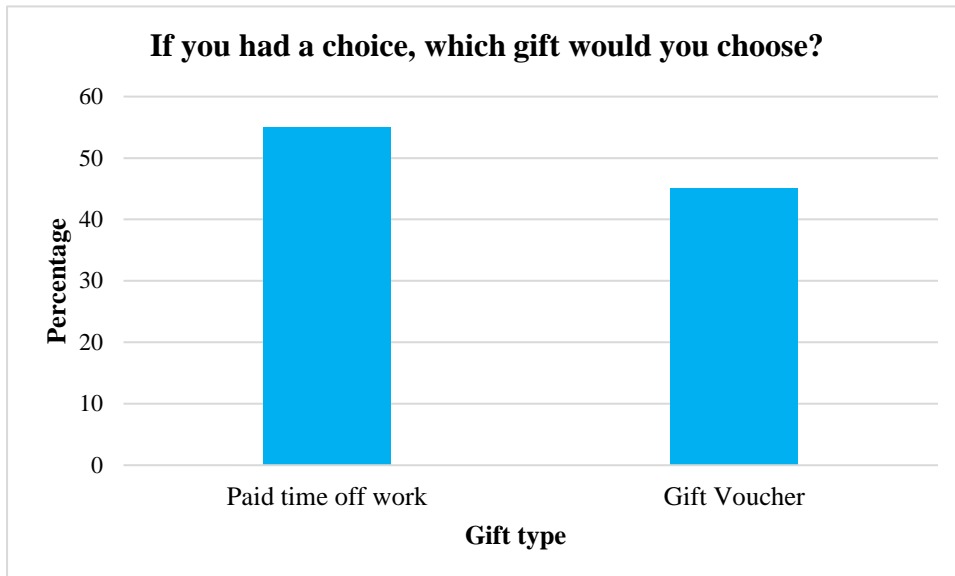
Respondents were also asked to explain how they felt knowing that both gifts had equal value. They reported feelings of happiness, gratefulness and appreciation. Some of the

responses included “It doesn’t matter because if you are grateful for what you receive that’s more important”, “There’s a saying that says be grateful for what you get even though there might be something better”, “I’m grateful, doesn’t matter what I received” and “normal because it don’t really matter it’s the thought that counts the most”. On average, about 17% of respondents held the view that nothing changed knowing the gifts were of equal value and reported no different feelings or thoughts.

These reported feelings substantiate the results which concluded that respondents were generally satisfied and happy with the received gift. These results furthermore showed that majority of respondents were grateful and appreciative no matter their gift selection. These results pose the question of why employees felt appreciative, despite the gift received.



*Figure 10. Histogram displaying importance of reward choice*



*Figure 11. Histogram displaying reward choice*

### **Conclusion**

Thus, in conclusion, the findings of the third objective concluded that the likelihood of receiving a gift and desiring that particular gift is not random. It was systematic and comprised of the psychological aspect too.

### **Objective 4: To determine whether employees reciprocate discretionary effort when receiving a financial or non-financial gift and to assess which gift leads to higher levels of productivity**

To determine whether employees did indeed reciprocated discretionary effort when receiving a financial or non-financial gift, a paired sample t-test was conducted.

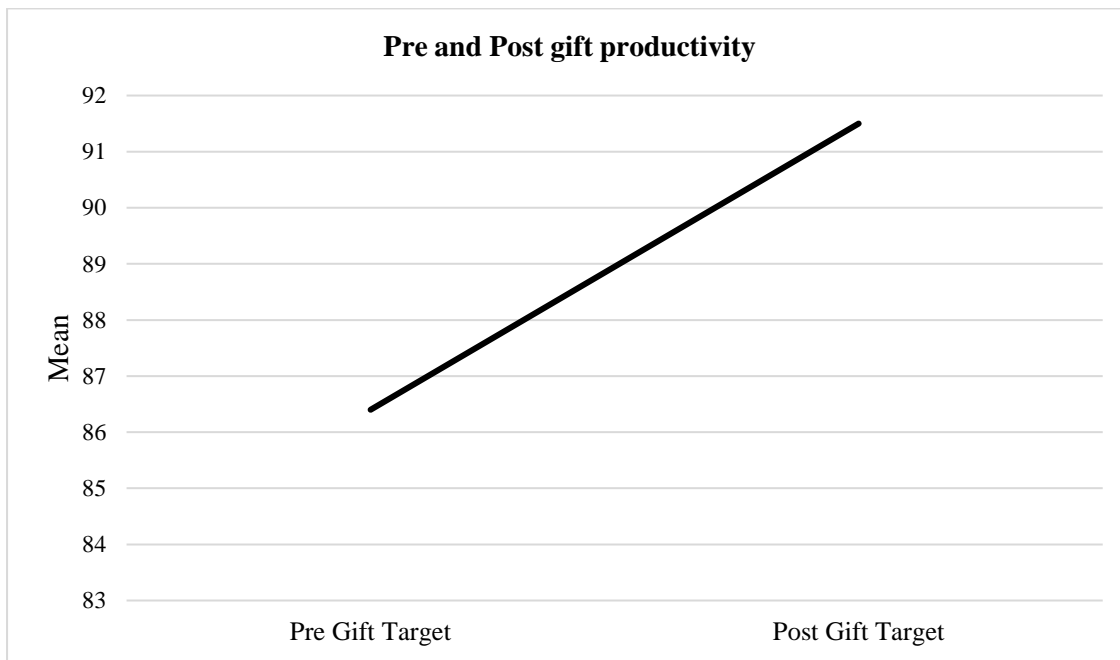
#### *Quantitative results*

Although results displayed in Table 18 below did not display a significant result, the variance pre and post receiving the gift decreased thus signifying an increase in productivity. The decrease in variance ultimately signified that respondents were more productive after receiving the gift. This increase in productivity can furthermore be seen in Figure 12 below which displays productivity means before and after receiving the gift. The results in Table 18 below furthermore show that the productivity of respondents did not shift any different whether they received the financial or non-financial gift. Receiving the gift voucher did not improve productivity more than receiving the paid time off work, and vice versa.

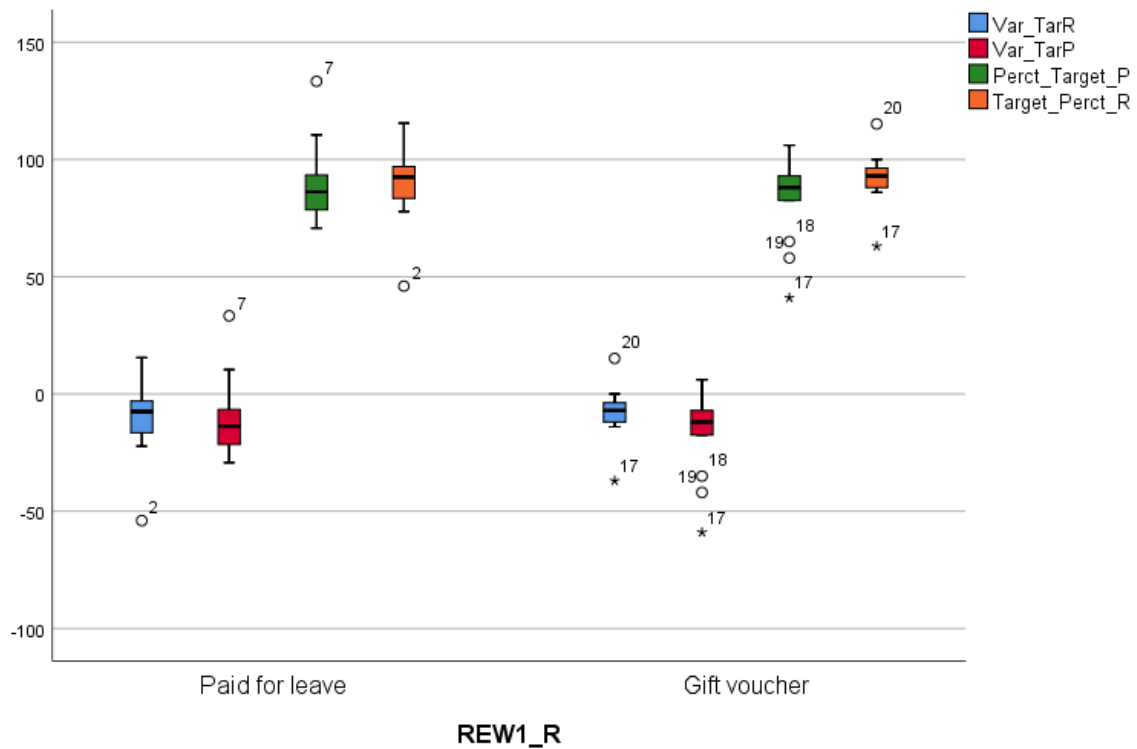
**Table 18***Productivity pre and post receiving a financial or non-financial gift*

Outcome	Pre-Gift		Post Gift		n	95% CI for Mean Difference	t	df	Sig.
	M	SD	M	SD					
Productivity Percentage	86.4	16.86	91.5	14.11	29	-1.21, 11.40	1.654	28	.109
Variance of productivity	-13.6	16.86	-8.5	14.11	29	-1.21, 11.40	1.654	28	.109

Notes. *M* = Mean; *SD* = Standard deviation; *n* = Number of respondents; *df* = Degree of freedom; *Sig* = Significance level; *CI* = Confidence interval

**Figure 12.** *Line Graph displaying increase in productivity post receiving a gift*

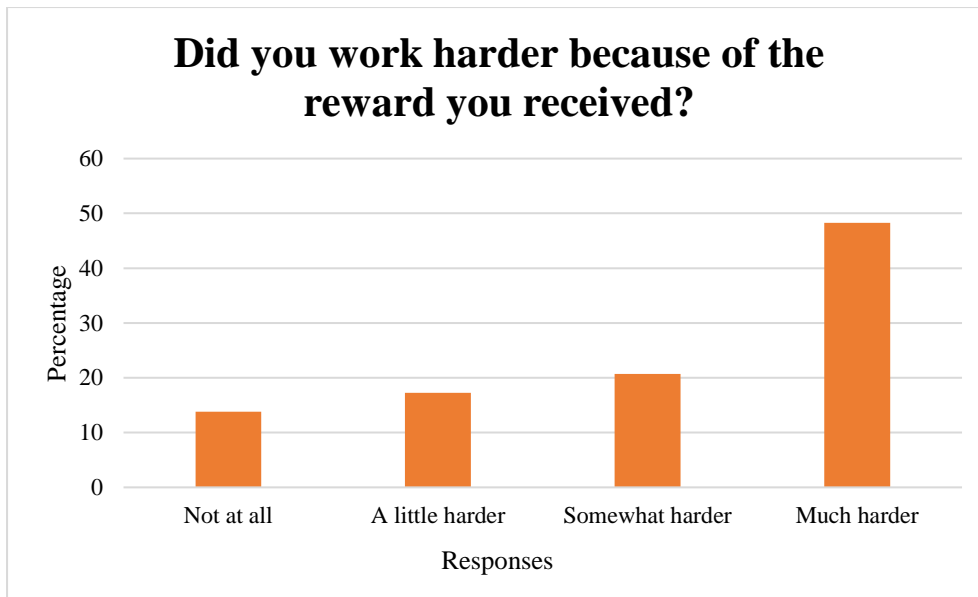
The boxplot illustration displayed in Figure 13 furthermore shows the positive impact of the gift on productivity and displays evidence of increase in productivity. The median of overall productivity had increased whilst more specifically the productivity of respondent 18 and 19 improved. In addition, the productivity for respondent 17 was somewhat low prior to receiving the gift but once the gift was received, it improved significantly. It was also evident that respondent 20 was considerably more productive after receiving the gift. Lastly, the improvement of previous outliers can be seen too.



**Figure 13.** Boxplot illustrating the positive impact of receiving a gift, on productivity

**Qualitative results**

Respondents in the study were also asked whether they felt they worked harder as a result of receiving the gift, as seen in Figure 14 below. 48.28% believed they worked much harder whilst 20.69% supposed they worked somewhat harder. On the contrary, 13.79% of respondents believed they did not work harder at all. These results indicate that most of respondents believed they worked harder as a result of receiving the gift which ultimately support the above findings that conclude productivity improved after receiving the gift.



**Figure 14.** Histogram displaying respondents' beliefs around working harder after receiving a gift

## Conclusion

In conclusion, the above findings showed that employees reciprocated discretionary effort by increased productivity after receiving the financial or non-financial gift, despite the increase not being significant. The results furthermore concluded that the increase in productivity was not dependent on the type (financial or non-financial) of gift received.

## CHAPTER 5

### DISCUSSION

In this chapter a discussion of the results of the current study is provided, along with some anecdotal observations, study limitations and suggestions for future research. The discussion shall be divided in relation to each objective of the current study. Thereafter, the chapter will outline theoretical contributions, practical contributions and managerial implications of the present research study.

#### **Objective 1: Measuring perceived levels of job satisfaction before and after receiving a financial or non-financial gift**

Findings of the first objective concluded a numerical and statistical difference between perceived levels of job satisfaction before and after receiving the gift. Ultimately, employees were more satisfied after receiving the financial or non-financial gift.

In support of these findings, a study involving academic staff found a positive relationship between rewards and job satisfaction (Arokiasamy, Tat & Abdullah, 2013). This study concluded that to enhance job satisfaction, organisations must use rewards such as financial gifts, non-financial gifts (Arokiasamy et al., 2013).

Likewise, Khalid et al., (2011) examined rewards and job satisfaction among employees working in public and private water utility organisations. Their findings further supported the findings of this study. The results of their study confirmed that 28% and 33% of the variance in job satisfaction was explained by rewards, moreover economic rewards and concluded a positive significant relationship between rewards and job satisfaction (Khalid et al., 2011).

An additional study supporting the findings of the study was conducted by Rafiq, Javed, Khan and Ahmed (2012). Their research conducted among call centre employees found a positive significant relationship between extrinsic rewards and job satisfaction, more specifically, concluding that extrinsic rewards such as pay, gifts and compensation were more important when evaluating employee job satisfaction as extrinsic rewards was found to have a stronger relation than intrinsic rewards (Rafiq et al., 2012).

The findings of the first objective were furthermore supported by a number of research studies outlined in Chapter 2. Marzuki et al., (2012) investigated the impact of rewards on job satisfaction and concluded that rewards and incentives positively influenced employees

perceived levels of job satisfaction. Their research was also conducted among blue collar employees (Marzuki et al., 2012). These results were further corroborated by two research studies which measured the impact of financial rewards on job satisfaction. Results of both the studies found a significant relationship between financial rewards and perceived levels of job satisfaction (Ismail, 2007; Muhammad & Maqbool, 2015).

Tausif (2012), on the other hand, found a significant relationship between non-financial rewards and employee job satisfaction. His findings were similar to that of Pushpasiri and Ratnayaka (2018) who studied the impact of rewards on job satisfaction among employees working in the banking industry. Their findings concluded a positive relationship between non-financial rewards and job satisfaction as well as that non-financial rewards had a positive influence on employees' levels of job satisfaction (Pushpasiri & Ratnayaka, 2018).

To furthermore support the findings of the first objective, Bustamam, Teng and Abdullah (2014) investigated the impact of both financial and non-financial reward on job satisfaction. Their results concluded that job satisfaction was positively influenced by both financial and non-financial rewards, yet financial rewards had a stronger impact on employee's levels of job satisfaction in comparison to non-financial rewards (Bustamam et al., 2014). Similarly, Muhammad and Maqbool (2015) also investigated the impact of both financial and non-financial rewards on job satisfaction and found that employees displayed increased levels of job satisfaction when rewarded with financial rewards, compared to non-financial rewards.

## **Objective 2: Measuring perceived levels of motivation before and after receiving a financial or non-financial gift**

Statistical and descriptive results of the second objective concluded a significant difference between perceived levels of motivation before and after receiving a financial or non-financial gift. The results of the second objective further concluded that employees were more motivated at work after receiving either a financial or non-financial gift.

The findings of the second objective were supported by a study conducted by Smith et al., (2015). These researchers conducted a study among employees at an organisation in South Africa and found a statistically significant relationship between rewards and motivation (Smith et al., 2015). They concluded that employees at the company did indeed value both intrinsic and extrinsic rewards as motivators in the workplace (Smith et al., 2015).

Similarly, research conducted amongst Sri Lankan commercial bank employees also support the findings of these results and concurs with previous research results. Pratheepkanth (2011) found a positive relationship between intrinsic rewards, extrinsic rewards and motivation. His findings concluded that when extrinsic rewards, of which gifts and incentives are included, are used to motivate, levels of motivation amongst employees increased (Pratheepkanth, 2011).

Another study conducted by Aamir, Jehanzeb, Rasheed and Malik (2012) which substantiated the findings of these results, was again conducted among employees working within the banking industry. The results of their comparative study showed a progressive relationship between motivation and extrinsic rewards, therefore demonstrating that employee motivation improved when extrinsic rewards were given to employees (Aamir et al., 2012). In addition, 51% of employees were in favour of motivation through extrinsic rewards (Aamir et al., 2012). In the same way, research findings by Ali and Akram (2012) furthermore corroborate the findings of the second objective. Through their study, they found that financial rewards positively impacted employee's motivation and they concluded that financial rewards lead to increased levels of employee motivation (Ali & Akram, 2012).

On the contrary, a study conducted among public and private sector employees found a correlation between non-financial rewards and employee motivation. The study by Kumar, Hossain and Nasrin (2015) found a positive correlation between non-financial rewards and employees' motivation and concluded that non-financial rewards had a significant impact on employees' levels of motivation. These results were similar to that of Nabukeera, Bwengye and Buwembo (2019) who found a positive significant relationship between non-financial reward and motivation and concluded that non-financial rewards improved employee levels of motivation.

The research findings discussed in Chapter 2 furthermore support the findings of the second objective in the current research study. Nandanwa et al., (2010) and Hafiza et al., (2011) examined the relationship between rewards and motivation. Nandanwa et al., (2010) found that non-financial rewards were positively associated with employee motivation among employees working in a manufacturing plant, whereas Hafiza et al., (2011) found a relationship between financial rewards and employee motivation. Similar to both these studies, Erbasi and Arat

(2012) examined the impact of both financial and non-financial rewards and found that both were important in relation to job motivation.

Chapter 2 of this paper brought about concerns on whether financial rewards are best to motivate blue-collar employees due to each employee have their own personal goals and financial goals. The findings of this objective therefore challenge this assumption as financial rewards did indeed motivate blue-collar employees in the current research study.

### **Objective 3: Measuring employees' choice to receive either a financial or non-financial gift to identify gift preferences**

Findings of the third objective concluded a significant association between what employees received and what they desired. The findings further suggested that the gift received, was most likely the desired gift. Thus, if employees received a gift voucher, they were more likely to desire the gift voucher and if they received the paid time off, they were more likely to desire the paid time off.

These results further concluded that the likelihood of receiving a gift and desiring that particular gift was not random. It was systematic and comprised of a psychological aspect too, namely appreciation. The systematic results then posed the question as to why employees felt appreciative despite the gift they received. A number of studies supported this finding and have concluded that appreciation is common practice among employees who have received gifts in the workplace.

White (2012) identified five languages of appreciation in the workplace. These languages included words of affirmation, quality time, acts of service, tangible gifts and appropriate physical touch. They explained their inferences by explaining that some employees will feel appreciative when someone actively listened to them, whilst other employees will feel appreciative should they be gifted with something special (White, 2012). In the case of the current research study, employees felt appreciative when and whether they were gifted with time off from work or a financial gift voucher; both of which are tangible gifts.

Fagley and Adler (2012) argued that appreciation is a key factor in wellbeing and performance in the workplace. Previous research found that appreciation encourages interpersonal trust and maintains social connections, both of which are important in the workplace (Fagley & Adler, 2012). In addition, Fagley and Adler (2012) found that gifts

possessed the potential to initiate a cycle of gratitude which ultimately lead to helping others. This again is vital within the workplace especially so in organisations whereby employees are required to work collaboratively in teams or across departments.

A qualitative study by Bagget et al., (2016) explored the emotion of feeling cared for in the workplace. The findings of their study further corroborate the results of the third objective. They found that tangible gifts elicit appreciation which it later perceived as caring within the workplace (Bagget et al., 2016). During interviews with respondents in their study, participants demonstrated their appreciation of the tangible gifts by conveying sentiments such as “Sent flowers and a condolences card”, “Staff that report to me going out of their way to recognise my accomplishments with a gift” and “when my supervisor presented a gift card” (Bagget et al., 2016).

Thus, appreciativeness to gifts are common practice within the workplace and can explain the results of the third objective.

**Objective 4: To determine whether employees reciprocate discretionary effort when receiving a financial or non-financial gift and to assess which gift leads to higher levels of productivity**

Results of the fourth objective found that employees were more productive after receiving either a financial gift or non-financial gift, despite the increase not being significant. Thus, employees reciprocated discretionary effort as a result of receiving a financial or non-financial gift. However, the improved productivity did not shift any different whether employees received the financial gift or non-financial gift. Therefore, receiving a financial gift instead of a non-financial gift did not drive employees to be more productive, and vice versa.

In support of both the quantitative and qualitative findings of the fourth objective, a study investigating reciprocity among clinicians found performance to have increased upon receiving an unconditional gift (Brock, Lange & Leonard, 2018). The study found that health workers reciprocated upon receiving a gift by immediately increasing their effort; thus, performance of health workers increased upon receiving the gift (Brock et al., 2018).

Another study by Okwudili (2015) supported the findings of the fourth objective. Okwudili (2015) investigated the impact of rewards among employees in selected Government

parastatals. He found a relationship between motivation and productivity and concluded that higher productivity could be achieved through non-financial rewards (Okwudili, 2015).

Similarly, research by Mahmood and Zaman (2010) furthermore corroborate the findings of the fourth objective. They conducted a comparative experimental study among 120 students and found that non-financial gifts resulted in significantly higher productivity (Mahmood & Zaman, 2010). Thus, students reciprocated upon receiving a non-financial gift, which in this study was represented by a diary, whilst cash equivalents were used to demonstrate the financial gift (Mahmood & Zaman, 2010).

In addition, the findings of the fourth objective are in accordance with what Akerlof (1982) proposed. Akerlof (1982) suggested that organisations may benefit when giving gifts to their employees as employees are likely to attain “sentiments for the firm” which would result in reciprocation by providing increased effort (Akerlof, 1982, p.542). The results of the fourth objective confirmed that the organisation did indeed benefit by giving gifts to employees. The organisation benefited by increased productivity, improved motivation and improved levels of job satisfaction among their employees.

The findings of the objective are furthermore in accordance with the proposals of Gouldner (1960) as the current study examined blue collar employees, who are of lower status as well as that when employees received the gift, they believed it was a good deed from the organisation. Gouldner (1960) proposed that gifts are likely to elicit reciprocity among employees of lower status as well as that reciprocity is likely to occur when the receiver views the gift as given due to generosity or goodwill.

Finally, the findings of this objective furthermore conformed with the findings presented in Chapter 2. Several studies testing reciprocity in the workplace and the gift exchange theory concluded that giving gifts, resulted in reciprocity which lead to increased productivity. An example of one study testing the gift exchange theory was conducted by Bellemore and Shearer (2009). The results of their study concluded that rewards had a significant positive effect on productivity. Similarly, a study by Kube et al., (2011) concluded that employees reciprocated with higher productivity when receiving a non-financial reward, instead of a financial reward.

Contrary to the above, Ozutku (2012) argued that financial extrinsic gifts were counterproductive as organisations are unable to accurately measure performance as performance was influenced by factors beyond control of employees. The results of this

objective therefore challenge Ozutku's (2012) argument as performance in this objective was accurately measured, despite employees receiving a financial extrinsic gift.

Thus, the findings of the fourth objective support the gift exchange theory and can conclude that employees reciprocated discretionary effort as increased productivity when receiving a financial or non-financial gift, which is supported by previous literature.

### **Anecdotal observations**

Due to the researcher being employed within the organisation whereby the experiment was conducted, anecdotal results or observations were received anonymously from employees within the organisation as well as through direct feedback from employees.

The organisation has a suggestion box whereby employees are able to provide their input, comments, queries and suggestions anonymously. Three weeks after conducting the experiment, the Human Resources (HR) department received an anonymous letter enquiring when the incentive programme for employees will occur again and whether it will be an ongoing programme. The letter read:

*Hello HR. I'm writing this as an ERC rep. My constituency will like to know when the company will be doing the reward box again for incentives. We also want to know if the company will consider doing this maybe monthly because the staff really liked it and we were happy with the gifts. Can this please be considered.*

Another anonymous letter was received during late October of 2020 enquiring whether rewards will be received again. This letter read:

*We as workers would like to find out from HR if the reward box and questionnaires will continue. We believe it made things on the floor fun especially because no one knew what envelope they will choose. There was a lot of talk on the factory floor when the company did this and we really think that we worked harder. It was really a nice thing the company did.*

In addition to the two anonymous letters, direct feedback showed disappointment from employees unable to participate in the experiment.

As the experiment required productivity data, certain departments within the organisation were unable to participate. Departments within the organisation such as Stores, Goods

Receiving and Despatch were unable to participate in the experiment due to measurable productivity information not being available. Employees in these departments questioned why they were not included and expressed their unhappiness to managers and supervisors within the organisation. Management thereafter explained the reasons to why they could not be included.

### **Limitations and suggestions for future research**

This study, like other research studies had limitations. The following section acknowledges the limitations of this study and provides suggestions and recommendations for future research.

Firstly, cautions around the generalisability of findings should be made due to the use of a non-probability convenient sampling technique being used. Due to the sampling technique used in the research study, the results and findings are likely to have limited generalisability to the entire workforce which suggests low or limited external validity (Price & Murnan, 2004). The sample also only concentrated on blue collar employees working within a factory which limits the results being generalised to blue collar employees working in different sectors and industries.

Taking into consideration that South Africa has 11 official languages, the fact that the questionnaire used in the study was only available in English is identified as a limitation. There is a possibility that some participants struggled to understand specific facets of the questionnaires which could have led to guessing. This would negatively affect the results as the internal validity of the study would be reduced.

Another limitation of the study would be the sample size. Due to time and cost constraints, the study was only conducted within one organisation and the sample size was relevantly small. Despite a high response rate of 80%, the sample size still furthermore limits generalisability of results. An increase in sample size is therefore suggested for future research to increase accuracy in generalising findings.

Eutsler and Lang (2015) suggested that researchers should be mindful when making use of Likert-type response tools due to the forms of response bias. Thus, the use of a Likert scale as a limitation in this study must be acknowledged. Examples of the mentioned bias include central tendency bias and response bias (Eutsler & Lang, 2015). In addition, with most survey research, bias in relation to social-desirability response bias may be present in data which was

self-reported. Thus, self-reported data possesses the possibility of reporting bias and recall which could have influenced results of this study.

An additional limitation of the study relates to the study not measuring the impact of demographic variables such as age or gender on reward preference. Within the South African context, race is a demographic variable which could be investigated to determine the impact it might have on reward preference. Thus, it is recommended that demographic variables are considered in future studies.

Finally, an additional suggestion for future research would be to include more items in the questionnaire to measure reward satisfaction. This will result in improved Cronbach alpha ( $\alpha$ ) coefficients, which ultimately improve the internal consistency of the measure.

## **Contribution**

### ***Theoretical Contribution***

The study made use of an experimental design which offers a unique theoretical contribution. Experiments are often seen as the gold standard but is seldom used in human resource research. By making use of an experimental approach, causal inferences can be made thus contributing to the theoretical usefulness. In addition, the study showed the usefulness of using smiley face Likert scales which is more often used in Marketing research, and hardly in psychological research. This research has also contributed to: 1) Empirical research around reciprocity and 2) Motivation and job satisfaction literature by identifying ways to improve levels of motivation and job satisfaction amongst employees. Overall, the study presents a novel theoretical contribution to the field of Rewards and Gifts as well as general Human Resource Management.

### ***Practical Contribution***

This study has provided organisations with possible measures to improve the motivation, job satisfaction and productivity amongst employees which ultimately leads to the achievement of organisation goals and success. Organisations are required to use different measures and techniques to satisfy and motivate their employees to gain maximum work. Organisations can therefore use the results of the study to improve the tools used to motivate and satisfy their employees as well as to implement or improve rewards to increase productivity or performance. The insights obtained from this study can furthermore be utilised by organisations who wish to

implement reward programmes to motivate and satisfy employees whilst improving their productivity.

### ***Managerial implications***

The importance of rewards and employee performance should not be overlooked in the workplace and analysing the impact of financial and non-financial gifts can yield thought-provoking results for managers and organisations. The insights gained from this study should enable managers and organisational leaders to strategically implement plans and strategies to reward employees in such a way which improves productivity, motivation and job satisfaction.

### **Conclusion**

The aim of the present study was to investigate whether employees reciprocated discretionary effort as higher productivity when receiving either a gift voucher or paid time off from work, and to determine the effects of these gifts on both motivation and job satisfaction of employees. In conclusion, results of the findings supported the claim that employees reciprocated discretionary effort by increasing their levels of productivity upon receiving the gift voucher or paid time off work. The findings furthermore concluded that whether employees received the gift voucher or paid time off work, their perceived levels of motivation and job satisfaction improved.

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## APPENDIX A

### Employee feelings, perceptions and opinions of their jobs

Unique Number: \_\_\_\_\_



Dear Respondent

I am collecting data for research purposes and would like to invite you to participate in a research study titled *Monetary vs Non-Monetary Incentives and Workers' Performance: An Experimental Analysis of Reciprocity in the Workplace*.

Please take some time to familiarise yourself with the information about the research study below.

You are welcome to ask any question(s) and/or request further clarification/information regarding any aspect of the research study and/or the information provided here.

*What does this survey involve?* It involves asking some questions about the above topic. Should you agree to participate in the research study, it would take approximately 20 minutes to complete this survey.

*Are there any right or wrong answers?* No. You will only be required to give your honest opinion, feeling and/or perception.

*Are my answers confidential and anonymous?* Yes. You will not be required to disclose your name or any other personal information anywhere in the survey. All responses are anonymous and will be treated as confidential. The data collected will be kept securely; it will be password protected and shall be stored in accordance with best practice guidelines and privacy legislation.

*Am I forced to participate in this research?* No. Your participation is completely voluntary. You have the right to withdraw at any point during the study, for any reason, and without any negative consequences to you.

*Are there any risks involved in this research?* There are no inherent risks in participating in this research. There are furthermore no risks associated with withdrawing from the research at any time, even if you initially agreed to participate.

*What are the benefits of participating in this research?* There are no or limited benefits in you participating, other than perhaps improving your communication skills. However, your participation will contribute to the new knowledge gleaned from the data collected. This will contribute to our better understanding of the impact of financial and non-financial rewards on employee motivation, job satisfaction and performance.

*Will my contribution be used solely for this research?* At the discretion of the Researchers, the data may be used in future studies or distributed by means of conference presentations, journal articles, popular articles, textbooks, published conference papers and books. When doing so, your personal anonymity and confidentiality will always be maintained and no identifiable information will ever be disclosed.

The UCT Commerce Research in Ethics Committee has approved this research study.

If you have any questions and would like to contact the principal investigators to discuss any aspect of this research study and/or your participation therein, please e-mail Megan Thompson at [THMMEG002@mvuct.ac.za](mailto:THMMEG002@mvuct.ac.za) and/or Professor Anton Schlechter at [anton.schlechter@uct.ac.za](mailto:anton.schlechter@uct.ac.za).