

THE IMPACT OF INTRINSIC AND EXTRINSIC REWARDS ON EMPLOYEE MOTIVATION AT A MEDICAL DEVICES COMPANY IN SOUTH AFRICA

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Abstract

In a competitive business environment, the concept of rewards and employee motivation has become a popular point of discussion in many successful organisations. Companies need to review their reward systems in order to improve employee motivation, increase performance and stay competitive. The main purpose of this research was to investigate the role that intrinsic and extrinsic rewards play in motivating employees. This study in assessment of this problem adopted an explanatory research design using quantitative methodology and a survey strategy carried out among employees at a medical devices company in South Africa in order to assess these. The research had the following three essential objectives: to ascertain whether employees value rewards as motivation factors, to establish the extent to which employees are satisfied with current reward systems, and to identify which rewards (extrinsic or intrinsic) employees consider most beneficial. Forty (40) questionnaires were collected from respondents in order to explore and analyse their opinions on these topics. The analysis of the data collected from the questionnaires suggested that rewards are highly valued as a motivating factor by respondents. The research further suggested that employees were generally satisfied with, and benefited from the current rewards offered by the company. Additionally, it was found that employees were more motivated by intrinsic rewards rather than extrinsic rewards, although a thirteenth cheque and annual salary increases (extrinsic rewards) were the most ranked rewards for employees at the company.

Key Words: Impact, Intrinsic, Extrinsic, Rewards, Employee Motivation, Medical Devices, Business Environment

INTRODUCTION

Research has proven that continuing business success depends significantly on highly motivated employees who are productive and creative (Boyne and Hood, 2010); (Kohn, 1993). It is important for companies to understand the link between rewards and motivation

and uncover what motivates their employees. The big challenge is to create an environment that allows all employees to feel valued, perform at their best, and achieve goals (Ward and Werner, 2004:201)

Prior research in the field accentuates the importance of determining the link between reward systems and employee motivation and how they subsequently affect the productivity of employees and the success of the company (Boyne and Hood, 2010) (Kerr, 1995). The purpose of this research study is to explore the relationship between reward and motivation in a company-specific setting and determine how the total reward structure affects employee motivation levels within the given company.

OBJECTIVES OF THE STUDY

1. To determine to what extent employees value rewards as motivator.
2. To investigate to what extent employees view the current reward system as being effective and in line with their needs and requirements.
3. To identify what kinds of rewards employees consider more motivational: the intrinsic or extrinsic.

LITERATURE REVIEW

INTRODUCTION

WHAT IS MOTIVATION?

The topic of human resource motivation has received extensive attention from academics and researchers alike.

The word “motivate” is derived from the Latin verb “movere” which means ‘to cause movement’. Motivation refers to the activation, direction, intensity and persistence of human behaviour and the manner in which this behaviour is sustained towards reaching a desired goal.

Greenberg and Baron (2003:190) define motivation as “the set of processes that arouse, direct, and maintain human behaviour towards attaining some goal.”

This view is reiterated by Robbins et al. (2009: 144) who defined motivation as “the process that accounts for an individual’s intensity, direction, and persistence of effort toward attaining a goal”. This definition could be divided into three main parts. *Intensity* is related to the drive or energy behind individual action and effort.

Direction refers to how efforts are correctly channelled into the direction that will benefit the organization. *Persistence* deals with how long an individual can maintain efforts to achieve goals. According to Nevid (2013: 286), motivation involves the emotional, social, biological, and cognitive influences that initiate behaviour.

According to La Motta (1995), “motivation is simply the reason individuals have for doing the things they do when and how they do them”. Motivation is defined by Halepota (2005:16) as “a person’s active participation and commitment to achieve the prescribed results.”

Young (2000:1) suggests that motivation can be defined in many different ways, depending on whose opinion is asked. Motivation can subsequently be described as “the force within an individual that accounts for the level, direction, and persistence of effort expended at work.” Motivation refers to “the reasons underlie behaviour” according to (Guay et al., 2010:712). Gredler, Broussard and Garrison (2004:106) roughly define motivation as “the attribute that moves us to do or not to do something” According to Antomioni (1999:29), “the amount of effort people are willing to put in their work depends on the degree to which they feel their motivational needs will be satisfied”.

In short, motivation is the driving force which leads individuals to want to act, perform, or do something without pressure or manipulation.

HUMAN RESOURCES AND MOTIVATION

The concept of motivation occupies a fundamental place in the field of Human Resource Management, and has received extensive attention from academics and researchers alike.

In the ever increasing competitive business environment, organisations are recognising the significant opportunity to improve the return on their human resources investment by aligning reward plans with business strategies and enhancing the value delivered to employees. This process is crucial to business success, and the ability of the organisation to attract and retain top performers in order to achieve organizational objectives (Kaplan, 2005: 32-37).

In the words of Storey, “human resource management is a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable work force, using an integrated array of cultural, structural and personnel techniques”(Storey, 2001: 5).

“In a world characterised by competition, customer focus and the need for speed and flexibility, in order to get the results you want, you still have to depend on your people to carry the day” (Storey, 2001: 9). Organizations should therefore employ “talented individuals, who need to be developed, motivated, rewarded and provided with the organisational cultures and work processes that will make them to be successful” (Hay group, 2000 in Storey, 2001: 9).

Storey (2001:6) accentuates that human resources need to be treated with great care, since they are an important resource that needs to be given special managerial attention and time. He further states that it is through human capability and commitment that successful organizations are able to ultimately differentiate them from those that fail. Human resources motivation is considered one of the most important methods of sustaining organizational development.

HISTORICAL PERSPECTIVE ON MOTIVATION

Various schools of thought have pointed out different views on the question of what motivates people.

According to Plato, the desire for truth is one of the greatest human motivators (Cooper, 1984: 3-21). A very different view on human motivation came from Sigmund Freud, who believed that human behaviour is driven exclusively by sex (McAdams, 2006; Mitchell and

Black, 1995). Many psychologists agreed with Freud on some aspects, but differed on the impact of sexual motivation. Alfred Adler emphasised the longing for superiority and power of motivation (Feist and Feist, 2002; Goodwin, 1999; Mitchell and Black, 1995), whilst Carl Jung said that the will to live is the utmost human motivator (Bair, 2003)

The Hull- Spence theory developed by Clark Hull and Kenneth Spence, debated human motives in terms of a sequence of learned and unlearned drives e.g. the drive to eat when hungry (Campbell and Kraaling, 1953: 97-101).

The theory of Ego development was proposed by Erik Erikson (Santrock, 2009), and it highlighted the desire for human growth. Carl Rogers believed that people are driven by the desire for self- actualization, and the desire for self-acceptance. According to his perspective, the key to happiness is to live life in accordance with personal values (McAdams, 2006).

Skinner assumed that human motives are internal to each individual, thus they can only be known if special attention is given to discovering these motives (Schacter, 2011). William James and William McDougall (Melucci, 2010; Myers, 2011), believed that human desire is multifaceted and guided by instinctual desires. Instinctual desires include; saving, construction, curiosity, exhibition, family, hunting, order, play, sex, shame, pain, herd, vengeance. Harvard psychologist Henry A. Murray later reaffirmed the list of instincts as psychological needs (McAdams, 2006).

These pioneers certainly made a substantial contribution to the world of management, and their theories provided a foundation of knowledge on which further research could be built. However, it is apparent that many methods of the past were not effective, and can certainly not be applied to the workforce of today or the future. Significant changes in systems, procedures, workforce, attitudes, nature of jobs, and work culture should be acknowledged and accounted for. New research should therefore seek to find newer methods of motivating people.

SOURCES OF MOTIVATION

It is often accepted that motivating employees is the ultimate responsibility of organizations and managers. Shanks (2007: 24) maintains that; ‘while rewards may serve as incentives and those who bestow rewards may seek to use them as motivators; the real motivation to act comes from within the individual’.

Deckers (2010: 7) claim that “motivation stems from the sequence of events that moves from motives or anticipated incentives to end-states where motives are satisfied or incentives are attained”. He goes on to say that “motivation can originate from internal sources, described as biological and psychological variables, and from external sources, such as incentives and goals” (Deckers, 2010: 1)

Motivation can consequently be described as being either extrinsic or intrinsic;

- o Extrinsic sources of motivation are a result of the environment outside the individual. It includes rewards such as money, social recognition or praise.
- o Intrinsic sources of motivation encompass those that arise from within the individual. Biological attributes and psychological depositions are examples (Deckers, 2010).

Managers can only influence employee motivation up to a certain point, after which the responsibility ultimately lies with the individual to choose to perform or act. Managers and employees both play a decisive role in the motivation process. Effective motivation can therefore only be attained once both managers and employees cooperate with one another.

SIGNIFICANCE OF MOTIVATION

Employee motivation is one of the most essential parts of a company's success, performance, development and survival (Mason, 2001). Motivated employees are of great value because;

- o They are efficient, effective, focussed and committed to the organizational mission and goals
- o They often experience higher job satisfaction
- o They are less frequently absent from work
- o They deliver higher levels of performance and productivity
- o They tend to work harder when workplace demands are high
- o They are loyal to the organization, resulting in low staff turnover
- o They deliver high levels of customer service which leads to greater customer satisfaction and customer retention (Manns, 2007:75; Mason, 2001)

It can be concluded that motivation is important both to the individual and the organization. Individuals benefit from being motivated because it helps them in self-development in order to ultimately achieve personal goals. Businesses on the other hand benefit because motivated employees ensure a team that is empowered, optimistic, adaptable, creative and successful, all of which potentially improve the effectiveness and success of an organization (Manns, 2007:75).

RESEARCH METHODOLOGY:

TARGET POPULATION

A population is the entire aggregation of cases in which a researcher is interested, or persons of interest to the researcher who meet the criteria the researcher is interested in studying (Polit and Beck, 2004: 289). Sekaran (2001) defines a population as "the entire group of people, events or things of interest that the researcher wishes to investigate."

In the context of this study, the population was obtained from a medical devices organization in Johannesburg. The company population consisted of approximately 60 individuals. To access employees and encourage them to participate in the study, the researcher relied on the assistance and cooperation of the human resource manager.

SAMPLING

Leary (2004:118) defines sampling as, "the process by which a researcher selects a sample of participants for a study from the population of interest". For very small populations, you need almost the entire population in order to achieve accuracy.

Henry (1990) argues that one must collect data on the entire population because the influence of a single extreme case on successive statistical analysis is more pronounced than for larger samples.

For the purpose of this study, every individual within the population was included in the research sample. Because the population is very small and the entire population was available for study it was possible to collect data from the entire population. In this instance, no sampling process is needed which means that the sample size is equal to the population size (60). Such a research study should give an excellent description of the population.

LIMITATIONS OF THE RESEARCH

For the purpose of this study, every individual within the population was included in the research sample because of the small population size.

This study was conducted at a Medical Devices Organization in Johannesburg. Given that the research focuses only on the South African segment of the given company, the results of findings are specific to the particular organization and cannot be generalised to other similar businesses outside of the company, nor applied to the bigger multinational organization.

The company may potentially use the conclusions of the research study to re-examine its current reward programmes and focus more clearly on meeting the specific needs of the diverse group of individuals within the company.

Questionnaires were distributed to a sample of 56 employees but received a response rate of 66.7 % accounting for 40 employees. A larger sample might lead to additional or different conclusions in the area.

It must also be taken into account that this study examines the relationship between the employees and their work motivation and can therefore not be seen as the public opinion of the particular organization.

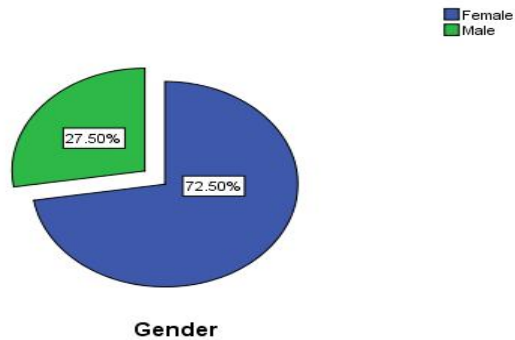
Given the enormous amount of literature available on the topic of employee motivation, this study does not attempt to cover all relevant theories and should not be regarded as a comprehensive review of motivation theories. It must also be considered that motivation is but one of many parameters driving human behaviours (Maslow, 1971).

RESULTS, INTERPRETATION AND DISCUSSION OF FINDINGS

DEMOGRAPHICS

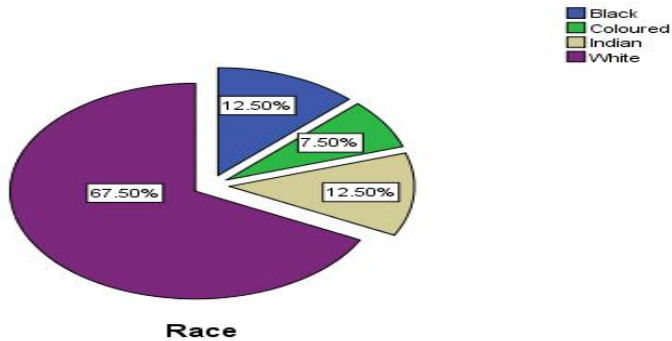
The demographic section of the questionnaire expresses information regarding the gender, race, language, age, marital status, job classification, education and length of service in order to have a better understanding of the responses and resulting conclusion for the research. The demographic profiles of the 40 respondents are represented in the graphs below.

Figure 4.1: Gender distribution of the sample.



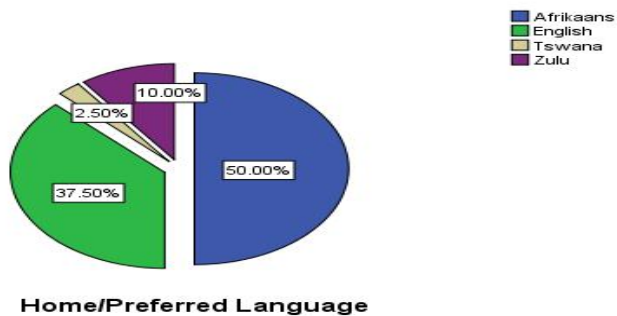
As can be seen from Figure 4.1, the majority of the respondents were female (72.5%), while the remaining 27.5% comprised male respondents.

Figure 4.2: Graphical representation of the racial composition of the sample.



From the frequency distribution in Figure 4.2 it can be seen that “White” represented the largest number of respondents (67.5%), followed by “Black” and “Indian” respondents who comprised 12.5% of the sample respectively. The least represented group is the “Coloured” group (7.5%).

Figure 4.3: Preferred home language of the sample



In terms of Figure 4.3, it can be seen that the majority of the respondents' preferred home language 50% was Afrikaans. English respondents comprised 37.5% of the sample, while Zulu constituted 10% of the respondents' preferred home language. 2.5% indicated that their preferred language was Tswana.

Figure 4.4: Ages of the respondents

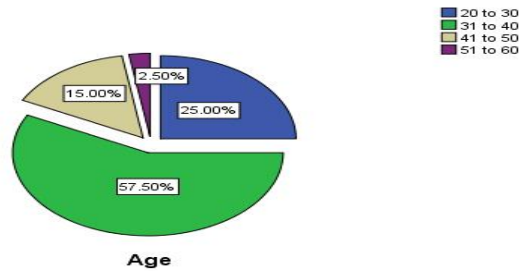
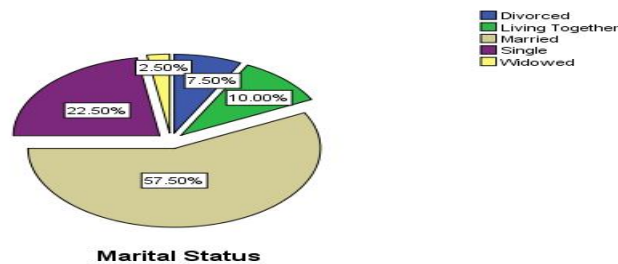


Figure 4.4 shows that the majority of respondents in the sample (57.5%) are between the ages of 31 and 40 years of age. This category is followed by the age group 20 – 30 years, into which 25% of the respondents fell, whilst 15% are between the ages of 41 and 50 years. Only 2.5 % were between 51 and 60 years.

Figure 4.5: Graphical representation of the marital status of the respondents.



As can be seen in Figure 4.5, the majority of the respondents (57.5%) were married, while 22.5 % were single, approximately 10% indicated that they were living together. 7.5% of the sample were divorced and 2.5% were widowed.

Figure 4.6: Job classification of respondents

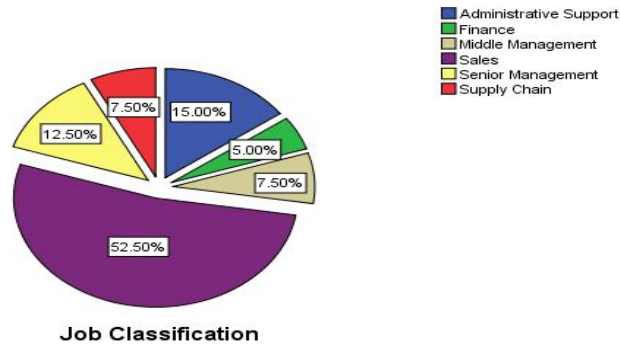
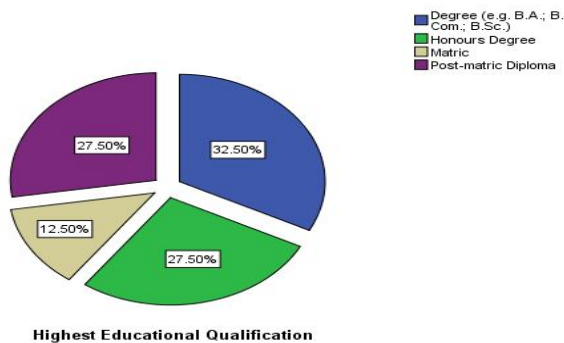


Figure 4.6 indicates that the majority of respondents 52.5% of the sample comprised sales employees. Administrative personnel constituted 15% of the sample, while 12.5% occupied positions in senior management. Middle management and supply chain comprised 7.5% of the sample respectively. 5% of the sample represented finance employees.

Figure 4.7: Highest educational qualifications of respondents



In terms of Figure 4.7, it can be seen that the majority of respondents (32.5%) of the sample have a degree such as B.Com, B.A. or B.Sc. This is followed by respondents with an honours degree (27.5%) and those with a post-matric diploma 27.5%. Those with matric as their highest qualification comprise 12.5% of the sample.

Figure 4.8: Length of service of respondents

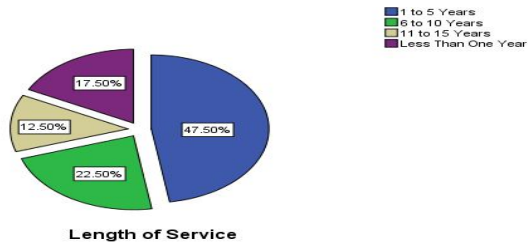
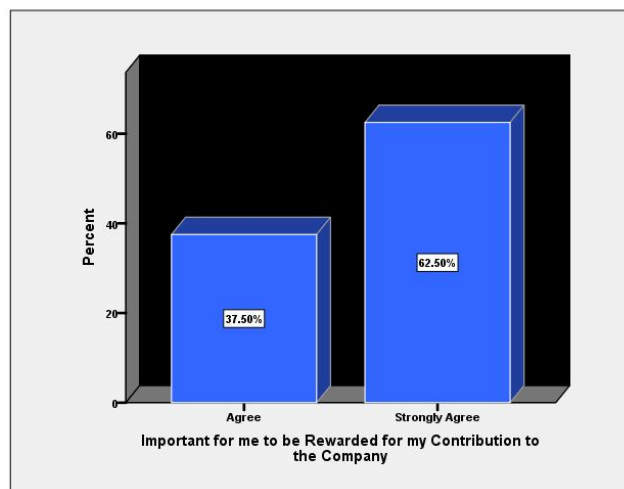


Figure 4.8 indicates that the majority of the respondents, 47.5 % have worked for the organisation for 1 to 5 years, while a further 22.5% have worked for the organisation for 6 to 10 years. Seventeen point five percent (17.5%) of the respondents indicated that they have been with the company for less than one year, and 12.5 % have worked for the organisation between 11 and 15 years.

REWARDS AS MOTIVATIONAL FACTORS

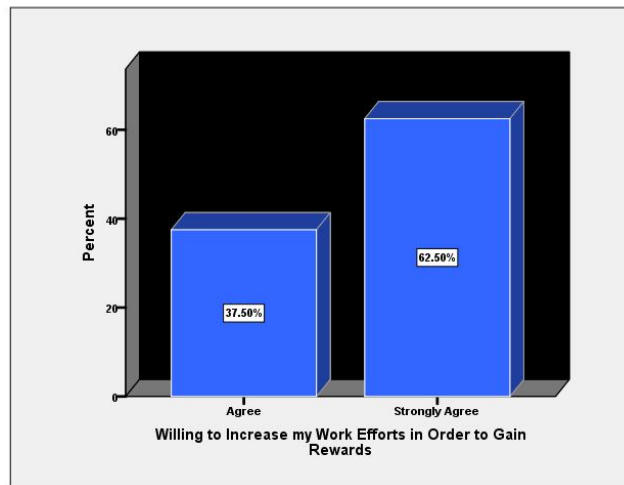
The aim of this section of the questionnaire was to establish to what extent employees perceive rewards to be a motivator. Respondents were asked to indicate within the scale of Strongly Agree; Agree; Disagree; Strongly Disagree.

Figure 4.9: Important for me to be rewarded for my Contribution to the Company



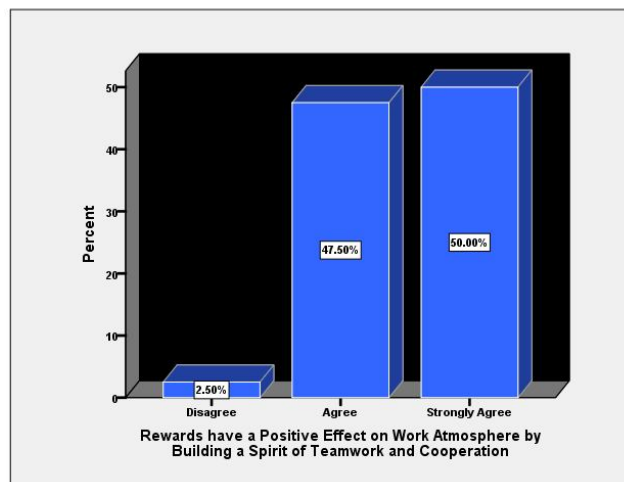
The majority (62.5%) of respondents indicated that they strongly agreed that it is important to be rewarded for their contribution to the company. The remaining 37.5% simply agreed with the statement. Overall it can be concluded that employees at the company value being rewarded for what they contribute to the organisation.

Figure 4.10: Willing to Increase my Work Efforts in Order to Gain Rewards



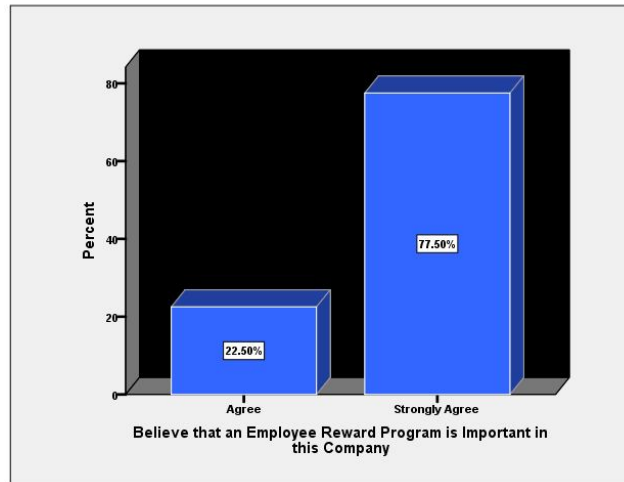
All respondents agreed that they are willing to increase work efforts in order to gain rewards. Sixty seven point five percent (62.5%) of respondents strongly agreed. It is evident that the efforts of employees at the company are driven by rewards.

Figure 4.11: Rewards have a Positive Effect on Work Atmosphere by Building a Spirit of Teamwork and Cooperation



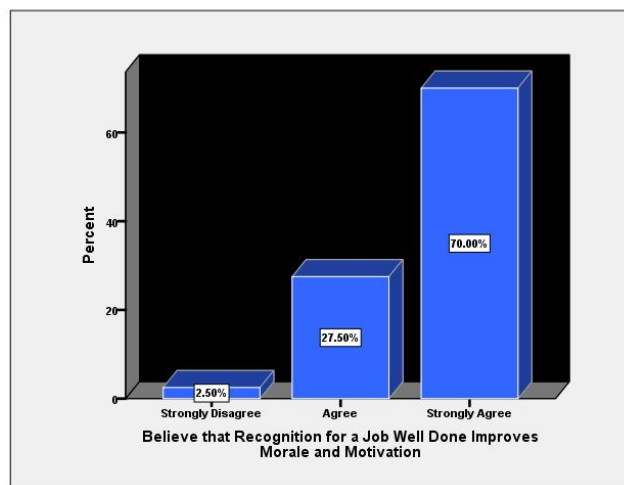
Most respondents think that rewards have a positive effect on work atmosphere by building a spirit of teamwork and cooperation. A majority of 50% indicated strong agreement, while 47.5% agreed and 2.5% of respondents disagreed. Employees at the company perceive rewards to be positively correlated with teamwork and cooperation.

Figure 4.12: Believe that an Employee Reward Programme is Important in this Company



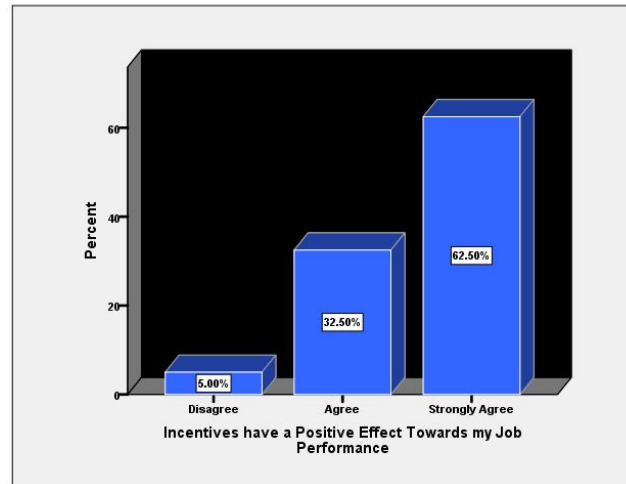
Most of the respondents strongly agreed (77.5%) that an employee reward programme is important in this company. A minority of 22.5% of respondents agreed. It can be concluded that employees at the company place high value on a rewards programme.

Figure 4.13: Believe that Recognition for a Job Well Done Improves Morale and Motivation



An impressive majority of 70% of employees strongly believed that recognition for a job well done improves morale and motivation. Being recognized consequently has a positive connection to morale and motivation.

Figure 4.14: Incentives have a Positive Effect Towards my Job Performance



When asked about the effect of incentives towards job performance, most respondents indicated that they strongly agree (62.5%) that the influence is positive, 32.5% agreed that incentives have a positive effect on job performance, and a mere 5% disagreed with the statement. It can be said that job performance at the company is driven to a large extent by incentives.

The results of the one sample t-test for rewards indicated strong positive perceptions about rewards in the organization (Refer to 4.8.4). The relationship between rewards and motivation in the organization can be said to be statistically significant.

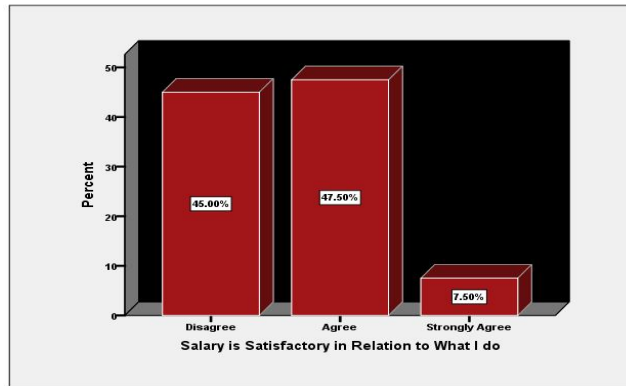
All respondents indicated that it is important for them to be rewarded for their contribution to the company. Similarly, all employees agreed that they are willing to increase work efforts in order to gain rewards, and believed that an employee reward programme is important in this company. An overwhelming majority thought that rewards have a positive effect on work atmosphere by building a spirit of teamwork and cooperation. Most employees also agreed that recognition for a job well done improves morale and motivation, and that incentives affect job performance in a positive manner.

These results are supported by Malhotra et al. (2007: 2095), who believes that no matter the kind of organization, 'rewards play an important role in building and maintaining the commitment among employees that ensures a high standard of performance and workforce stability'. Vroom's expectancy theory (1964) further supports the result by claiming that employees will be motivated to work hard when they believe their efforts will produce a desirable outcome. He believed that rewards will lead employees to make more intensive efforts. A study by Deci and Ryan (1985) conducted to determine the impact of rewards on motivation found that there is a direct relationship between the level of rewards and intrinsic motivation, the higher the reward, the higher the extrinsic motivation. The importance of reward systems is discussed in detail in the literature review.

CURRENT REWARD SYSTEM AND EMPLOYEE SATISFACTION

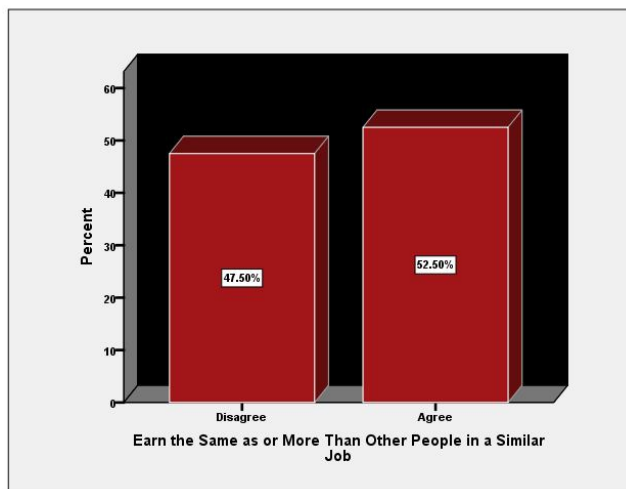
This part of the questionnaire was designed to gain insight into the organisation's current reward system, and establish to what extent it meets employee needs and expectations. Respondents were asked to indicate within the scale of Strongly Agree; Agree; Disagree; Strongly Disagree.

Figure 4.15: Salary is Satisfactory in Relation to What I do



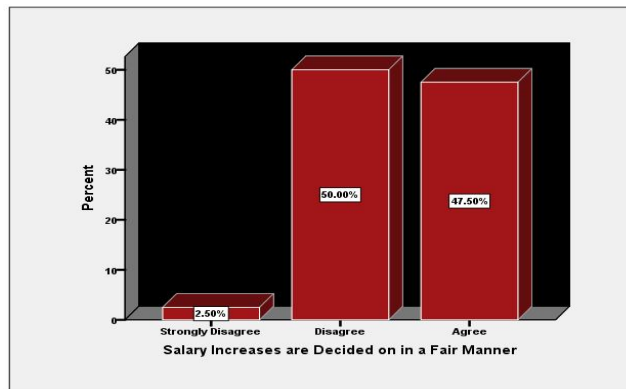
When asked whether their salary is satisfactory in relation to what they do, 47.5% of employees indicated that they agreed. A very close percentage of respondents (45%) disagreed that their salary is satisfactory and only 7.5% strongly agreed. The results indicate that the employees at the company are split in opinion on salary. Salary is often a measure of an employees' value or importance to the company, and employees correlate what they are worth to the money that the company is willing to spend on them. It is important for the company to review salary benefits to ensure that they retain valuable employees. As stated by Herzberg (1959), salary does not necessarily ensure positive satisfaction, but if absent, may produce dissatisfaction. Maslow (1943) also asserts that salary needs to be sufficient in order to afford adequate living conditions.

Figure 4.16: Earn the Same as or More than Other People in a Similar Job



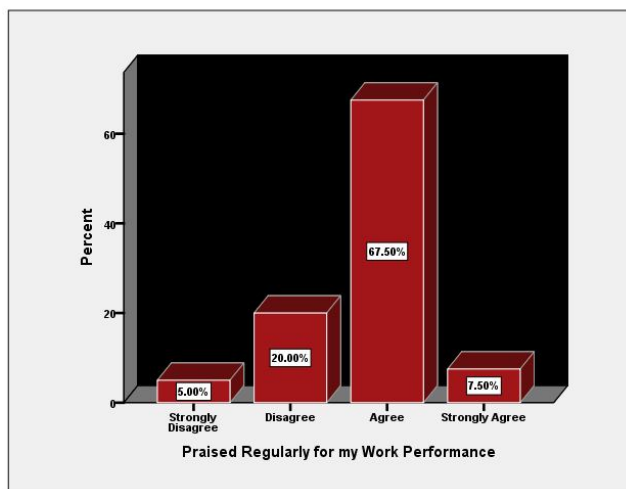
Respondents' perception of whether they earn the same or more than others in similar jobs revealed that 52.5% agreed, but 47.5% disagreed that salaries are comparable. Again, employees have differing opinions on whether or not their salaries are comparable to others in the industry. Many employees at the company feel that others in same field are earning more, and they might start looking at positions at competing companies. The company needs to keep in mind that their biggest assets are their employees. They must keep an eye on the industry and maintain competitive salaries in order to attract and retain talent. Adams (1965) identified in his equity theory that employees compare their inputs and outcomes against relevant reference points. He highlights the fact that employees who feel fairly treated will be satisfied, happy and motivated.

Figure 4.17: Salary Increases are decided on in a Fair Manner



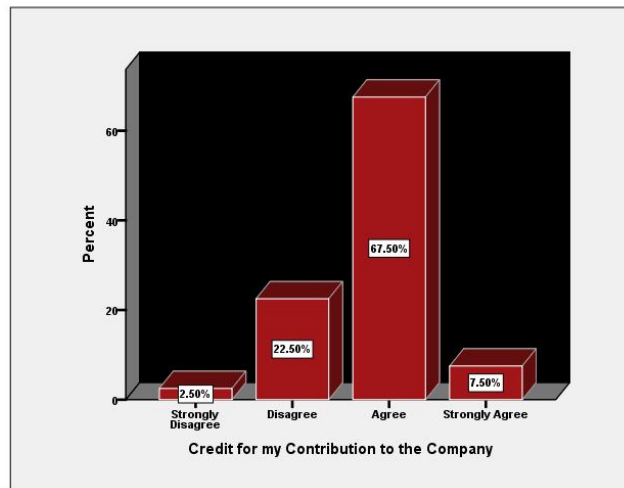
A majority of 50% of respondents believed that salary increases are not decided on in a fair manner. An additional 2.5% disagreed completely while 47.5% thought that the process is fair. It can be deducted that employees at the company feel that salary increases are not fairly decided upon. The organization might need to communicate more clearly to their employees what the basis is for increases in the company. Adam's equity theory (1965) explains that employees might become demotivated and unhappy when they perceive that they are not treated in a fair manner.

Figure 4.18: Praised Regularly for my Work Performance



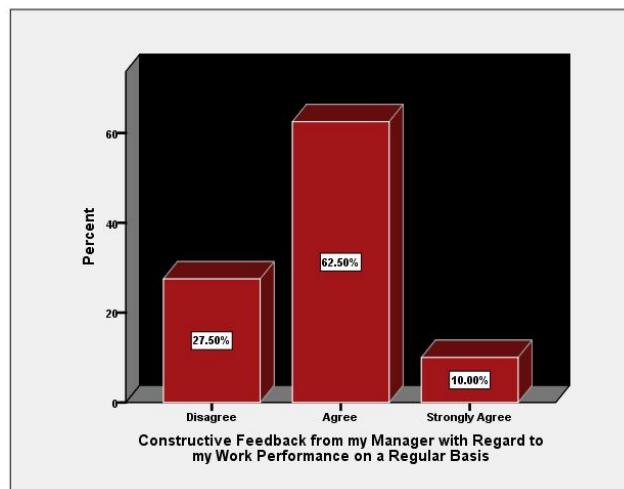
Most employees (67.5% agree and 7.5% strongly agree) felt that they are praised regularly for their work performance. 20% disagreed and 5% strongly disagreed. Employees at the company are thus satisfied with the amount of praise received for work well done. Managers should continue building up employees in this manner since it meets their esteem needs as set out by Maslow (1954)

Figure 4.19: Credit for my Contribution to the Company



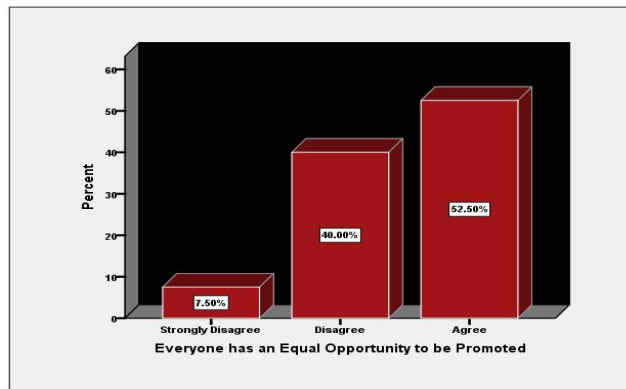
When asked whether they felt that they receive credit for their contribution to the company, 67.5% of respondents agreed and 7.5% strongly agreed. A minority of 22.5% disagreed and only 2.5% strongly disagreed. Employees at the company are generally pleased with the credit they receive for their contribution to the organization.

Figure 4.20: Constructive Feedback from my Manager with Regard to my Work Performance on a Regular Basis



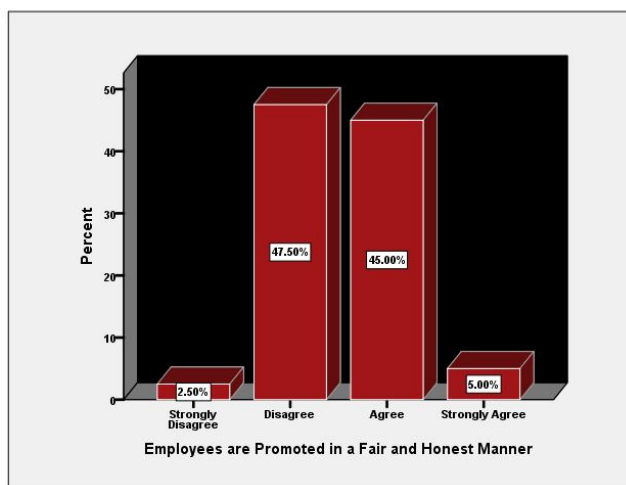
Many respondents agreed that they receive constructive feedback from their managers on a regular basis (62.5% and 10%); while 27.5% felt that they did not. The differing opinions amongst employees in this department are probably due to different managers with different leadership styles. Although most employees feel they get feedback often, the company should consider the 27.5% that felt otherwise, and encourage managers to engage with their subordinates more regularly. According to Elton Mayo (1930), employees work best, and are more motivated when they are consulted and viewed as partners. Hackman and Oldham (1980) proposed in their job characteristics model that job feedback has an impact on work-related outcomes such as motivation, satisfaction, and performance quality.

Figure 4.21: Everyone has an Equal Opportunity to be promoted



52.5% of respondents believed that everyone in the company has an equal opportunity to be promoted, followed closely by 40% who did not agree and 7.5% who strongly disagreed. Even though the majority of employees believe they have equivalent opportunities within the company, a large amount of employees perceived their promotion opportunities to be unequal. The organization must investigate the reason for these perceptions and ensure that employees are well informed of promotion criteria and required performance.

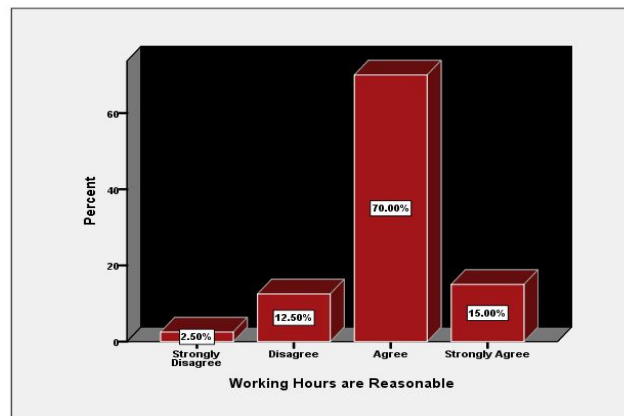
Figure 4.22: Employees are promoted in a Fair and Honest Manner



When asked about fair and honest promotions, employees were split between 47.5% who disagreed, 2.5% who strongly disagreed and 45% who agreed and 5% strongly agreed.

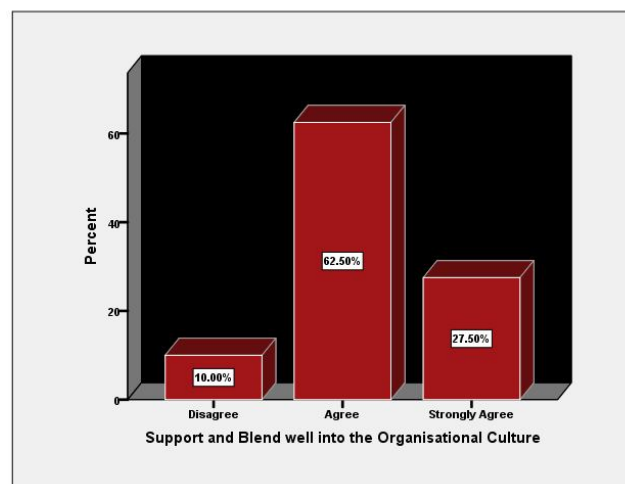
This is an area of concern once again. When employees perceive that others are getting ahead in a dishonest or unfair manner, they might get demotivated to try and do better as it feels like no matter what they do they will never get ahead. This may potentially decrease employee loyalty towards the company. Adams (1965) believed that employees that feel treated unfavorably will ultimately be demotivated.

Figure 4.23: Working Hours are Reasonable



The majority (70%) of respondents agreed that working hours are reasonable. 15% strongly agreed, 12.5% disagreed and 2.5% strongly disagreed. Office based employees at the company work normal office hours, and sales employees work flexi hours. It is clear from figure 4.23 that working hours are satisfactory and meets the physiological needs of employees as per Maslow (1954)

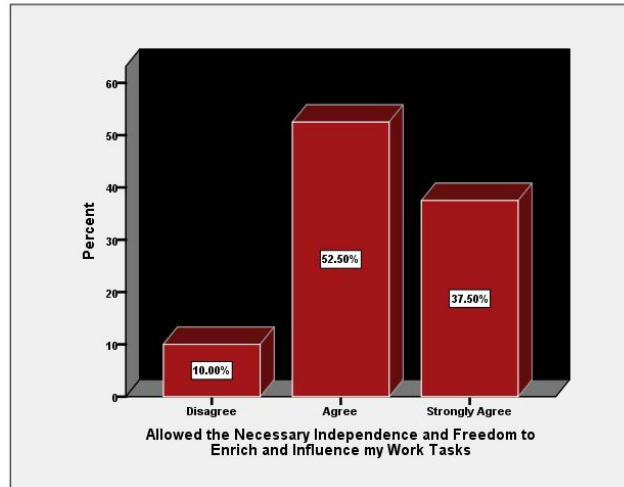
Figure 4.24: Support and Blend well into the Organizational Culture



Most employees considered that they blended into the organizational culture well (62.5% agree and 27.5% strongly agree). Only 10% disagreed that they fitted in. Employees at this

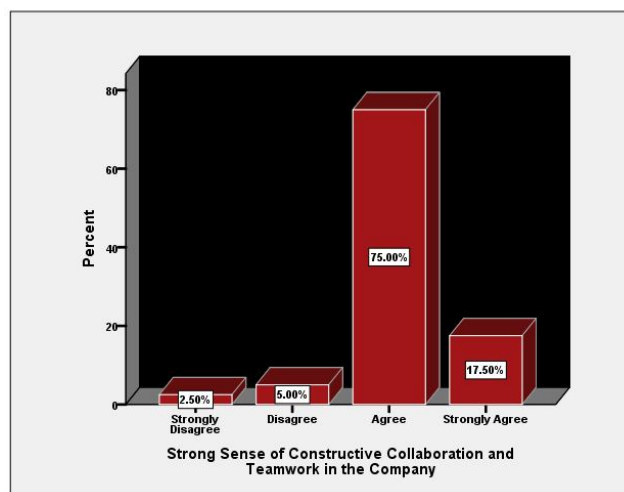
company have a strong sense of belonging. Alderfer (1972) discussed the importance of relatedness in human motivation. McClelland also proposed that employees have a need for affiliation.

Figure 4.25: Allowed the Necessary Independence and Freedom to Enrich and Influence my Work Tasks



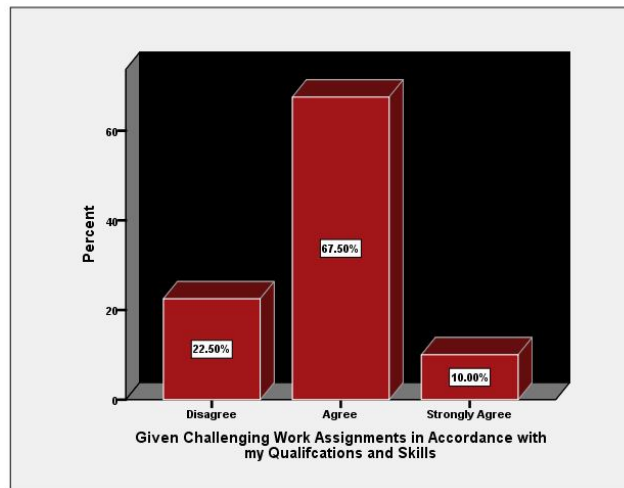
Employees at the company are of the opinion that they are allowed independence and freedom to influence their own work (52.5% agreed and 37.5% strongly agreed). Employees at the company feel that they are able to make independent decisions and can move freely within the company. This might contribute to employees' job satisfaction and motivation to perform better. According to Maslow (1954), independence is important to satisfy the esteem needs of employees. It is further supported by Hackman and Oldham (1980) who is of the opinion that the autonomy offered by a job has a positive influence on work-related outcomes.

Figure 4.26: Strong Sense of Constructive Collaboration and Teamwork in the Company



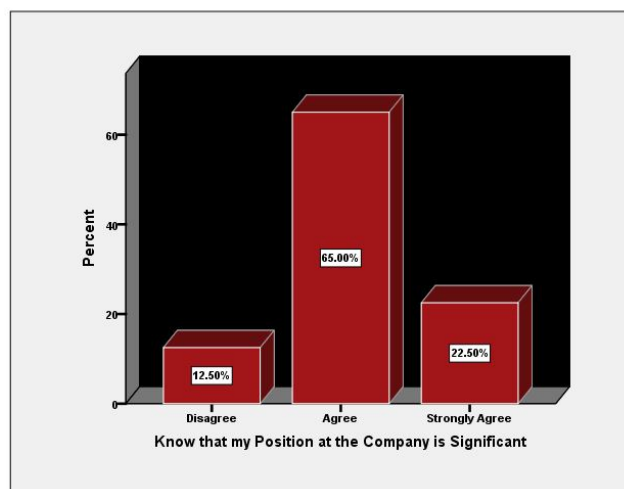
A big majority of respondents specified that they agree (75%) and strongly agree (17.5%) that a strong sense of collaboration and teamwork exists within the company. It is positive feedback for the company to see that their employees feel that they are part of a team working towards a shared goal. This result indicates a very strong organizational culture which is admirable.

Figure 4.27: Given Challenging Work Assignments in Accordance with my Qualifications and Skills



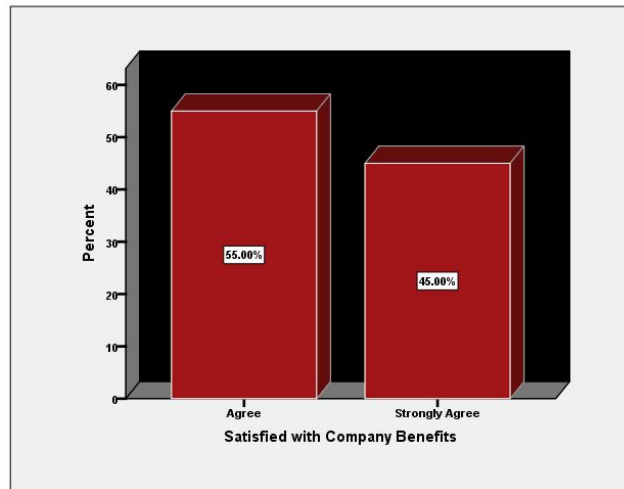
Sixty seven point five percent (67.5%) of respondents agreed that work assignments are in accordance to their qualifications and skills. However, 22.5% of employees disagreed. Although the majority of employees viewed their work assignments as being in line with their abilities, there are some employees who felt that their qualifications do not match their work assignments. The risk here is that employees may get demotivated or negative when tasks are above their capabilities, or get frustrated when tasks fall below their skill level.

Figure 4.28: Know that my Position at the Company is Significant



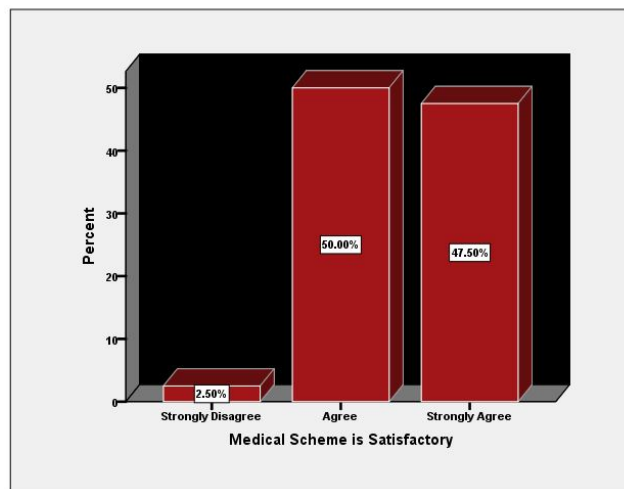
As seen in figure 4.28, most respondents felt that their position is the company is significant (65% agree and 22.5% strongly agree). Employees at this company feel confident that their positions are meaningful. It is important for employees to have a certain degree of job security. When employees perceive their position at the company to be of value, they will feel secure and might be motivated to in turn perform better for the benefit of the organization.

Figure 4.29: Satisfied with Company Benefits



All employees indicated that they were satisfied with the benefits that the company offers. 55% agreed and 45% strongly agreed with the statement. As illustrated in figure 4.29, the organization offers excellent benefits that meet the needs of all of its employees. These exceptional benefits offered by the company can also be used to attract new talent.

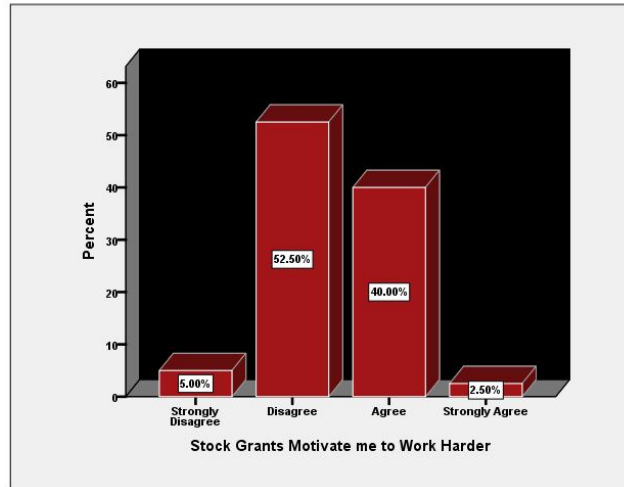
Figure 4.30: Medical Scheme is Satisfactory



Employees at the company seem to be very satisfied with medical scheme benefits. 50% agreed that they are happy, and 47.5% strongly agreed. Once again, the company offers a

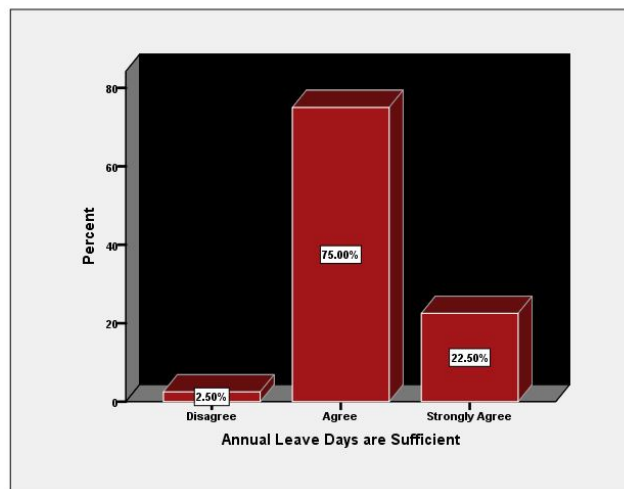
benefit that is perceived to be satisfactory by almost all its employees. It can be said that the company caters well to the safety needs of employees as underlined by Maslow (1943). It provides employees with a psychological safety blanket.

Figure 4.31: Stock Grants motivate me to Work Harder



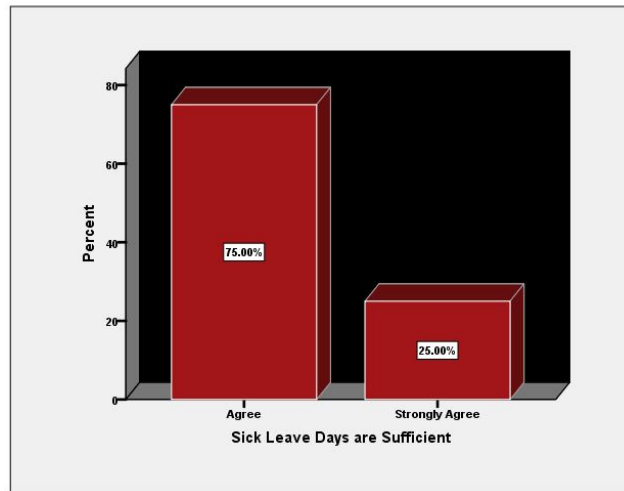
It is evident that many respondents are not motivated to work harder for stock grants (52.5% disagree and 5% strongly disagree). 40% of employees are however motivated by stock grants and 2.5% are strongly motivated. It may benefit the organization to review the exact reasons why stock grants are not desirable to so many employees.

Figure 4.32: Annual Leave Days are Sufficient



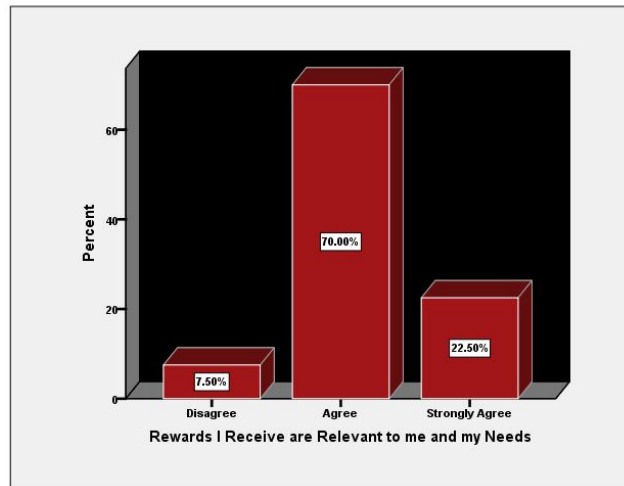
Annual leave days are thought to be sufficient by 75% of respondents. 22.5% strongly agreed, while only 2.5% indicated that there are not enough leave days. The organization offers a fair amount of leave days per annum, and it is evident from Figure 4.32 that these meet the requirements of most employees at the company. Leave days are important for individuals to rest and recuperate according to Maslow's physiological needs.

Figure 4.33: Sick Leave Days are Sufficient



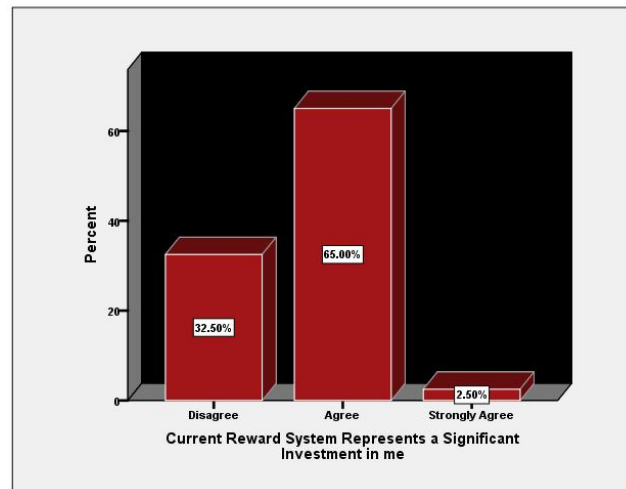
All employees either agreed (75%) or strongly agreed (25%) that the company offers enough sick leave days. It can be said that all employees at the company are happy with their allocated amount of sick leave days.

Figure 4.34: Rewards I receive are Relevant to me and my Needs



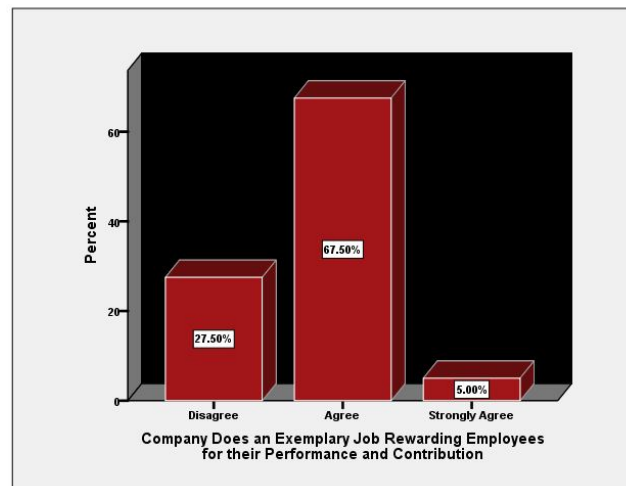
The majority of respondents (70%) indicated that rewards at the company are relevant to their needs. 22.5% strongly agreed; while a mere 7.5% did not feel that rewards at the company meet their needs. It is clear that this company provides well to the differing needs of the diverse work force.

Figure 4.35: Current Reward System Represents a Significant Investment in me



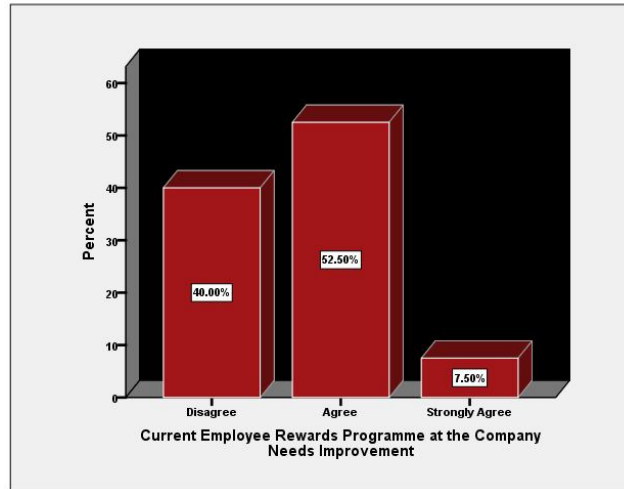
The current reward system is seen by most respondents as a significant investment in them (65% and 2.5%). 32.5% implied that rewards do not signify an investment in them. Although the majority of the workforce is satisfied with the organizations' investment in them, it is important to investigate the reason for those who do not feel invested in. When employees feel that they are looked after, it might improve their loyalty to the company.

Figure 4.36: Company Does an Exemplary Job Rewarding Employees for their Performance and Contribution



Employees believe that the company does a good job rewarding them for their contribution (67.5%). 27.5% disagreed with the statement however. It can again be seen that a large amount of employees at the company believes that they are looked after well. However, more research needs to be done to determine what rewards would make the employees at the company feel more valuable.

Figure 4.37: Current Employee Rewards Programme at the Company Needs Improvement



Numerous respondents agreed (52.5%) and strongly agreed (7.5%) that the rewards programme at the company needs improvement. 40% of respondents felt that no improvements are needed. It is surprising that although employees seem to be satisfied with most of the company rewards above, there is still a large amount of employees that are of the opinion that the rewards programme needs improvement. The organization might want to investigate the exact areas of dissatisfaction in order to improve on their rewards offering.

The questionnaire was designed to provide feedback on whether or not the reward systems that are currently in use are considered valuable. The one sample t-test for current reward system denoted that there are strong positive perceptions about the current reward system in the organization. The results demonstrate that respondents who participated in this study indicated a fairly high level of satisfaction with the current benefits offered.

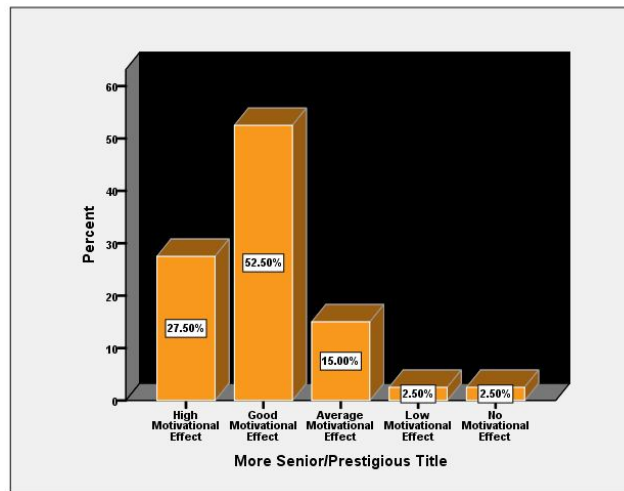
Employees indicated that the following rewards met their needs and expectations to a large extent; regular praise, credit for contribution to the company, constructive feedback from managers, working hours, organizational culture fit, independence and freedom, collaboration and teamwork, challenging tasks, significant position in the company, company benefits, annual leave days, sick leave days, relevant rewards that meet needs. Most employees believed that rewards represent a significant investment in them and that the organization is doing an exemplary job of rewarding them.

On the other hand, many employees believed that salaries are not satisfactory in relation to their contribution, and that salaries are not market related. The majority of respondents thought that salary increases are not decided on in a fair manner. According to Taylor (1911), money is an important way of showing employees that they are valuable to the company. It is therefore important for this organization to review salaries and ensure that its market related. Most employees felt that they have an equal opportunity to be promoted, but more respondents were of the opinion that promotions are not fair and honest. To conclude, numerous respondents said that the rewards system at the company needs improvement.

MOTIVATES EMPLOYEES AT THE COMPANY

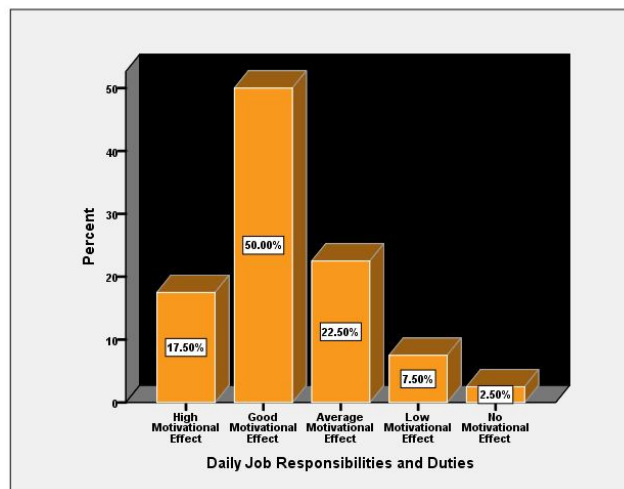
The fourth section of the questionnaire measured which rewards (extrinsic or intrinsic) employees consider to be most motivating. Respondents were asked to indicate according to the following designation: No Motivational Effect; Low Motivational Effect; Average Motivational Effect; Good Motivational Effect; High Motivational Effect. The results are shown in the tables below.

Figure 4.38: More Senior/Prestigious Title



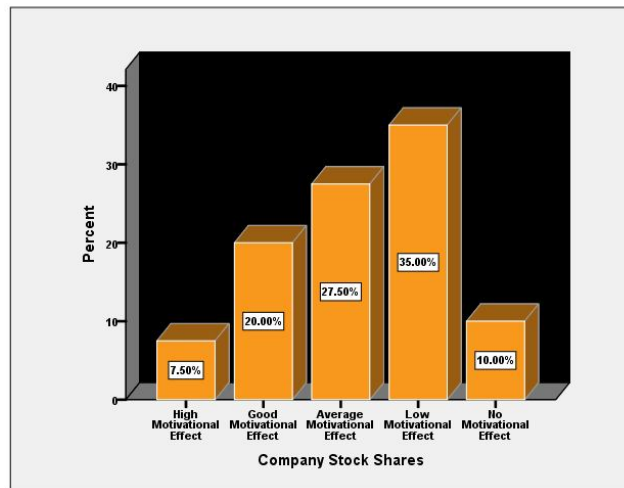
A more senior or prestigious title is seen by employees at the company to have a good (52.5%) to high (27.5%) motivational effect. 15% thought it had an average effect. Employees at the company are evidently motivated to work towards higher goals. Self-improvement seems to be important to most employees at this given company. According to Hertzberg (2003), advancement is an intrinsic motivator and directly produces employee satisfaction and motivation.

Figure 4.39: Daily Job Responsibilities and Duties



Most employees suggested that daily job responsibilities and duties have a good (50%) or high (17.5%) motivational effect. Employees at the company are thus highly motivated by what they do on a day to day basis. This is an immediate motivator, and the company can capitalize on this through effective job design. Hackman and Oldham (1980) identified five job characteristics which can be used as a guide by companies to ensure employee satisfaction, motivation and performance.

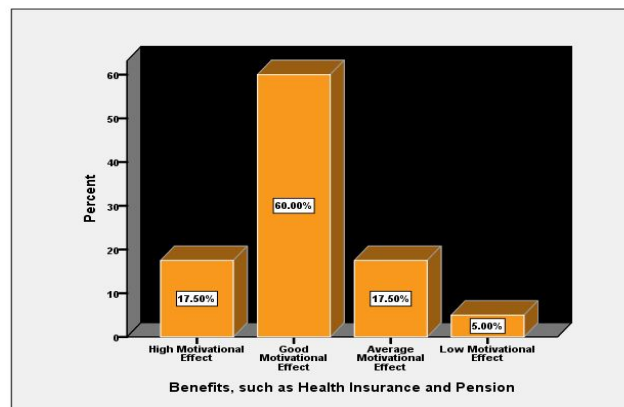
Figure 4.40: Company Stock Shares



Thirty five percent (35%) of respondents felt like company stock shares had a low motivational effect and a further 10% indicated that it had no motivational effect. 27.5% thought it had an average effect and only 27.5% combined experienced a good or high motivational effect from shares.

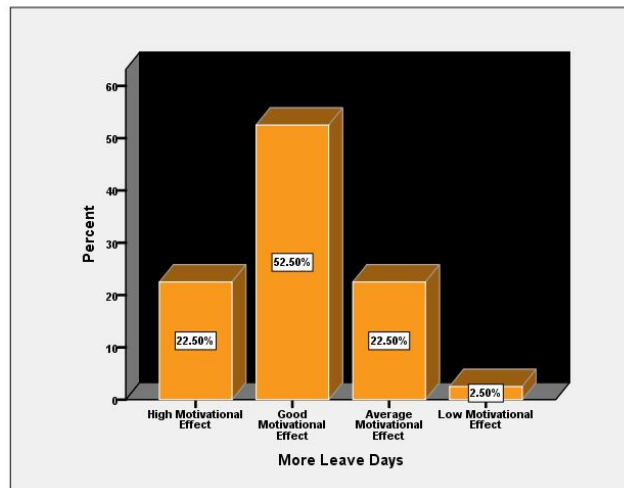
It is clear that stock shares as a reward is not valued by employees in the company. Stock shares can be an excellent benefit if implemented correctly. The organization could further investigate the reason for this average to low result.

Figure 4.41: Benefits, such as Health Insurance and Pension



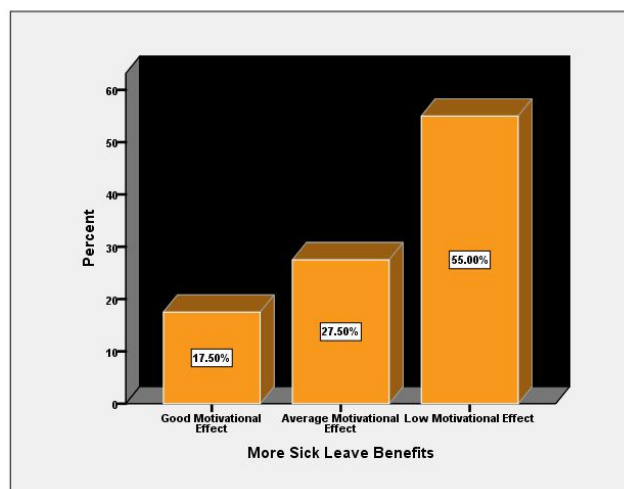
Health insurance and pension benefits seem to have a good overall motivational effect (60%) on employees. 17.5% indicated high and average respectively. It seems that employees at the company value those benefits that cater for their most basic human needs such as health and security in old age. Maslow (1943) classified these benefits under safety needs, and suggested that these be met in order to provide employees with the necessary protection, security and stability.

Figure 4.42: More Leave Days



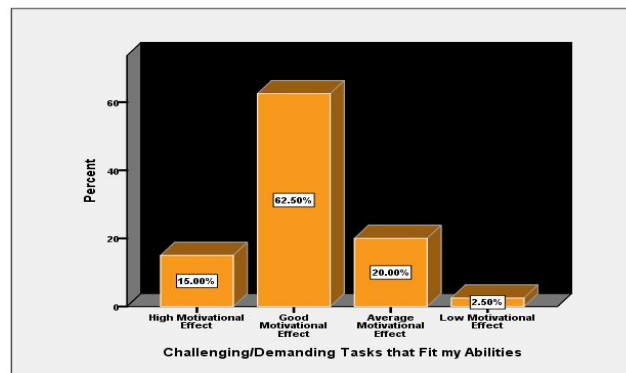
More leave days are seen to have a high (22.5%) or good motivational effect by the majority (52.5%) of employees. It can be said that paid time off to rest and recuperate is a valuable motivator to employees at the company. When employees are given enough leave time, they might be more willing and able to perform their work well. Maslow (1943) reiterates this in his needs theory by saying that employees need sufficient opportunity to rest and physical activity in order to meet their physiological needs.

Figure 4.43: More Sick Leave Benefits



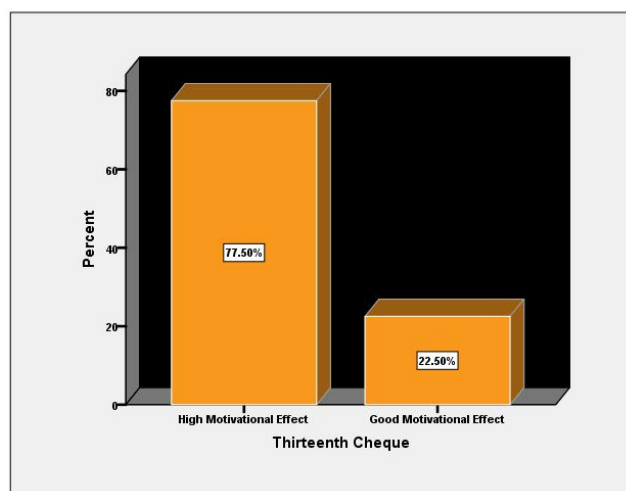
Having more sick leave days are generally not seen as very motivating. 55% indicated a low effect and 27.5% specified average. Employees at the company do not perceive sick leave days as a motivator. This might be because sick leave is more of a necessity and is usually not an enjoyable occasion. This falls under physiological needs in Maslow's (1943) hierarchy, and it is a basic need to survive and sustain life. Although sick leave is not a big motivator to employees at this company, they are still satisfied that the amount of sick leave days meet their needs.

Figure 4.44: Challenging/Demanding Tasks that Fit my Abilities



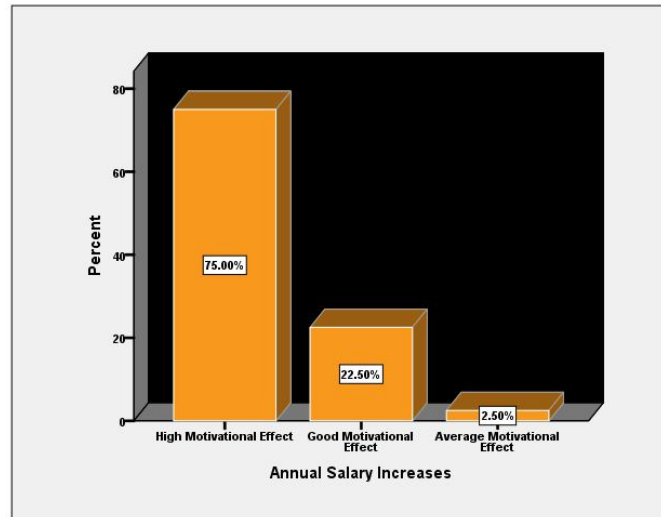
A vast majority 62.5% of employees reported that challenging and demanding tasks have a good motivational effect. 15% indicated a high motivational effect, while 20% thought it had an average effect and 2.5 % a low motivational effect. Employees at the company subsequently feel more motivated when they are challenged. They might start feeling uninterested when faced with tasks that do not challenge them. According to the Scientific Management theory (1909), employees should be matched to specific jobs based on capability. Hertzberg (1987) states that organizations must provide employees with work that is challenging and exciting.

Figure 4.45: Thirteenth Cheque



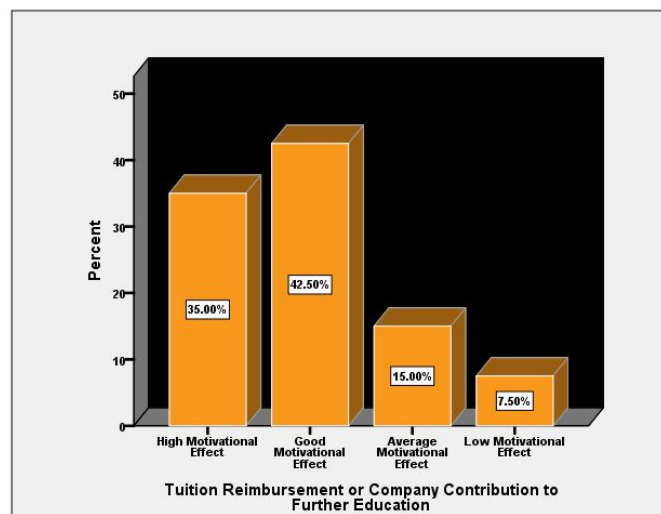
A thirteenth cheque proved to have a very high motivation effect amongst employees at the company (77.5%). 22.5% of employees indicated a good motivational effect. It can be concluded that this benefit is of very high motivational value to all employees and that it motivates them to work harder in order to achieve it.

Figure 4.46: Annual Salary Increases



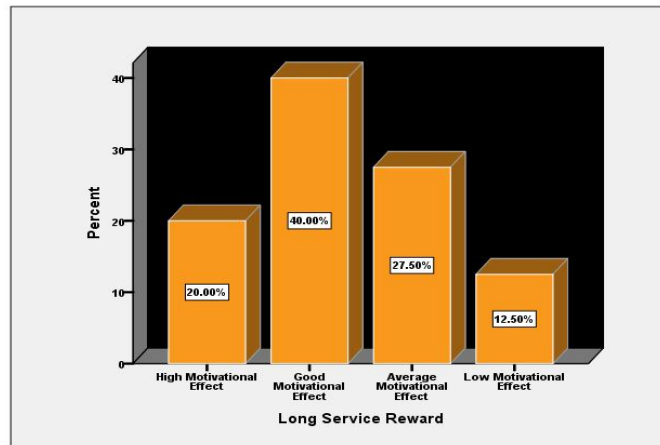
Annual salary increase has a very high motivational effect on most employees (75%), while 22.5% indicated a good motivational effect. As seen with thirteenth cheque, employees at the company place high worth on monetary rewards. This is possibly so because money makes it possible for them to satisfy many other needs. Maslow (1943) states that employers should provide employees with a salary that allows them to afford adequate living conditions.

Figure 4.47: Tuition Reimbursement or Company Contribution to Further Education



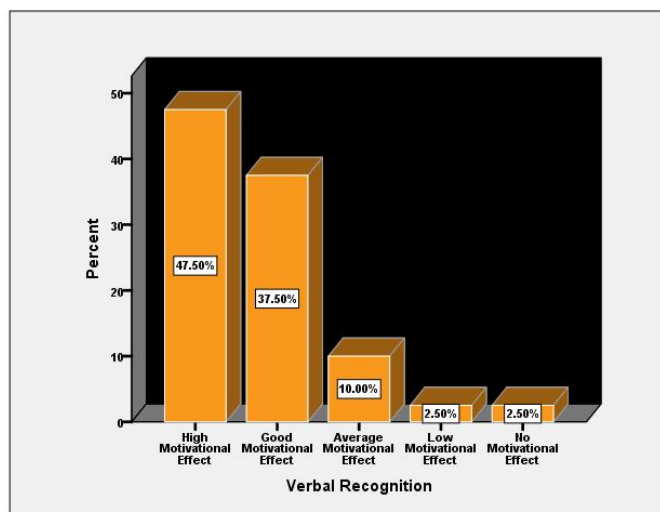
Many employees are motivated by company contributions to further education (good; 42.5% and high; 35%). A minority did not value further education as a motivator (average; 15% and low; 7.5%). It is evident that education is regarded highly for employees at the company. Since contribution to further education is so valued, the company can use this reward to retain talent whilst investing in the company too. These results are supported by Ouchi's Theory Z (1981) which claims that employees have a need for continuous training and development.

Figure 4.48: Long Service Reward



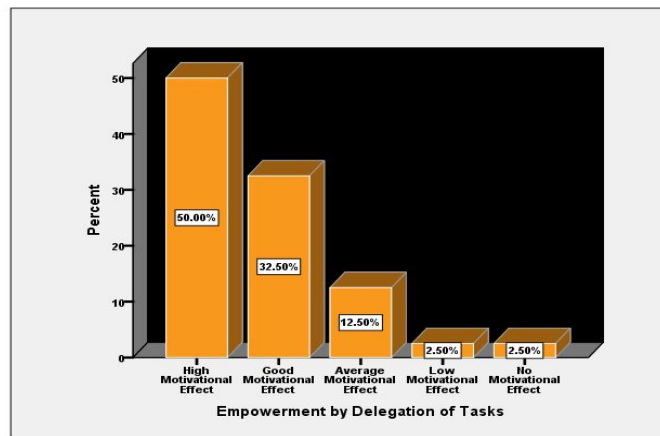
An award for long service is seen by 40% of respondents to have a good motivational effect and by 20% to have a high effect. However, 27, 5% of employees indicated an average effect and 12.5% a low effect. It can be concluded that although this reward is important to many employees at this company, there is employees that do not see the motivational value in it. This is possibly because it is not an immediate reward. Those employees who stick with the company for long enough to benefit from this reward probably see the significance, whilst others feel that it is not within their immediate grasp.

Figure 4.49: Verbal Recognition



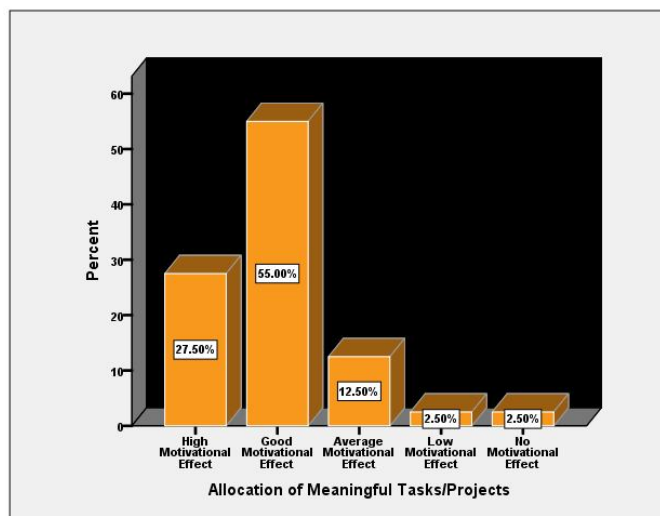
Verbal recognition is regarded as highly motivational by 47.5% of employees. 37.5% stated that it had a good motivational effect, 10% indicated average and a minority (5%) did not regard it as motivational. It is clear that monetary rewards are not the only motivational factors for employees at this company. Something as simple as verbal recognition can encourage an employee to work more sufficiently according to Herzberg's theory (2003)

Figure 4.50: Empowerment by Delegation of Tasks



Half of respondents (50%) are highly motivated by feeling empowered. 32.5% indicated a good motivational effect. It is evident that employees at the company are motivated by bigger responsibility. It probably makes them feel more valuable to the company which gives a sense of job security.

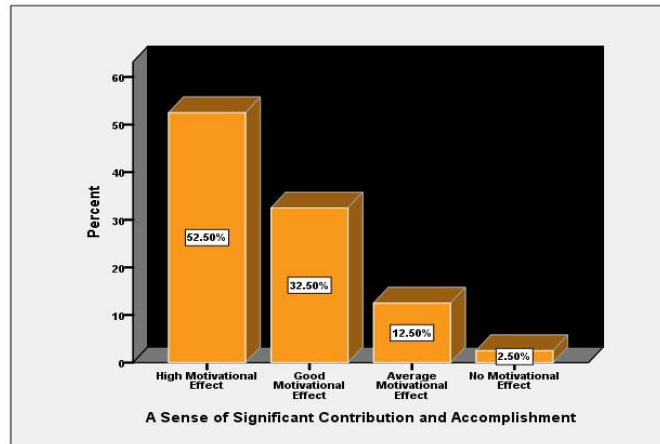
Figure 4.51: Allocation of Meaningful Tasks/Projects



A majority of respondents feel highly motivated (27.5%) or motivated (55%) by being allocated meaningful tasks and projects. It can again be said that employees at this company place high value on being responsible for tasks and projects. Ouchi's Theory Z (1981)

supports these results by emphasizing the importance of expansion of skills. Hackman and Oldham (1980) also proposed that skill variety has an impact on work-related outcomes.

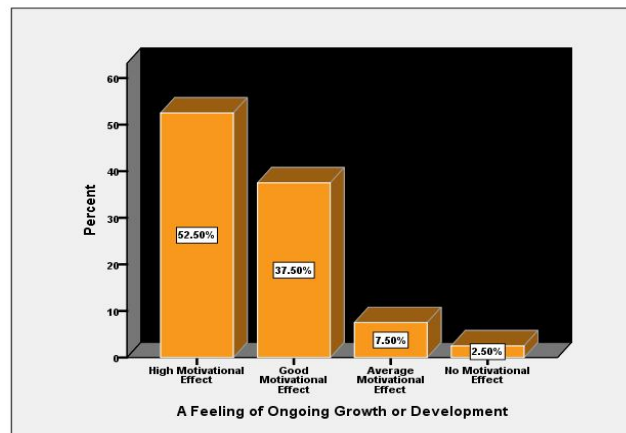
Figure 4.52: A Sense of Significant Contribution and Accomplishment



Employees at the company feel that a sense of contribution and accomplishment has a high motivational effect (52.5%) or a good effect (32.5%).

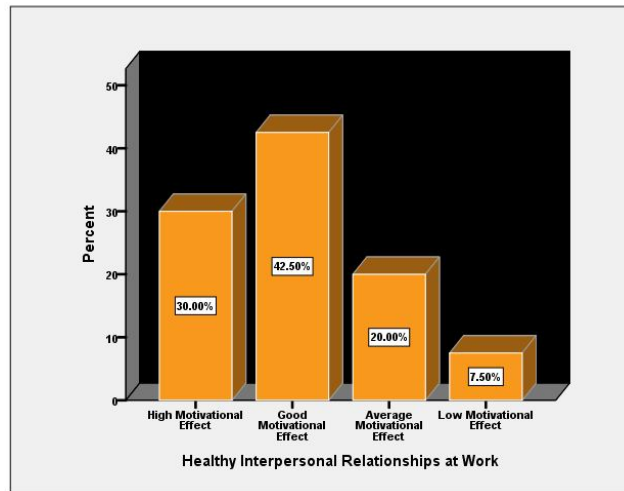
It is important for employees at this company to feel that they are valued and cannot be easily replaced. As per Herzberg's theory (2003), these intrinsic motivators directly produce employee satisfaction and motivation.

Figure 4.53: A Feeling of Ongoing Growth or Development



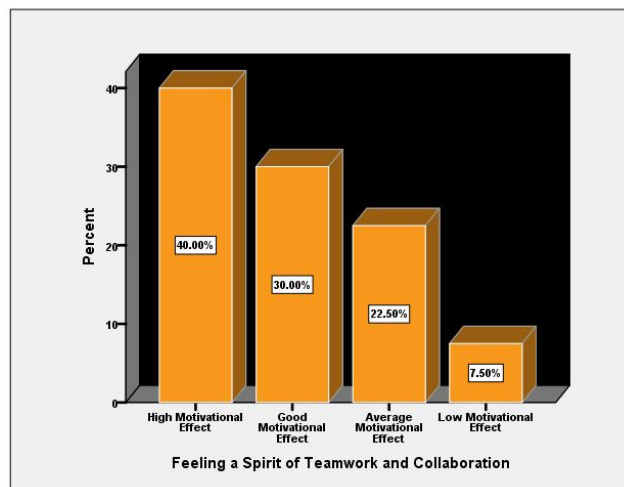
A feeling of ongoing growth or development proved to have a high motivational effect (52.5%) and good effect (37.5%) for most employees at the company. It can be said that employees at this company is motivated to work towards higher goals, and value a challenging environment with room to grow and develop. Maslow believed that individuals seek personal growth in order to satisfy self-actualization needs. Alderfer (1972) further emphasizes the growth needs of individuals and states that there exists an intrinsic desire for personal development and improvement.

Figure 4.54: Healthy Interpersonal Relationships at Work



Healthy interpersonal relationships at work are considered motivational (high; 30% and good; 42.5%). 20% indicated an average effect. It is evident that interpersonal relationships are not a motivator for all employees at the company, although the majority perceived it to be motivational. Individual personalities play a big role in this. The company needs to be more aware of the diversity of the work force and encourage team work in a healthy manner. This result is supported by Maslow (1943), who states that companionship and cooperating with others satisfies the social needs of employees. McClelland (1961) supports Maslow by saying that individuals are driven by a need for affiliation which includes a social need for companionship and meaningful relationships.

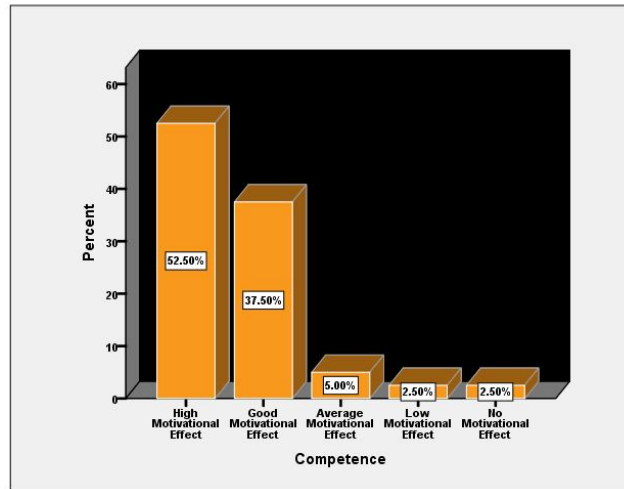
Figure 4.55: Feeling a Spirit of Teamwork and Collaboration



Most employees regard a feeling of teamwork to be good (30%) or high (40%) when it comes to motivational effect. 22.5% indicated that they are not necessarily motivated by teamwork, and 7.5% said not at all. Again, different personalities play a big role in whether teamwork and collaboration are seen as being motivational. Overall, it is seen as a good to high

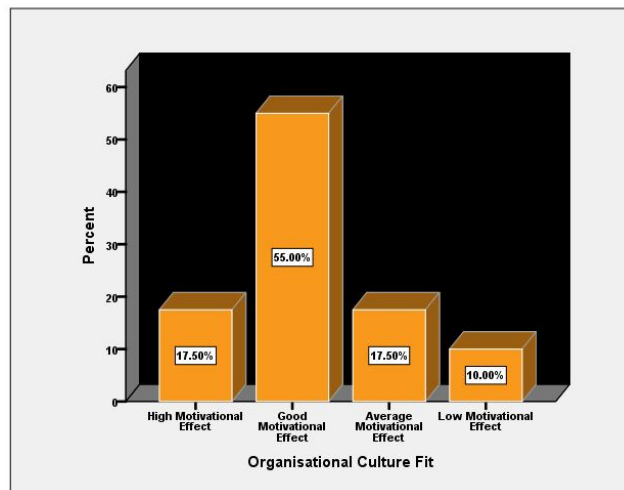
motivator in the given organization. Again, Maslow (1943) placed high value on the need to belong since it satisfies social needs.

Figure 4.56: Competence



Most respondents perceived competence to have either a high motivational effect (52.5%), or good motivational effect (37.5%). Employees at the company consequently have a need to feel that they are competent to do the tasks that they are assigned. Feedback plays a big role in this, as it allows employees to keep track of their performance and recognize their strengths and weaknesses.

Figure 4.57: Organizational Culture Fit



Most employees (55%) perceived organizational fit to have a good motivational effect. It can be said that employees at the company enjoy feeling part of a “family”, and value a sense of unity and belonging. When employees feel that they “fit in” they might be more motivated as supported by Maslow’s social needs.

Based on the literature reviewed in the second chapter, there are two types of rewards that have a profound effect on work motivation. The first is intrinsic rewards which are intangible, psychological rewards that employees get from doing meaningful work and performing it well. It is internal to each individual, and provides personal satisfaction. The other factor is extrinsic rewards that are external, tangible rewards- usually financial- that an employee receives from the organisation as an incentive to increase productivity.

Although employees rated thirteenth cheque and annual salary increases (both extrinsic rewards), as being the most motivating, the overall results of this study revealed that employees in the organization appear to be more motivated by intrinsic rewards. Growth and development, competence, and a sense of significant contribution and accomplishment were perceived as highly motivating. This is confirmed by McGregor's Theory Y (1960) which states that employees are driven by responsibility, self-motivation, self-direction, self-control and a desire to work towards objectives. Other factors such as verbal recognition, and empowerment were also seen to have a good impact on motivation.

These results can further be explained by Maslow's hierarchy of needs theory. When basic needs such as income, safety at the work place and social interaction with others are fulfilled, employees will start to strive for more sophisticated needs such as personal worth, and self-actualization.

Deckers (2010) suggest to employers that motivation comes from a combination of intrinsic and extrinsic rewards. Lawler (2003) believes that the greatest motivation is present when people perform tasks that are both intrinsically and extrinsically rewarding. Jack Welch, former CEO of General Electric, was quoted in Hymowitz and Murray, 1999:B1) saying that "you have to get rewarded in the soul and the wallet. The money isn't enough, but a plaque isn't enough either ... you have to give both".

SUGGESTIONS TO THE COMPANY

Table 1: Suggestions to the Company

Table 1	
Suggestions to the Company	
Theme	Number of Responses
Annual Increases in Line with Inflation	21
Better Promotional Increases	14
Flexible Working Hours	11
Employee Wellness Programmes	9
Facilities (i.e. cafeteria, car wash, childcare)	4

Respondents were eager to give suggestions on additional motivating rewards. The majority of employees (n = 21) believed that they would be more motivated if they were given annual increases in line with inflation. Better promotional increases were also proposed to increase motivation by some respondents (n =14). 11 Respondents were of the opinion that flexible working hours would improve their motivation levels.

Suggested rewards such as employee wellness programmes and facilities (cafeteria, car wash and childcare), did not receive good ratings as potential motivators.

The organization may potentially use this information in the form of suggestions to re-examine their current reward programmes and make the necessary improvements in order to meet the needs of the diverse group of individuals within the company. Further recommendations to the company are covered in the next section.

DESCRIPTIVE STATISTICS

Strength of Motivator Items

In order to determine which Motivators were strongest and which were weakest, an assessment of the mean scores for each of the 20 items in Section 4 of the questionnaire was conducted. The means and standard deviations for each of the items are outlined in Table 2. Higher mean scores for items reflect that items are considered greater motivators by the participants and lower mean scores reflect weaker motivators as considered by the participants.

Table 2 indicates that the means for 20 motivator items ranged from a low of 2.62 to a high of 4.77. As we can see from the results, thirteenth cheque and annual salary increases were viewed the most motivating by respondents at the company. More sick leave benefits and company stock shares were seen as the least motivating factors. It is interesting that both the top two highest and lowest motivators fall within the extrinsic reward category.

Other highly motivating rewards included on-going growth and development, competence, contribution and accomplishment, verbal recognition, and empowerment. All of these fall into the category of intrinsic rewards.

Table 2: Descriptive Statistics for all 20 Motivator Items

Table 2			
Descriptive Statistics for all 20 Motivator Items			
Variable	<i>N</i>	<i>M</i>	<i>SD</i>
More Senior/Prestigious Title	40	4.00	.88
Daily Job Responsibilities and Duties	40	3.73	.93
Company Stock Shares	40	2.80	1.11
Benefits, such as Health Insurance and Pension	40	3.90	.74
More Leave Days	40	3.95	.75
More Sick Leave Benefits	40	2.62	.77
Challenging/Demanding Tasks that Fit my Abilities	40	3.90	.67
Thirteenth Cheque	40	4.77	.42
Annual Salary Increases	40	4.73	.51
Tuition Reimbursement or Company Contribution to Further Education	40	4.05	.90
Long Service Award	40	3.67	.94
Verbal Recognition	40	4.25	.93
Empowerment by Delegation of Tasks	40	4.25	.95

Allocation of Meaningful Tasks/Projects	40	4.02	.86
A Sense of Significant Contribution and Accomplishment	40	4.33	.89
A Feeling of Ongoing Growth or Development	40	4.38	.84
Healthy Interpersonal Relationships	40	3.95	.90
Feeling a Spirit of Teamwork and Collaboration	40	4.03	.97
Competence	40	4.35	.89
Organizational Culture Fit	40	3.80	.85

INFERENTIAL STATISTICS

Intrinsic and Extrinsic Motivation

In order to determine whether the employees are more strongly motivated by intrinsic or extrinsic factors, an Intrinsic Motivation variable (adding Section 4 questions 12 to 20) and Extrinsic Motivation variable (adding Section 4 questions 1 to 11) were created. Due to the inclusion of two additional questions on the Extrinsic Motivation variable, the variable was recalculated to reflect a nine-item variable (the variable was divided by 11 and multiplied by 9). Following the assimilation of the Extrinsic Motivation variable to the scale of the Intrinsic Motivation variable, a paired samples *t*-test was conducted to determine whether there was a significant difference between the two types of motivation across the employees. The results indicated a statistically significant difference between the Intrinsic ($M = 37.35$, $SD = 6.74$) and Extrinsic ($M = 34.47$, $SD = 3.23$) Motivation of the employees, $t_{(39)} = 3.694$, $p = .001$. Looking at the mean scores for each type of motivation, the employees appear to possess a greater degree of Intrinsic Motivation as opposed to Extrinsic Motivation.

This result answers the research question of whether employees are more motivated by intrinsic rewards or extrinsic rewards. It is interesting to note that even though respondents were most motivated by two prominent extrinsic rewards, the overall result shows that intrinsic rewards were preferred for motivational purposes. This phenomenon is supported by Herzberg who recommends the use of intrinsic rewards to increase employee motivation, and extrinsic rewards to reduce dissatisfaction.

Managers should be cautious to not be biased towards extrinsic rewards because they assume that it is what employees want. Intrinsic rewards are a great low-cost way of recognising employee contribution to the organization. As has been noted by various authors that the best form of motivation stems from the combination of both extrinsic and intrinsic rewards instead of a dependence on only one of the two (Perry & Mesch 2006, Shanks 2007, Bessell et al. 2002)

Variable Composition

For the analyses that follow, three variables were created. In particular, the variable Rewards was created by summing the Section 2 questions 1 to 6, the Current Reward System variable was created by summing the Section 3 questions 1 to 23 together, and the Motivators variable was created by adding the Section 4 questions 1 to 20 together. The descriptive statistics for these variables are detailed in Table 3. The skewness and kurtosis of all the variables were within acceptable normality limits, so parametric tests were used for subsequent analyses.

Table 3: Descriptive Statistics for all Created Variables

Table 3					
Descriptive Statistics for all Created Variables					
Variable	<i>N</i>	<i>M</i>	<i>SD</i>	Skewness	Kurtosis
Rewards	40	21.73	2.33	-.735	-.728
Current Reward System	40	66.48	5.95	.407	.706
Motivators	40	79.48	9.97	-.997	.748

Pearson Correlations

In order to determine the association between Rewards, Current Reward System, and Motivators, Pearson correlations were computed (see Table 4). The results in table 4 show that the correlations between Rewards and Motivators and Current Reward System and Motivators are positive and statistically significant, indicating higher levels of Rewards are associated with greater Motivators and greater Current Reward System perceptions are associated with heightened Motivators levels. This supports the assumption that increased employee rewards lead to higher employee motivation and that the current rewards at the organization are a satisfactory motivator.

The correlation between Rewards and Current Reward System was not statistically significant, indicating the absence of a relationship between the two variables.

Table 4: Pearson Correlations between all Variables

Table 4						
Pearson Correlations between all Variables						
Variable	Rewards		Current Reward System		Motivators	
	<i>r</i>	<i>p</i>	<i>r</i>	<i>p</i>	<i>r</i>	<i>p</i>
Rewards	-	-	.276	.085	.363	.021
Current Reward System	-	-	-	-	.538	< .001
Motivators	-	-	-	-	-	-

*Note. Significant correlations are bolded.

One sample t-tests

One sample t-test for Rewards

A one sample *t*-test was used to determine whether the mean score for the participants' perceptions of Rewards (see Table 3) was significantly different from an average of 15. The average of 15 was calculated by determining the average score for each item in the section of the questionnaire (which was 2.5), and multiplying this figure by the number of items in the section (a total of six). The one sample *t*-test was statistically significant, $t_{(39)} = 18.244$, $p < .001$, indicating that the mean score for perceptions of Rewards is significantly different from 15. Looking at Table 1, the mean score is well above that of 15, denoting that there are strong positive perceptions about Rewards in the organization.

The outcome of the t-test for rewards answers the research question of, "To what extent do employees value rewards as a motivator in the workplace?" It can be concluded that employee perceptions of rewards are positive and that rewards are viewed as a means of motivating employees to perform effectively and efficiently those tasks that are beneficial towards achieving organizational goals, while inhibiting behaviours perceived as being detrimental to organizational growth. Employees in the organization will consequently work harder to receive consequent rewards.

One sample *t*-test for Current Reward System

A one sample *t*-test was used to determine whether the mean score for the participants' perceptions of the Current Reward System (see Table 3) was significantly different from an average of 57.5. The average of 57.5 was calculated by determining the average score for each item in the section of the questionnaire (which was 2.5), and multiplying this figure by the number of items in the section (a total of 23). The one sample *t*-test was statistically significant, $t_{(39)} = 9.582$, $p < .001$, indicating that the mean score for the perceptions of the Current Reward System is significantly different from 57.5. Looking at Table 1, the mean score is well above that of 57.5, denoting that there are strong positive perceptions about the Current Reward System in the organization.

These outcomes provide feedback on whether or not the reward systems that are currently in use are considered valuable and satisfactory by employees. The one sample *t*-test for current reward system denoted that there are strong positive perceptions about the current reward system within the organization. The results demonstrate a fairly high level of satisfaction with the current benefits offered. Most employees believed that rewards represent a significant investment in them and that the organization is doing an exemplary job rewarding them.

It is evident that the company is already doing a very good job in rewarding employees for their contribution to the business.

RELIABILITY

Rewards as Motivational Factors

As a measure of internal consistency, Cronbach's alpha was computed for the Rewards as Motivational Factors section (Section Two) of the questionnaire (questions 1 to 6). The finding indicated strong reliability and internal consistency for the Rewards as Motivational Factors portion of the questionnaire, $\alpha = .823$.

4.8.2 Current Rewards System and Employee Satisfaction

Cronbach's alpha was computed for the Current Rewards System and Employee Satisfaction section (Section Three) of the questionnaire (questions 1 to 23). The finding indicated very good reliability and internal consistency for the Current Rewards System and Employee Satisfaction portion of the questionnaire, $\alpha = .817$.

Motivates Employees at the Company

Cronbach's alpha was computed for the Motivates Employees at the Company section (Section Four) of the questionnaire (questions 1 to 20). The finding indicated excellent

reliability and internal consistency for the Motivates Employees at the Company portion of the questionnaire, $\alpha = .899$.

CONCLUSIONS AND RECOMMENDATIONS

FINDINGS FROM THE STUDY

The main objective of this research was to investigate to what extent rewards impact employee motivation in a medical devices organization. To answer this question, the following objectives were established:

- o Determine to what extent employees value rewards as motivator.
- o Investigate to what extent employees view the current reward systems as being effective and in line with their needs and requirements.
- o Identify what kinds of rewards employees consider more motivational. (Intrinsic or Extrinsic)

Based on the information in the theoretical section of this study and the data attained, it can be said that all research questions were answered.

To what extent do employees value rewards as a motivator in the workplace?

The results of the one sample t-test for rewards indicated strong positive perceptions about rewards in the organization. The relationship between rewards and motivation in the organization can be said to be statistically significant. The question can finally be answered by concluding that employees at the given company do in fact value rewards as a motivator in their workplace. Herzberg (1987:118) supports the results to this study in saying that “Movement is a function of fear of punishment of failure to get extrinsic rewards”, and “Motivation is a function of growth from getting intrinsic rewards out of interesting and challenging work”, The foundation of the expectancy models is that motivation is a function of the desirability of the outcome of behaviour (Martin 2005:442).

To what extent do employees view the organization's current reward systems as being effective and in line with their needs and requirements?

The one sample t-test for current reward system denoted that there are strong positive perceptions about the current reward system in the organization. The results demonstrate that employees at the given company are fairly satisfied with the current benefits offered by the organisation. Some areas for potential improvement were identified and recommendations made to the organisation.

Are employees more motivated by intrinsic rewards or extrinsic rewards?

The overall results of this study revealed that employees in the organization appear to be more motivated by intrinsic rewards than by extrinsic rewards, although thirteenth cheque and annual salary increases were rated as the two most motivating factors. The study results are supported by the concept of “total rewards system”. A total rewards system encompasses all elements perceived to be of value to employees, and includes both intrinsic and extrinsic rewards. Chen et al. (1999:53) sums up the results to this study by stating that “organizations will reap the greatest benefits by providing freedom and autonomy to pursue an intrinsically rewarding career, while simultaneously providing financial security and stability”

FINDINGS FROM THE LITERATURE

From the literature, it is evident that human resources motivation is considered one of the most important methods of sustaining organizational development. Individuals benefit from being motivated because it helps them in self-development in order to ultimately achieve personal goals, while businesses benefit because motivated employees ensure a team that is empowered, optimistic, adaptable, creative and successful, all of which potentially improve the effectiveness and success of an organization. Many theorists have attempted to explain the subject of motivation from different points of view. The literature revealed that every one of these theories contributed significantly to the foundation of knowledge and understanding of motivation.

Each has its combination of strengths and weaknesses and therefore does not offer a complete solution to the question of motivation. However, the literature confirms that all individuals are motivated by one force or another.

The literature review further revealed that the greatest motivation is present when people perform tasks that are both intrinsically and extrinsically rewarding. From the literature review it can be concluded that a balanced mix between extrinsic and intrinsic rewards is important to achieve optimal employee motivation.

From the literature reviewed, it was concluded that rewards and motivation are in fact interrelated. It was found that individuals are motivated to produce expected behaviour, if that behaviour leads to certain rewards. It was further discovered that the higher/ better the reward, the higher the motivation.

The literature review uncovered that an effective total rewards system results in satisfied, engaged and productive employees, who in turn create desired business performance and results. It is concluded in the literature review that a total reward approach will be the approach of choice in the future because this approach is the only model that allows for an organization to adapt or mould the reward offering according to the ever-changing needs of a diverse workforce.

CONCLUSIONS TO THE STUDY

Based on the research conducted by examining employee perceptions towards the reward systems of the given Medical Devices organization and the work motivation of the employees, the following conclusions can be made:

- o Employees at the company value rewards as a motivator, and would increase their efforts in order to gain rewards. All the respondents felt that they were ready to increase their work effort in order to receive rewards.
- o Employees are relatively happy with the current reward system of the company. They do however feel that there is room for improvement.
- o Intrinsic rewards were reported by employees to be more motivating than extrinsic rewards.
- o The most motivating rewards according to employees were a 13th cheque and annual salary increases.
- o The least motivating rewards included sick leave benefits and company stock shares.
- o In order to motivate employees even more, the company should offer annual increases in line with inflation, and improve on promotional increases.

RECOMMENDATIONS TO THE COMPANY

Numerous respondents indicated that the rewards system at the company needs some improvement. With the completion of this research study based on reward and motivation, the following suggestions can be made to the organization. These suggestions portray the personal opinions of the author and should not be considered as factual. The suggestions have not been tested in real-life situations, and should be regarded merely as good advice.

- o The organization should identify the most important motivational factors, as perceived and preferred by employees, and design appropriate reward systems to meet employee needs.
- o It is further suggested that the organization include employees in the process of reward system development. Employees should have frequent opportunities to provide feedback on the company reward systems.
- o The organization should provide annual increases in line with inflation. Annual salary increases were rated as one of the most significant factors in motivating employees, yet many respondents felt that increases are not decided on in a fair manner.
- o The organization could benefit from revisiting their promotion practises. Employees regarded promotions as having a good to high motivational effect, but a large number of them felt that not everyone has an equal opportunity to be promoted, and they consider promotions not to be fair and honest.
- o Intrinsic rewards were rated more motivating than extrinsic rewards. According to Herzberg's theory, it can be recommended that the organization focus on intrinsic rewards to increase employee motivation, and use extrinsic rewards to reduce dissatisfaction. According to the theory employers have a limited ability to affect intrinsic motivation, but can provide an extrinsic environment with no reason for dissatisfaction.
- o Employees are of the opinion that salaries are not satisfactory in relation to their contribution, and that salaries are not market related. The organization must ensure that their reward programmes are fairly competitive if they want to retain top talent.

The study revealed that many respondents thought that the rewards programme at the company needs improvement. In general, it is assumed that by making some small alterations in the reward system, the given organization can increase employee work motivation and subsequently improve company performance.

RECOMMENDATIONS FOR FUTURE RESEARCH

Only one of many medical devices companies was considered in this research. Future studies could consider more companies, so that outcomes can be compared with that of other similar organizations.

It would be valuable to investigate the relationship between motivation and rewards according to specific demographical factors such as age, gender, education or job classification. Research on this topic with emphasis on culture could be of great worth in order to understand and manage the cultural differences regarding employee motivation.

A more extensive suggestion is to survey a company which is in the process of implementing a reward system, and observe how the motivation of the employees is changed. Actually observing the effects of rewards on motivation would truly contribute to this area of research. Further studies could also incorporate qualitative research as this study only utilised quantitative research methodology.

CONCLUSION

Employee motivation is an essential part of the company's success and its ability to attract and retain top performers in an increasingly competitive environment. It is important for the organization to improve the return on their human resources investment by aligning reward systems with business strategy and improving the value delivered to employees. To ensure the effectiveness of reward strategies, the organization must consider the uniqueness of the circumstances and the diversity of their employees.

This study was conducted in order to gain improved knowledge of employee perceptions on current reward systems at the company. More specifically it assisted the organization to examine which rewards are most preferred. Finally, suggestions were made to the company on how current reward systems can be improved to more effectively motivate employees.

As a conclusion it can be accepted that the rewards that affect work motivation within the given Medical Devices organization are a healthy combination of extrinsic and intrinsic rewards.

As discussed in chapter two, a total reward approach seems to be the most efficient way to maximize work motivation in modern times. Implementing an effective total rewards system may result in satisfied, engaged and productive employees, who in turn may create desired business results for this given organization.

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