

**CYPRUS INTERNATIONAL UNIVERSITY
INSTITUTE OF GRADUATE STUDIES
AND RESEARCH
Business Administration Department**

**THE IMPACT OF REWARDS ON EMPLOYEE
PERFORMANCE IN ORGANIZATIONS: A CASE OF
SIX NORTHERN CYPRUS RESTAURANTS.**

(MBA Thesis)

Nomatter KAITANO

Nicosia - 2019

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Nicosia - 2019

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I hereby declare that all information in this document has been obtained and presented in accordance with academic rules and ethical conduct. I also declare that, as required by these rules and conduct, I have fully cited and referenced all material and results that are not original to this work.

I hereby declare that the Cyprus International University, Institute of Graduate Studies and Research is allowed to store and make available electronically the present Dissertation.

Date: February 6, 2019

Signature: _____

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ABSTRACT

The present study was directed at the impact that rewards have on the performance of employees. The study's main purpose is to determine whether rewards (intrinsic or extrinsic) have an effect on how employees perform in their jobs. The study also aimed at showing how motivation and work engagement affect the relationship between rewards and employee performance. This research was conducted by administering questionnaires to 6 restaurants in Northern Cyprus and to students who are restaurant workers found at Cyprus International University (CIU) constituting a population of 105 participants (n=105). The study results indicated that there is a strong positive relationship between rewards (both intrinsic and extrinsic) and employee performance and that intrinsic rewards are slightly more related to employee performance than extrinsic rewards. The results also showed that motivation and work engagement are mediating variables to the relationship between rewards and employee performance. These results can be used to inform organizational managers on how to reward their employees so that they perform better.

Keywords: intrinsic rewards, extrinsic rewards, employee performance, motivation, work engagement.

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CHAPTER ONE

INTRODUCTION

The present study looks at the different types of rewards (both intrinsic and extrinsic) and their impact on the performance of employees in organisations as its main focus. This impact is mediated by motivation as well as by work engagement hence these two will be looked at in this study as mediators. There are several studies that have researched on the topic and have come up with different findings. Literature suggests that rewards have a positive relationship with employee performance. For example Wei and Yazdanifard (2014) have proposed that, intrinsic and extrinsic rewards can be used as a form of positive reinforcement and these rewards are positively related to the effectiveness as well as efficiency of employee performance.

For any organization to be successful, it is very important that the performance of employees in the company be of a high level so as to meet the organization's objectives. It can be argued that this high performance depends highly on the attractiveness of the rewards that the employees receive from the employer. Employees are an important asset to an organization which makes them entitled to being rewarded for the services that they render to organizations and these rewards are provided in different ways. Rewards can be categorised into intrinsic or extrinsic. These rewards get utilised to make individuals improve their performance in the work that they perform for the company and so it is best to find out which of them best improve performance of employees. According to Howard, Turban and Hurley (2016), rewarding individuals is used as a way of motivating individuals to improve outcomes of performing. The importance of rewards to employees moderates the link that exists between monetary rewards and work outcomes of workers. (Malik, Butt & Choi, 2015).

Extrinsic rewards are given directly to the employee doing the job meaning that they are tangible whilst intrinsic are psychological rewards that arising internally to the individual that has performed the specific job (Afzal, Ali and Saleem, 2015). According to Kilimo, Namusonge, Makokha and Nyagechi (2016), intrinsic rewards

can be referred to as those that are present within the job itself which can be autonomy, personal growth, achievement, variety, challenge, responsibility etc. while extrinsic rewards are outside of the job and includes fringe benefits , job security and pay.

Both types of rewards can be provided for employees either individually or collectively. Howard, Turban and Hurley (2016) proposed that employees must be rewarded individually for performing individual tasks and when they perform collective work they need to be rewarded collectively and these rewards whether individual or collective are related to an organization's performance.

Employee performance can be measured through productivity, profitability, effective customer service, quality of work and achievement. All of this will be explained in detail in the literature review. This research investigates this by researching on the impact that intrinsic and extrinsic rewards have on the performance of employees through allocating questionnaires . This study also explores motivation and work engagement as mediators between rewards and employee performance.

1.1. Problem Statement

Nowadays the world has been increasingly becoming more globalised and companies are more and more focused on improving the performance of their employees in order to compete successfully in this globalised world. It is important for organizations to know the ways that they can use so as to improve work outcomes in terms of profitability, productivity, effective customer service, quality of work and achievement. Organizations used to focus more on extrinsic ways of rewarding employees like salaries and bonuses as a way of motivating them to engage and improve performance. Organizations need to know that extrinsic rewards alone are not enough as a way of rewarding to motivate employees. Both intrinsic and extrinsic rewards have a relationship that is positively related to employee performance (Edirisooriyaa, 2014). As suggested by Khan, Waqas and Muneer (2017), intrinsic and extrinsic rewards positively affect job performance.

However employers do not always know that intrinsic and extrinsic rewards are positively related to employee performance and so it is important for this study to help

these employers become more knowledgeable on the subject. Hence this study will be able to find out if these rewarding systems have any influence on how workers perform and help these employers figure out how to reward and motivate employees to give out the best performance.

1.2. Research Question

The research was directed at the following questions :

- Are the variables of intrinsic and extrinsic rewards positively related to employee performance?
- How does motivation and work engagement enhance employee performance in restaurants?

1.3. Aim of the study

The aim of this research was to establish the impact that intrinsic and extrinsic rewards have on the performance of employees in Northern Cyprus restaurants as well as to establish if this impact is affected by motivation and work engagement variables.

1.4. Significance of the study

This study was conducted in order to come up with solutions on how the performance of employees can be improved. The findings of this study will be useful to different restaurants by providing reward strategies that will lead to improved employee performance. Thus managers who will make use of this study will gain from understanding the different reward methods that can improve the performance of their employees. Again those restaurants that will apply the reward methods recommended in this study will be able to manage their employees better because of the great motivation and work engagement that these rewards provide.

1.5. Structure of the study

The study comprises of 6 chapters. Chapter 2 provides a detailed literature review based on previous research on the variables of intrinsic rewards, extrinsic rewards, motivation, work engagement and employee performance. Chapter 3 details the methodology that was used to achieve the purpose of the study comprising of the

demographic data, research design, population and sample size, measuring instruments, data collection procedures and ethical considerations. Chapter 4 comprises of the data analysis and interpretation of the results where the statistical analysis using IBM SPSS statistical analysis software was presented. In chapter 5, a discussion of the findings and how they relate to previous findings was presented. The last chapter, chapter 6 comprise of the study conclusions and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1. Rewards

In previous studies, findings have found out that intrinsic as well as extrinsic rewarding are responsible for improving the work outcomes of individuals in companies. For example Agarwal and Adjirackor (2016) suggested that, providing rewards and recognition to employees has a strong influence on how organizational employees perform. As suggested by Edirisooriyaa (2014), intrinsic and extrinsic rewards have a relationship that is positive with the performance of employees.

Rewards are an appropriate way to motivate and help employees in an organisation to improve their work performance (Gibbs, Neckermann and Siemroth (2017). According to Kuranchie-Mensah and Amponsah-Tawiah(2016), extrinsic and intrinsic rewards are both responsible for motivating employees especially when it comes to remuneration and pay because when workers in an organisation are paid very well, it makes them appreciate intrinsic rewards more.

Rewards motivate employees which in turn increase performance since employees require to be acknowledged if they have done a good job (Mamdani & Minhaj, 2016). Non-material compensation such as compliments as well as monetary rewards changes the way that an employee performs (Kirchler & Palan, 2018). This clearly shows that rewards are very important whether they are intrinsic or extrinsic because they both contribute to the motivation of employees to improve their performance. Khan, Waqas and Muneer(2017) suggested that intrinsic as well as extrinsic rewards affect worker performance and they both have a strong relationship with employee performance however job performance is highly affected by intrinsic rewards. Cherry (2016) suggests that rewards are responsible for improving the performance of employees but it is not always like that and offering extrinsic rewards to a task that already rewards internally can cause intrinsic rewarding part of the task to actually fade and this is called an over justification effect. Employees place high importance on the rewards that are provided to them by the organization and when they are not satisfied with the rewards it often leads to poor work performance outcomes such high turnover,

absenteeism (Olubusayo,2016). When rewarding employees, it is important that the reward suits the extent of achievement by the employee (Nelson, 2012).

2.1.1. Intrinsic rewards

It is recommended for managers to include intrinsic as well as other non-monetary rewards when motivating employees and not just using monetary rewards (Olori and Edem, 2017). The importance that an employee places on a certain task or job will determine whether that employee will be intrinsically motivated to perform higher (Cherry, 2016). Intrinsic rewards should be granted when an employee has achieved something to make it meaningful and motivating. According to Kirchler and Palan (2018), non-monetary compensation is found to have a higher impact on the performance of workers over time. There is a positive correlation that exists between intrinsic rewarding and performance of individuals (Buckley and Doyle, 2016). The great and pleasant attitudes that employees get from receiving intrinsic rewards will make them increase their performance and when performance has increased , the organization is able to meet its goals (Olori and Edem, 2017).

2.1.1.1. Recognition

One of the types of intrinsic rewards that was mentioned in the introduction was recognition. As suggested by Kiruja and Mukuru (2018), recognition is what happens in instances when an employee is applauded on an achievement that they might have obtained and if this is not done an employee is dissatisfied.

Recognition can be done either privately or publicly. According to Bradler, Dur, Neckermann and Non (2016), recognition is a cheaper way of making employees improve on their performance and recognising individuals who have performed better is more motivating than praising everyone. Olori and Edem (2017) proposed that, recognition is mostly given to employees in an organization as a way of praising great performances whic in most times improves their commitment to the organization. When employees are recognised publicly for their achievements, it leads to a great and significant improvement in their performance and even when employees are working

in a group, recognition of all the workers in the group will lead to an improved employee performance (Bradler, Dur, Neckermann and Non, 2016).

According to Langove and Isha (2017), recognition and rewarding is responsible for improving the well-being of employees, reducing their intentions to leave the company as well as motivating them to perform better in their work. Aguenza and Som (2018) suggested that, it is important to recognise individuals because it makes them feel more connected to the organisation. It is more likely that employees who are more loyal to their organization will increase or perform better than those that are less loyal to the organisation.

Bradler, Dur, Neckermann, and Non (2016) also suggested that, recognition is good for motivating the performance of employees to continue performing high and encouraging low-performers to also increase their performance but in some instances the non-recognised employees might get angry and not be motivated to perform high. This clearly shows that recognition can have an influence that is either positive or negative on the performance by employees in an organisation so it is up to the employer to find ways of recognising higher performers in a way that motivates or encourages high performance in the organisation. They did not however mention if these effects of recognition will persist over time. According to Cherry (2016), when recognition occurs to individuals for great work outcomes, it arises a sense of accomplishment from within.

Employees are so less motivated if they do not receive any recognition or feedback after they have performed very well on their tasks which makes them not satisfied and therefore will demand improvements in pay as well as services (Kiruja and Mukuru (2018). Individual recognition is the most valuable recognition and it requires planning hence the employer needs to know the individual well enough to provide them with a suitable recognition that matches that individual (Nelson, 2012).

2.1.1.2. Training and Career development

Employees can be provided with training and development by the company as a way of rewarding. Training and career developments are important to employees because

they make them equipped with new ways of doing their jobs as well as making them qualified for new job roles and promotions. Organizational commitment is achieved by the organization if that organization provides training and development opportunities to its employees (Aguenza and Som, 2018). When employees commit to an organization, they are more likely to increase their work performance. Non-financial compensation like training and career development lead to an increase in employee performance (Nyaribo, 2016). Khan, Abbasi, Waseem, Ayaz and Ijaz, (2016) suggested that, the training and developing of individuals make them satisfied in their jobs in turn leading to greater performance in their job tasks. Hence a positive association exists between training & development and performance.

Aguenza and Som (2018) proposed that, when it comes to development, both the organization and the employee benefit from career development since the employee now has many skills to perform and the organization gains since there is now an increase in the organization's outputs. Training and career development are the ways that organizations use for employees to obtain job advancement (Olori & Edem, 2017). When an organization trains and develops individuals, they begin to feel more valued by their organization. Employers have begun to improve on the ways of empowering employees because of an increase in competition with other companies (Waqas et al, 2014).

2.1.1.3. Meaningful work

The work that an employee does should be valuable to the organization in the eyes of the employee. Meaningful work is when one views their jobs as contributing to the overall objectives of the organization in a way that complements the values of the person (Allan, Batz-Barbarich, Sterling and Taylor, 2018). Employees want to feel that the work that they perform contributes to the overall success of an organization and that feeling motivates them to keep up with good performance. Allan, Batz-Barbarich, Sterling and Taylor (2018) also suggested that employees can see their work as meaningful when it contributes to job satisfaction, work engagement and commitment.

For work to be viewed as meaningful, it is actually perceived by the employee performing the work as meaningful and those employees who believe their work to be

meaningful tend to show more organizational commitment and there is less organizational turnover (Van Wingerden and Van der Stoep, 2018).

2.1.1.4. Career Advancement

Career advancement is when an individual move to a higher level than the one that they are in and the opposite is when one moves to a lower level in the organizational hierachy (Kiruja & Mukuru, 2018). Chattopadhyay and Choudhury (2017) suggested that, those employees who perform more challenging work have greater career advancement compared to those performing work that is less challenging since by performing challenging work, they learn a lot while performing the job. Career advancement happens through promotion to a higher level due to job performance (Chattopadhyay & Choudhury, 2017).

2.1.2. Extrinsic rewards and employee performance

Extrinsic rewards boost the performance of an organization's employees (Salisu, Chinyio and Suresh, 2016). Extrinsic rewards include :

2.1.2.1.Salary/payment/cash

Money motivates employees to perform because it is seen as providing a source of living to individuals (Salisu, Chinyio and Suresh, 2016). Payment plays a very important part on how individuals are going to act when doing their jobs (Kiruja and Mukuru, 2018). Payments in cash is one of the most common ways of extrinsic rewards that employees receive which is mostly important for survival (Aguenza and Som, 2018).

A salary acts as a motivator to an employee but other types of incentives are also required for the employee to have great work performance. If employees are not motivated to perform well their performance will especially nowadays decrease (Mamdani and Minhaj, 2016). Money is the most common way of motivating employees in an organization; however there are also other ways of motivating employees, both financially and non-financially (Mamdani and Minhaj, 2016). It is commonly believed that what motivates employees the most is large payments but

Kilimo, Namusonge, Makokha, and Nyagechi (2016) in their findings proposed that, as opposed to this common belief, security is actually a stronger force to motivate employees.

2.1.2.2. Bonus

A bonus provides a drive to an employee to increase in the way that he/she performs tasks so that his/her payment is increased too (Khan, Waqas & Muneer, 2017). Bonus and merit pay have a very close association with future performance of employees and these two can substitute for each other. However bonus pay has a stronger influence on employee performance than merit pay, as suggested by Nyberg, Pieper and Trevor (2016). When it comes to issuing incentive pay to employees, Sung, Choi, and Kang (2017) proposed that human resource practices of incentive pay enhances employee commitment and employee competence which then improves a firm's performance, both financially and operationally. Whether payment affects the performance of employees is also influenced by the issue of equity. When employees receive wages that are above the minimum wage, they increase their work effort which increases performance (Kirchler and Palan, 2018).

2.1.2.3 Promotion

A promotion is when an employee has been moved from a lower to a higher position in the organizational hierarchy and his/her pay is also increased when this happens. According to Ceschi, Costantini, Dicket and Sartori (2017), the existence of promotion opportunities show that there are career opportunities and that the pay is fair. A promotion has a positive impact on job satisfaction (Iqbal, Muzammil, Mushtaq, Kehman and Mushtaq, 2018).

2.2 Motivation

One of the objectives of rewarding employees (both intrinsic and extrinsic) is to motivate them to improve or increase their performance. Motivation is about the premise that an individual has certain needs that drives him/her to engage in certain behaviours until such needs have been met (Kuranchie-Mensah and Amponsah-Tawiah, 2016). Therefore in order for an organisation's expectations to be met through

employee performance, it is best for the needs of the workers to be met first so that they can also meet the organisation's expectations. Employees must be motivated in order to improve or increase their performance hence it is best for companies to know their employees very well so that they can understand what motivates their employees. In order to have an indepth understanding on the topic of motivation, a theory by Abraham Maslow can be used to understand the things that motivate employees to act the way that they choose to act. There are five types of needs that motivate individuals.

Intrinsic and extrinsic rewards are responsible for motivating employees to engage more in their work. Kilimo, Namusonge, Makokha and Nyagechi (2016) suggested that motivating employees through direct financial, non-direct financial and indirect financial rewards will contribute to employee performance. Salisu, Chinyio and Suresh (2016) suggested that managers in organizations expect that when the needs of employees are satisfied through motivation, these employees will then perform in the required manner.

Designing rewards in a way that is appealing to employees will motivate employees to perform better (Olubusayo, 2016). According to Salisu, Chinyio and Suresh (2016), when employees in an organization perceive the rewards that they receive to be unequal when compared to other local organizations, their level of motivation will be affected because they want some form of equity in their rewards. Satisfied needs make employees improve their work performance but unsatisfied needs cause strain to the individual driving them to find other ways that can satisfy those needs (Salisu, Chinyio and Suresh, 2016). Different employees are motivated by different types of rewards because these employees have different needs.

2.2.1 Maslow's Hierarchy

Abraham Maslow identified five types of needs that he organised in a hierarchy from the lowest to the highest level according to their level of importance whereby an individual cannot move to satisfy a higher level need before the need below it (Salisu, Chinyio and Suresh, 2016). These needs are shown in fig 2.1. from their lowest to the highest level.

Because these needs are organised into levels and are satisfied one at a time, it is best for the organization to satisfy the employee's correct need. For example, it will be good if the employer provides the basic need of pay/cash to an employee before providing social needs to the employee through putting the employee in a work group. Employees can differ on the basis of things like age, gender, level of income etc. Giving reference to fig 2.1, not every employee that wants to satisfy their basic needs or social needs but others might already require to satisfy self-actualisation needs. Employees who are aged between 30 – 40 years are highly motivated by non-monetary rewards because their needs mostly all under the self-actualization and social needs on Maslow's hierarchy of needs while people in the ages of 20 – 30 are more concerned about incentives and job security (Jyothi, 2016).

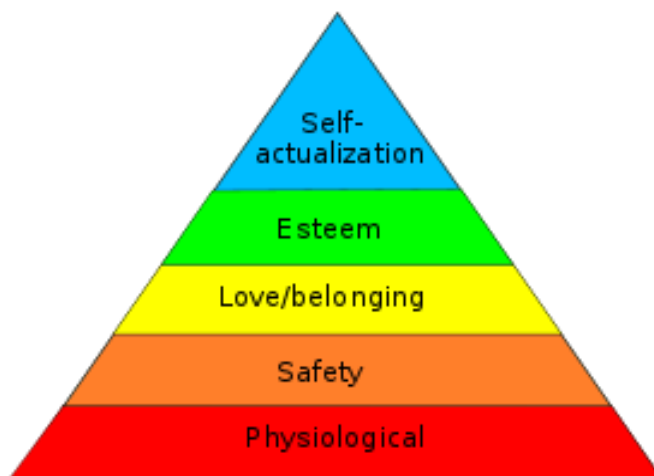


Fig 2.1: Maslow's needs hierarchy. Source: Prasetyo (2017).

2.2.2. Herzberg Theory

The Herzberg two-factor model can also be used to explain how employees are motivated to perform. The theory comprises of two factors known as motivators and hygiene factors. Frederick Herzberg (1959) came up with the two-factor theory which differentiates between hygiene elements that leads to dissatisfaction which are called dissatisfiers and motivator elements that lead to satisfaction which are called satisfiers (Salisu, Chinyio and Suresh, 2016). It is best for an organization to know the types of rewards that act as satisfiers to the employees in order to improve their performance.

This way the organization will be able to reward the employees appropriately. The Herzberg theory of motivation explains that advancement, achievement and growth can give rise to performance (Kiruja & Mukuru, 2018)

2.3 Work engagement

When an individual shows a lot of engaging in their job, he/she becomes so dedicated in a way that leads to organizational commitment. Afzal, Ali, and Saleem (2015) suggested that organizational commitment is when an employee is dedicated to staying with the organisation that he/she works for and remaining loyal towards that organization. Employee engagement is important in order for an organization's employees to be productive because unengaged employees who are not utilized well tend to leave the organization (Aguenza and Som, 2018).

It is important to know if a connection exists between work engagement and job outcomes of individuals; that is whether being actively engaged in work will increase or decrease the performance outcomes of employees. There is a strong and positive link between rewards and individual engagement on the job, both practically and statistically (Victor and Hoole, 2017). Just like rewards, performance outcomes can also be individually based or collectively based so the link existing between engagement to work and worker performances might differ depending on whether the performance outcomes are individually or collectively based. As suggested by Bailey, Madden, Alfes and Fletcher (2017), engagement is highly associated with organizational commitment and job satisfaction.

A number of studies have indicated that employee engagement has a relationship that is positively related to performance outcomes like team performance and customer loyalty (Bailey, Madden, Alfes and Fletcher, 2017). Employees level of engagement depends on the amount of the rewards. For example Victor and Hoole (2017), proposed that employees will be engaged more in their work if they are provided with more organizational rewards and that the biggest correlation between rewards and work engagement is provided by intrinsic rewards. That is to say higher intrinsic rewards lead to more engaged workers than higher extrinsic rewards because employees value intrinsic rewards nowadays more than extrinsic rewards.

2.4 Employee Performance

The performance of individuals in an organization can be seen on that organization's productivity, profitability, effective customer service, the quality of work and achievement. Performance is very important because inputs are measured based on employee performance (Olori and Edem, 2017).

2.4.1. Productivity

According to Khairiyansyah and Vehtasvili (2018), being productive is all about comparing the inputs that the organization uses to its outcomes and seeing if the link is positive. This simply means that productivity is all about using less to produce more. Productive workers are more valuable to an organization than unproductive workers because they work towards achieving the goals of their organization and so it is not good to keep unproductive employees in an organization for they present a liability to the organization.

According to Olori and Edem (2017), to increase the productivity of employees to a higher level, managers do not only use extrinsic rewards but also make use of intrinsic rewards so that the employees work willingly to achieve organizational goals without being forced.

2.4.2. Profitability

Olori and Edem (2017) suggested that the feeling of accomplishment and self-esteem that employees achieve from receiving intrinsic rewards lead to an increase in the organisation's profitability as well as its productivity. There is a positive association between firm profitability with factors such as total sales, firm size, past profitability, GDP and net working capital (Isik and Tasgin , 2017). Non-profitable companies usually end up closing down if they continue to be unprofitable without improving.

2.4.3. Effective customer service

It is very crucial for an organization to train its employees on how to provide good service to their customers. Top performing companies know that effective customer service is very important to succeed so they repeatedly train their employees on

customer service (Olori and Edem, 2017). Nowadays most companies are competing in terms of providing quality service in order to gain more customers. Customer service is especially more important in service organizations like restaurants and banks where there is direct interaction with the customer.

2.4.4. Quality of work

As employees receive great rewards, the quality of work is also increased (Olori and Edem, 2017). Quality of work is more important than the quantity of work because more quantity without quality might lead to a waste of the organization's resources when customers refuse to buy poor quality products and services.

2.4.5. Achievement

Achievement is actually obtaining the results that the organization intended to be achieved. An achievement can be when an individual starts and finishes a task in time as agreed between the individual and the employer (Kiruja and Mukuru, 2018). An example of achievement in a restaurant is when a waitress has managed to serve the maximum number of customers that each waitress is supposed to serve in a day.

2.5. Research Model

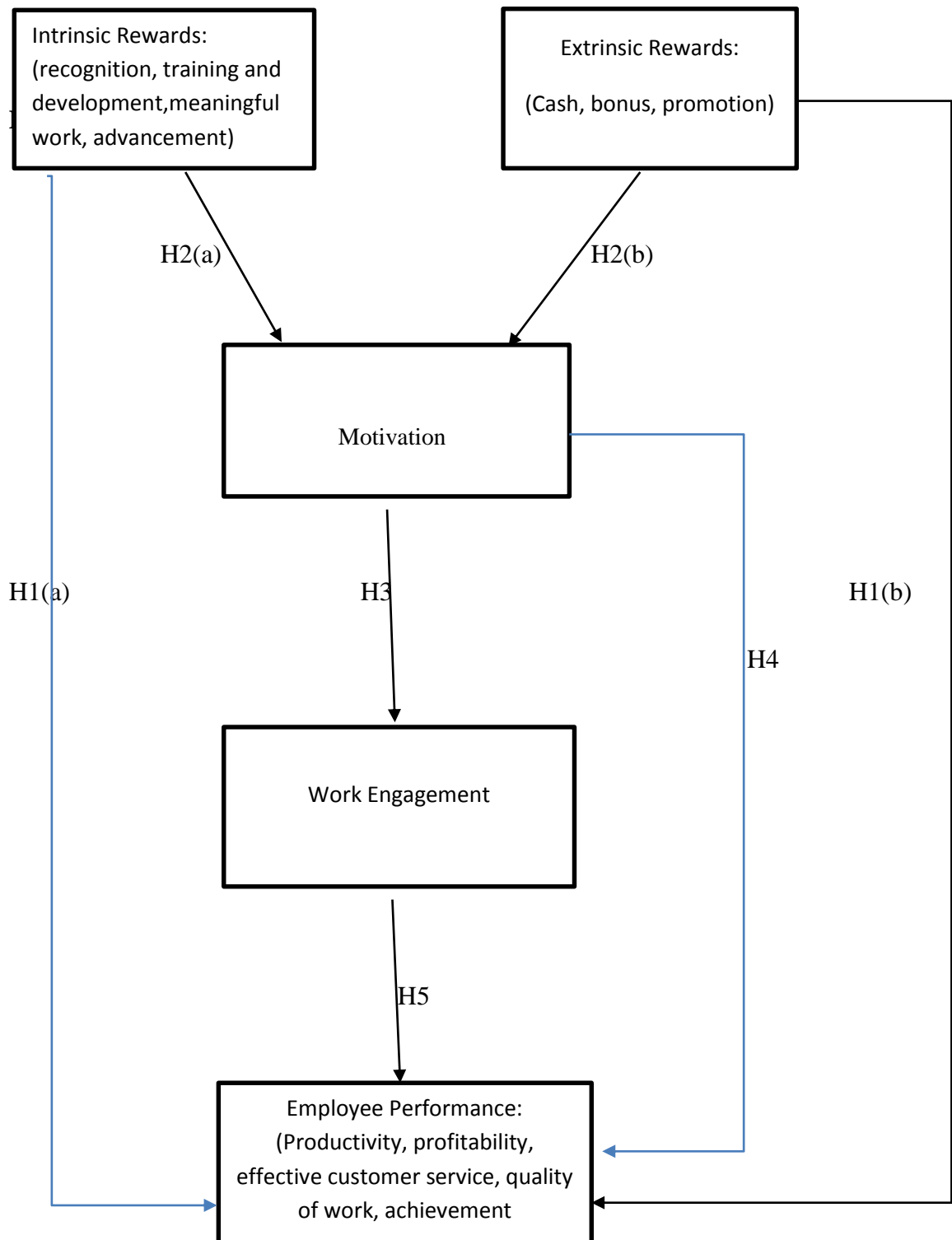


Figure 2.2: The impact of rewards on employee performance via motivation and work engagement model.

This study proposes a model that links intrinsic and extrinsic rewards with employee performance via motivation and work engagement as mediators. This model is shown on figure 2.2 above.

2.6. Hypotheses

Referring to the mentioned literature and the conceptual model, the study seeks to test the following hypotheses:

- **H1a:** There is a positive relationship between intrinsic rewards and employee performance.
- **H1b:** There is a positive relationship between extrinsic rewards and employee performance.
- **H2a:** There is a positive relationship between intrinsic rewards and motivation.
- **H2b:** There is a positive relationship between extrinsic rewards and motivation.
- **H3:** There is a positive relationship between motivation and work engagement.
- **H4:** There is a positive relationship between motivation and employee performance.
- **H5:** There is a positive relationship between work engagement and employee performance.

CHAPTER THREE

METHODOLOGY

3.1. Introduction

Chapter 3 describes how the research was carried out. The demographic data, research design, population and sample size, measuring instruments, research procedure and ethical considerations are outlined in this chapter.

3.2. Demographic data

The current study collected demographic data on gender, age and monthly income using a questionnaire. There was a total of 105 participants. The second part of demographic information on the questionnaire required the participants to indicate whether they were male or female. When it comes to age, the participants were required on the questionnaire to indicate by placing a tick to show whether they were aged within the range of 20 – 25, 26 – 30, 31 – 40 and those above the age of 40. Monthly income data ranged from below 1000, 1000 – 1500, 1600 – 2500 and above 2500.

3.3. Research design

The present study made use of a quantitative research method. Quantitative analysis is basically converting observations of people into numbers (Bernard, 2017). According to McConville (2017), quantitative research is the type of research that is objective, makes use of statistics, unprocessed data and numbers and it is also used to measure if available theories truly represent what they are about hence the present study used quantitative research method because it is objective. The quantitative research method was conducted in the form of closed-ended questionnaires that were used to collect data from participants which was then analysed using IBM SPSS statistics software. These questionnaires sought to obtain thoughts and responses of those individuals that work in restaurants with regards to the impact that intrinsic and extrinsic rewards have on their performance. Questionnaires were used because they allowed the study to obtain original primary data straight from the target participants themselves .

3.4. Population and sample size

The present study was conducted on restaurant employees in 6 of Northern Cyprus restaurants. A lot of restaurant workers in North Cyprus are students so this data collection was done in restaurants as well as on Campus restaurants at Cyprus International University (CIU). The population size of the participants was determined by the saturation of data. According to Ritchie, Lewis, Nicholls and Ormston (2013), when new participants do not provide new information but provide the same information, it determines the population size. Altogether 126 questionnaires were issued out to participants and of those 126, 113 were returned. Out of the 113 that were returned, 105 had complete data and were viable for analysis. Of these 105 questionnaires, 19 participants were from Altin Koy restaurant in Girne (5 from the beach side and 14 from the main side of the restaurant. 15 participants were from Bits and Bites restaurant, 23 from Cavada restaurant, 4 were from Hatay Doner & Kebab, 6 from African Gold and 38 from Merkez restaurant. The target group included both men and women and out of the viable questionnaires, 66 were female and 39 were male.

3.5. Measuring instruments

This research utilized questionnaires as a measuring instrument. The first part of the questionnaire required the participants to fill in demographic information. The demographic information required by the questionnaire was job title, gender, age and monthly income. The rest of the questionnaire focused on the variables of intrinsic rewards, extrinsic rewards, motivation, work engagement and employee performance. A five-point Likert-type scale was used to get responses from participants where responses were rated from 1 to 5 whereby 1 represented strongly agree, 2 was agree, 3 – neutral/ neither agree nor disagree, 4 – disagree and 5 representing strongly disagree.

Part A was about intrinsic rewards and had the following questions, “I am happy to increase my work performance if I get provided with more recognition based rewards”, “I would like for my organization to invest more in training and development to improve on my performance”, “I do not care about a fat paycheck as long as i have

meaningful work”, “I perform better when i know that my work makes an impact to the organization’s business goals” and "I enjoy independently making decisions that affect the work that I do rather than having the manager telling me what to do always.” (Victor and Hoole, 2017; Khan, Waqas and Muneer, 2017)

Part B of the questionnaire was focusing on extrinsic rewards and had the following questions: “I do not care about intrinsic rewards like recognition, training and development and autonomy. I just want to have a continuous increase in payment”, I am happy to increase my performance if the organization guarantees that there are opportunities for promotion”, “I will work hard to increase productivity so as to receive a bigger bonus”, “I don’t mind if my pay is lower than that of local similar jobs because i am not that concerned with monetary compensation” and “Benefits are a critical part of every employee’s reward package and should always be included.” (Khan, Waqas and Muneer, 2017)

Part C of the questionnaire comprised of questions targeted at motivation. The questions are : “Being expected to take responsibility for tasks greatly increases my motivation to work”, “Lack of promotion opportunities reduces my work performance”, “The presence of recognition for achievement increases my motivation to work”, “If a job has less pay, I will leave the organization and find work somewhere where there is more pay” and “Not receiving bonus pay greatly decreases my motivation to perform.” (Kuranchie-Mensah, and Amponsah-Tawiah, 2016)

Part D questions focused on work engagement and had the participants had to answer the following questions: “I do everything i can to meet my work goals if my needs are met”, “ I am happy to be given new job activities by my employer.”, “I enjoy giving my best performance at work every day”, “I spend most of my time so involved in doing my job so well to the extent that time moves so quickly for me”, “ I am completely engaged in my work.” (Victor and Hoole, 2017)

The last part of the questionnaire which is part E focused on employee performance items with the following questions: “I am in support of making my organization productive”, “I want to improve my performance to make the organization profitable”, “I value making customers happy hence I provide excellent customer service”, “I make

sure that I provide quality service because my organization provides me with the exact rewards that I want” and “I want to continuously improve on my work performance.” (Kuranchie-Mensah and Amponsah-Tawiah)

3.6. Data collection procedures

First of all, a random number of questionnaires were printed. Once the questionnaires were printed, six restaurants were approached directly using the random sampling technique and permission to administer the questionnaires was sought from the restaurant management of the different restaurants. The restaurants where the data was collected are Altin Koy, Bits & Bites, Cavada, Hatay Doner & Kebab, Merkez restaurant and African Gold. After permission was granted, the questionnaires were left at each restaurant for the staff to fill and an appointment was scheduled with the restaurants about the date and time that was appropriate for the questionnaires to be collected within a week after leaving them with the organization. After a week, the questionnaires were collected and later used for analysing data leading to the results of the present study.

3.7. Ethical considerations

Participation in this study was done voluntarily and no one was forced to take part in the research. All the responses of the participants were kept anonymous and confidential which was clearly highlighted on the questionnaire hence the respondents did not need to indicate who they are on the questionnaire. To make sure it was ethical, the research was based on accurate data as was collected straight from the participants.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION OF RESULTS

4.1 Introduction

This chapter presents the statistical analysis of results obtained using the questionnaire method explained in chapter 3. The statistical analysis was done using the IBM SPSS statistical analysis software. The results obtained by this research are presented in tables outlining the descriptive statistics utilised. There are results on the gender, age, monthly incomes of the participants, responses to each question, the correlation and regression analysis, reliability and validity of the methods utilised by the study.

4.2 Demographic factors

Table 4.1: Demographic factors of the respondents

	Frequency	Percentage
Gender		
Male	39	37.1
Female	66	62.9
Total	105	100.0
Age		
20-25	62	59.0
26-30	27	25.7
31-40	12	11.4
Above 40	4	3.8
Total	105	100.0
Income		
Below 1000TL	30	28.6
1000TL-1500TL	57	54.3
1600TL-2500TL	18	17.1
Total	105	100.0

Table 4.1 above shows that, of the 105 answered questionnaires, 39 were male whilst 66 were female which gives a percentage of 37.1 for males and 62.9 % for females. This clearly shows that there were less males than females who participated in the study.

The table also shows that those aged from 20-25 were 62 which is 59.0%, 27 were from 26-30 years which is 25.7%, 12 were aged from 31-40 years which is 11.4% and only 4 were above the age of 40 which translates to 3.8%. A larger percentage of the

participants were between the ages of 20-25 which is not surprising to have a large number of young people because most of these restaurant employees were students. On income, results show that 28.6% of the participants earned below 1000 Turkish lira, 54.3% earn between 1000-1500 Turkish lira and 17.1% got paid between 1600-2500 Turkish lira per month. These results show that most of these participants earn between 1000-1500 Turkish lira per month which shows a larger percentage of 54.3.

4.3 Correlation analysis.

Correlation means that there is a linkage among certain factors (Shipley, 2016). A correlation analysis was done in order to determine the association between intrinsic rewarding and employee performance, extrinsic rewarding and employee performance, intrinsic rewarding and motivation, extrinsic rewarding and motivation, motivation and work engagement, motivation and employee performance as well as between work engagement and employee performance.

4.3.1 Correlation between intrinsic rewards and employee performance

The correlation coefficient for intrinsic rewarding and employee performance as shown on table 4.2 above is 0.906 and the level of significance as shown is 0.01. Meaning that the relationship between intrinsic rewards and employee performance is statistically significant and that these two have a positive relationship that is strong.

4.3.2. Correlation between extrinsic rewards and employee performance

The table 4.2 also shows the correlation between extrinsic rewards and employee performance and it shows that the correlation coefficient obtained was 0.904. Since the correlation is significant at the 0.01 level, the study results of 0.904 mean that there is a strong positive relationship which is statistically significant.

4.3.3. Correlation between intrinsic rewards and motivation

Table 4.2 shows a statistically significant relationship between intrinsic rewards and motivation. Our study results show that the pearson correlation is 0.934 that is significant at the 0.01 level. It shows that intrinsic rewards and motivation have a strong positive relationship.

Table 4.2: Correlations

		Intrinsic _rewards	Extrinsic _rewards	Motivation	Work engagement	Employee performance
Intrinsic_rewards	Pearson Correlation	1	.973**	.934**	.935**	.906**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	105	105	105	105	105
Extrinsic_rewards	Pearson Correlation	.973**	1	.942**	.925**	.904**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	105	105	105	105	105
Motivation	Pearson Correlation	.934**	.942**	1	.936**	.913**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	105	105	105	105	105
Work_engagement	Pearson Correlation	.935**	.925**	.936**	1	.935**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	105	105	105	105	105
Employee_performance	Pearson Correlation	.906**	.904**	.913**	.935**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	105	105	105	105	105

** . Correlation is significant at the 0.01 level (2-tailed).

4.3.4. Correlation between extrinsic rewards and motivation

Results from the correlation table indicate that the relationship between extrinsic rewards and motivation is statistically significant where the Pearson correlation is

0.942, which is significant at the 0.01 level. This implies that there is a strong positive relationship between extrinsic rewards and motivation.

4.3.5. Correlation between motivation and work engagement

There is a statistically significant relationship between motivation and work engagement as shown on the correlation table 4.2. The level of significance is 0.01 and the pearson correlation as indicated on the table is 0.936 which implies that there is a strong positive relationship between motivation and work engagement.

4.3.6. Correlation between motivation and employee performance

The correlations table above present results that show a relationship that is statistically significant between motivation and employee performance. The pearson correlation as shown is 0.913 and at a significance level of 0.01, the relationship between motivation and employee performance is a strong positive relationship.

4.3.7. Correlation between work engagement and employee performance

From the results shown on table 4.2, it indicates that there is a statistically significant relationship between work engagement and employee performance. The pearson correlation obtained was 0.935 , which is significant at the level of 0.01 implying that there is a strong positive relationship between work engagement and performance of employees.

4.4. Regression Analysis

4.4.1. Hypothesis 1a

There is a positive relationship between intrinsic rewards and employee performance.

Table 4.3: Model Summary of hypothesis 1a

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.906 ^a	.821	.819		.39675

a. Predictors: (Constant), Intrinsic_Rewards

From the table above, table 4.3 shows that the correlation R is 0.906 and the R square value is 0.821. This R square of 0.821 shows us the explanatory power of the regression equation meaning that 82.1% of the variations in employee performance are explained by variations in intrinsic rewards.

Table 4.4: ANOVA for hypothesis 1a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	74.415	1	74.415	472.750	.000 ^b
	Residual	16.213	103	.157		
	Total	90.629	104			

a. Dependent Variable: Employee_Performance

b. Predictors: (Constant), Intrinsic_Rewards

The results, ANOVA are shown on table 4.4 above presenting an F statistic value of 472.750 and a significance value of 0.000 implying that $p < 0.05$ is significant at the level of 0.05. This clearly shows that our study rejects H0 supporting the hypothesis that there is a positive relationship between intrinsic rewards and performance meaning that the relationship between intrinsic rewarding and performance is statistically significant.

Table 4.5: Hypothesis 1a Coefficients^a

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	.155	.080		1.924	.057
	Intrinsic_Rewards	.646	.030	.906	21.743	.000

a. Dependent Variable: Employee_Performance

The above coefficient table indicates a Beta value of 0.906 indicating that there is a positive relationship that exists between intrinsic rewarding and worker performance. The table also shows that the T-test value is 21.743 with a significance of 0.000 that is less than 0.05. The unstandardised coefficients are 0.155 for the constant and 0.646 for intrinsic rewards, this indicates that if intrinsic rewards are increased by one unit, the constant value will increase by 0.646 units.

4.9.2. Hypothesis 1b.

There is a positive relationship that exists between extrinsic rewards and employee performance.

Table 4.6: Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.904 ^a	.818	.816		.40037

a. Predictors: (Constant), Extrinsic_Rewards

The table 4.6 above shows a correlation R of 0.904 with an R square value of 0.818, R square gives the explanatory power of the regression equation. This implies that 81.8% of the variations in employee performance are explained by the variations in extrinsic rewards.

Table 4.7: ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	74.118	1	74.118	462.387	.000 ^b
	Residual	16.510	103	.160		
	Total	90.629	104			

a. Dependent Variable: Employee_Performance

b. Predictors: (Constant), Extrinsic_Rewards

The study results ANOVA indicate that the F statistic obtained was 462.387 with a significance of 0.000 which implies that $p < 0.05$ is significant at 0.05 level. This indicates the relationship between extrinsic rewards and employee performance is statistically significant thereby accepting H1b.

4.8: Coefficients^a

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
		Beta				
1	(Constant)	.192	.080		2.410	.018
	Extrinsic_Rewards	.606	.028	.904	21.503	.000

a. Dependent Variable: Employee_Performance

Results from the coefficient table above provides a Beta value of 0.904 which implies that a strong positive relationship exist among extrinsic rewarding and employees performance. The T test value is 21.503 with a significance of 0.000 which is less than 0.05. The unstandardized coefficients are 0.192 for the constant and 0.606 for extrinsic rewards. This implies that if extrinsic rewards are increased by one unit, the constant value will increase by 0.606 times.

4.9.3. Hypothesis 2a

There is a positive relationship between intrinsic rewards and motivation.

Table 4.9: Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.934 ^a	.873	.872		.40904

a. Predictors: (Constant), Intrinsic_Rewards

Results from the table show that the correlation R is 0.934 while the R square is 0.873 which shows the explanatory power of the regression equation. This means that 87.3% of the variations in motivation are explained by variations in intrinsic rewards.

Table 4.10: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	118.615	1	118.615	708.949	.000 ^b
	Residual	17.233	103	.167		
	Total	135.848	104			

a. Dependent Variable: Motivation

b. Predictors: (Constant), Intrinsic_Rewards

The regression analysis, ANOVA results as indicated by the table above show that the F statistic was 708.949 with a significance of 0.000 which implies that $p < 0.05$ is significant at the 0.05 level. This indicates that there is a statistically significant relationship between intrinsic rewards and motivation therefore accepting the hypothesis that there is a positive relationship between intrinsic rewards and motivation.

Table 4.11: Coefficients^a

Model		Unstandardized Coefficients		Standardized	T	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	.105	.083		1.268	.208
	Intrinsic_Rewards	.815	.031	.934	26.626	.000

a. Dependent Variable: Motivation

The coefficient table above shows that the Beta is 0.934 which indicates that there is a positive strong relationship existing between intrinsic rewards and motivation. The results of the T test value is 26.626 with a significance of 0.000 that is less than 0.05. The table also shows the unstandardised coefficients which are 0.105 for the constant and 0.815 for intrinsic rewards which implies that if intrinsic rewards are increased by one unit, then the constant value will also increase by 0.815 times.

4.9.4. Hypothesis 2b

There is a positive relationship between extrinsic rewards and motivation

Table 4.12: Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.942 ^a	.888	.887		.38473

a. Predictors: (Constant), Extrinsic_Rewards

The results shown on the model summary table above indicate that the correlation R is 0.942. The table also shows an R square value of 0.888 which shows the explanatory power of the regression equation which means that 88.8% of variations in motivation are explained by variations in extrinsic rewards.

Table 4.13: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	120.602	1	120.602	814.772	.000 ^b
	Residual	15.246	103	.148		
	Total	135.848	104			

a. Dependent Variable: Motivation

b. Predictors: (Constant), Extrinsic_Rewards

Table 4.13 has results of regression analysis, ANOVA indicating that the F static value is 814.772 at a significance level of 0.000 meaning that $p < 0.05$ and is significant at a level of 0.05. This implies that the relationship between extrinsic rewards and motivation is statistically significant hence we fail to reject H2b.

Table 4.14: Coefficients^a

Model		Unstandardized Coefficients		Standardized	T	Sig.
		B	Std. Error	Coefficients		
1	(Constant)	.133	.077		1.734	.086
	Extrinsic_Rewards	.772	.027	.942	28.544	.000

a. Dependent Variable: Motivation

From the above coefficient table, our results show that there is a Beta value of 0.942 indicating that there is a positive strong relationship among extrinsic rewarding and motivation. There is a T test value of 28.544 that is significant at 0.000 which is less than 0.05. The table also shows the unstandardised coefficients of 0.133 for the constant and 0.772 for extrinsic rewards implying that if extrinsic rewards are increased by one unit, the constant will also increase by 0.772 times.

4.9.5. Hypothesis 3

There is a positive relationship between motivation and work engagement.

Table 4.15: Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.936 ^a	.876	.875		.35156

a. Predictors: (Constant), Motivation

The correlation R as shown on the table is 0.936. The table also shows an R square statistic figure of 0.876 which gives the explanatory power of the regression equation meaning that 87.6% of variations in work engagement are explained by variations in motivation.

Table 4.16: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	90.184	1	90.184	729.695	.000 ^b
	Residual	12.730	103	.124		
	Total	102.914	104			

a. Dependent Variable: Work_Engagement

b. Predictors: (Constant), Motivation

Regression analysis ANOVA results show that the F static value is 729.695 with a significance of 0.000 which means that $p < 0.05$ is significant at the 0.05 level. This indicates that the relationship between work engagement and motivation is statistically significant. Because of this, the study fails to reject the hypothesis.

Table 4.17: Coefficients^a

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
				Beta		
1	(Constant)	.168	.070		2.386	.019
	Motivation	.815	.030	.936	27.013	.000

a. Dependent Variable: Work_Engagement

The coefficients results from the table above shows the Beta value of 0.936 indicating that a strong and positive relationship exists among motivation and work engagement. Our T test figure is 27.013 with a significance of 0.000 which is less than 0.05. The unstandardized coefficients show values of 0.168 for the constant and 0.815 for motivation meaning that if motivation is increased by one unit, the constant will also increase by 0.815 times.

4.9.6. Hypothesis 4

There is a positive relationship between motivation and employee performance.

Table 4.18: Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.913 ^a	.833	.831		.38357

a. Predictors: (Constant), Motivation

Table 4.18 has results showing a correlation R of 0.913 and the R square is 0.833 which gives the explanatory power of the regression equation. This implies that 83.3% of the variations in employee performance are explained by variations in motivation.

Table 4.19: ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	75.474	1	75.474	512.982	.000 ^b
	Residual	15.154	103	.147		
	Total	90.629	104			

a. Dependent Variable: Employee_Performance

b. Predictors: (Constant), Motivation

The table above shows that the F static value is 512.982 at a significance level of 0.000 indicating that $p < 0.05$ is significant at the 0.05 level meaning that the relationship among the variables of motivation and employee performance is statistically significant and so we reject the null hypothesis.

Table 4.20: Coefficients^a

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
1	(Constant)	.167	.077		2.169	.032
	Motivation	.745	.033	.913	22.649	.000

a. Dependent Variable: Employee_Performance

Table 4.20 given above has a standardized coefficients Beta value is 0.913 meaning that there is a strong and positive relationship existing among motivation and performance. The table also shows a T test value of 22.649 that has a significance of 0.000 which is less than 0.05. The unstandardized coefficients give a constant value of 0.167 and a value of 0.745 for motivation. This indicates that if motivation is increased by one unit, then the constant will also increase by 0.745 times.

4.9.7. Hypothesis 5

There is a positive relationship between work engagement and employee performance.

Table 4.21: Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.935 ^a	.875	.874		.33154

a. Predictors: (Constant), Work_Engagement

The table above shows a correlation R of 0.935 and 0.875 as the R square value which gives the explanatory power of our regression equation. This implies that 87.5% of variations in employee performance are explained by variations in work engagement.

Table 4.22: ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	79.307	1	79.307	721.516	.000 ^b
	Residual	11.321	103	.110		
	Total	90.629	104			

a. Dependent Variable: Employee_Performance

b. Predictors: (Constant), Work_Engagement

On table 4.22, regression analysis, ANOVA indicate an F static figure of 721.516 with a significance of 0.000 meaning that $p < 0.05$ is significant at the level of 0.05. This clearly indicates that the relationship that exists among the variables of employee performance and work engagement is statistically significant thereby the study fails to reject the hypothesis.

Table 4.23: Coefficients^a

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	.081	.068		1.185	.239
	Work_Engagement	.878	.033	.935	26.861	.000

a. Dependent Variable: Employee_Performance

The table 4.23 shows the standardized coefficients Beta of 0.935 which shows a strong and positive relationship among the factors of work engagement and performance. Table 4.51 has a T test value of 26.861 with a significance of 0.000 that is less than 0.05. The table also shows the unstandardized coefficients of 0.081 for the constant and 0.878 for work engagement which means that if work engagement is increased by one unit, then the constant will also increase by 0.878 times.

4.10. Reliability

Reliability is when the same results are produced during analysis of data using certain measuring instruments (Noble and Smith, 2015). In order to determine if the measures used in this study would be able to consistently provide the same results, the study made use of the cronbach's alpha reliability shown on table 4.24 below. Table 4.24 shows that the reliability ranges from 0.862 to 0.980 which implies that this study measures are highly reliable.

Table 4.24: Reliability

	Cronbach's Alpha	N of Items
Intrinsic rewards	.976	5
Extrinsic rewards	.925	5
Motivation	.875	5
Work engagement	.862	5
Employee performance	.980	5

4.11. Validity

Validity means that information reflects exactly what it is based on or what is intended to do (Noble and Smith, 2015). In order to make sure that the results were valid, the questionnaire was emailed to the university supervisor who is an excellent academic. She gave feedback and the questionnaire was adjusted so that the questionnaire results will not be biased and measure exactly what it was intended to.

CHAPTER FIVE

DISCUSSION OF FINDINGS

In chapter 5, a discussion was presented of the results obtained in the previous chapter 4. The main purpose of the current study was to analyse the impact that both intrinsic and extrinsic rewards have on the performance of employees via motivation and work engagement as mediators.

This study results show a positive relationship existing among the two factors of intrinsic rewarding and performance of employees. This relationship was a strong positive(+ve) relationship with a correlation of 0.906 and the relationship was also statistically significant where with 0.000 significance it indicated that $p < 0.05$. These findings support previous findings and assumptions that supported that there is a relationship between intrinsic rewards and employee performance for example Buckley and Doyle (2016) who proposed that there is a big correlation between intrinsic rewards and performance of employees.

The hypothesis that there is a positive relationship between extrinsic rewarding and performance was also supported by this study with a correlation figure of 0.904 and a significance value which is 0.000 where $p < 0$ indicating to that a relationship found among intrinsic rewarding and employee performance was statistically significant. These results support previous findings, for instance Salisu, Chinyio and Suresh (2016), who suggested that, extrinsic rewards are responsible for boosting employee performance.

The positive relationship that is present among the two factors of intrinsic rewarding and motivation was again looked at by the present study and this hypothesis was accepted by this study. It was supported by the Pearson correlation of 0.934. The significance value was 0.000 hence the relationship between intrinsic rewards and motivation is statistically significant since $p < 0.05$. According to Kiruja and Mukuru (2018), rewards like advancement, achievement and growth motivate employees to perform. This shows that this study supports previous findings.

Some previous findings have mentioned that there is a positive relationship that exist between extrinsic rewarding and motivation for example, extrinsic rewards like money are viewed as important in motivating individuals since money acts as a source of living (Salisu, Chinyio, and Suresh, 2016). This positive relationship between extrinsic rewards and motivation was supported by this study which showed a Pearson correlation of 0.942. The relationship was also statistically significant.

Findings from this study also showed a positive relationship existing among the variables of motivation and work engagement with a correlation of 0.936. This is in support of previous findings like Kuranchie-Mensah and Amponsah-Tawiah (2016), who proposed that, employees are motivated to engage in certain behaviours in order for their needs to be met. The present study also indicated that the relationship that is found between motivation and work engagement is statistically significant where $p < 0.05$.

A relationship that is positive was also proved for motivation and employee performance with a Pearson correlation of 0.913. One of the previous studies that supported that a relationship exists between motivation and employee performance was Olubusayo (2016), who proposed that, employees are motivated to perform better if their rewards are designed in a way that is appealing to them. The present study results indicated that this relationship of motivation with employees performance was statistically significant at a significance value of 0.000 where $p < 0.05$.

The present study results supported that there is a positive relationship between work engagement and employee performance. This relationship was supported by a correlation of 0.935 which was statistically significant where $p < 0.05$. The relationship between work engagement and employee performance was also supported in previous findings. An example is Aguenza and Som (2018) who suggested that, it is important for there to be work engagement so that employees become productive in an organisation.

This discussion shows that the factors of intrinsic rewards and extrinsic rewards are positively related to employees performance although intrinsic rewarding is slightly more related to performance of employees than extrinsic rewarding. This is so because intrinsic rewards and employee performance have a correlation of 0.906 whilst extrinsic rewards and employee performance have a correlation of 0.904. The study did not only support the relationship between rewards and employee performance but all the hypothesis were supported. This study also supports our proposed model of the relationship between intrinsic & extrinsic rewards and employee performance. This relationship is mediated by motivation and work engagement as shown on the model.

CHAPTER SIX

CONCLUSIONS AND RECOMMENDATIONS

6.1. Summary and Conclusion

The main purpose of the present study was to determine whether intrinsic as well as extrinsic rewarding has an effect on how employees perform in organizations. The study again sought to answer if this relationship among rewards and employees performance is positive. The concepts of motivation and work engagement were also explored as they are mediators between rewards and employee performance. The method that was used to conduct the research was the quantitative research method in the form of open-ended questionnaires that were issued to participants. To analyse the results, the IBM SPSS statistical analysis software was used where demographic data, each question frequencies, correlation & regression analysis results, reliability and validity results were presented.

There were seven different hypotheses that were presented in the study and all of these hypotheses were supported. These are:

- Firstly, results showed that there is a positive relationship between intrinsic rewards and employee performance.
- The relationship that exists between extrinsic rewards and employee performance is positive. This means that if employees are provided with extrinsic rewards, their performance will increase and if not, performance will decrease.
- There is a positive relationship between intrinsic rewards and motivation. This shows that they are important just like extrinsic rewards as means of providing motivation.

- Just like intrinsic rewards, the relationship existing among extrinsic rewarding and motivation is positive. Motivation mediates the relationship between rewards and performance.
- There is a positive relationship for the variables of motivation and work engagement. Both motivation and work engagement mediate the relationship between rewards and employee performance.
- The relationship that exists for motivation and performance is positive.
- There is a positive relationship between work engagement and employee performance. When employees are more engaged in their work, performance is increased.

These hypotheses are summarised in the table below :

Table 6.1: hypotheses summary

Hypothesis	Result
H1a: There is a positive relationship between intrinsic rewards and employee performance.	Accepted
H1b: There is a positive relationship between extrinsic rewards and employee performance.	Accepted
H2a: There is a positive relationship between intrinsic rewards and motivation.	Accepted
H2b: There is a positive relationship between extrinsic rewards and motivation.	Accepted
H3: There is a positive relationship between motivation and work engagement.	Accepted
H4: There is a positive relationship between motivation and employee performance.	Accepted
H5: There is a positive relationship between work engagement and employee performance.	Accepted

6.2. Recommendations

The following is recommended by this study to organizations :

- Employers should include both intrinsic and extrinsic rewards because not everyone like the same things, for example, not every employee is driven by large amounts of money to perform. Some only want simple things like recognition.
- It is recommended that employers should always do the best they can to meet the needs of their employees so that the employees in turn can also meet the goals of the organisation thereby increasing their performance.
- It is beneficial for both the organization and the employee if the right reward strategies are implemented so it is recommended that employers should ask their employees on what they would like to be included in their reward packages.
- It is recommended that companies should benchmark their rewarding strategies to that of high performing and successful companies so that they also implement similar rewarding strategies in order to improve their staff performance.

6.3. Limitations

Some limitations were identified throughout the study. The first limitation is that this research was only conducted on one sector which is the restaurant sector and ignored other sectors like tourism, banking, education e.t.c. due to this limited focus, results might not be a true representation of all employees in general. Another limitation was that, the sample size was small with only 105 participants (n=105) which might cause generalisation of the results.

6.4. Recommendations for future possible research

Based on what the study found as well as the conclusions and limitations, a few recommendations can be made for future research. First of all, two mediating factors were used in this study which are motivation and work engagement. Future studies can add more mediators like organisational commitment and job satisfaction between rewards and employee performance.

Secondly, since the limited focus of the research on only one sector was a limitation of this study, it is recommended that future studies should focus the research on more than one sector so as to avoid generalisation of the results.

Lastly, future studies should also use a larger sample size from more demographic regions when conducting research.

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APPENDIX

MASTERS' THESIS QUESTIONNAIRE THE IMPACT OF REWARDS ON EMPLOYEE PERFORMANCE QUESTIONNAIRE

My name is Nomatter Kaitano and currently I am studying Masters of Business Administration at Cyprus International University. I am conducting research on the impact of rewards on employee performance in organizations focusing on restaurants. This questionnaire is made up of 25 printed questions and will not take more than 10 minutes to fill in. This research will make sure that no one is identified since each and every response will be anonymous.

Demographic Information

Please put a tick in the appropriate box

Gender	M	F
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Age	20 - 25	25 - 30	31 - 40	Above 40
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Monthly income	Below 1000 tl	1000 – 1500 tl	1600 – 2500 tl	Above 2500 tl
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Answer the following sections by placing a tick in the appropriate box from 1 - 5.

1 – Strongly agree, 2 – Agree, 3 – Neutral/ neither agree nor disagree, 4 – Disagree

5 – Strongly Disagree

A		1	2	3	4	5
1.	I am happy to increase my work performance if I get provided with more recognition based rewards.					
2.	I would like for my organization to invest more in training and development to improve on my performance.					

3.	I do not care about a fat paycheque, as long as I have meaningful work					
4.	I perform better when I know that my work makes an impact to the organization's business goals.					
5.	I enjoy independently making decisions that affect the work that I do rather than having the manager telling me what to do always.					
B		1	2	3	4	5
1.	I do not care about intrinsic rewards like recognition, training and development and autonomy. I just want to have a continuous increase in payment.					
2.	I am happy to increase my performance if the organization guarantees that there are opportunities for promotion.					
3.	I will work hard to increase productivity so as to receive a bigger bonus					
4.	I don't mind if my pay is lower than that of local similar jobs because i am not that concerned with monetary compensation.					
5.	Benefits are a critical part of every employee's reward package and should always be included.					
C		1	2	3	4	5
1.	Being expected to take responsibility for tasks greatly increases my motivation to work.					
2.	Lack of promotion opportunities reduces my work performance.					

3.	The presence of recognition for achievement increases my motivation to work.					
4.	If a job has less pay, I will leave the organization and find work somewhere where there is more pay					
5.	Not receiving bonus pay greatly decreases my motivation to perform.					
D		1	2	3	4	5
1.	I do everything I can to meet my work goals if my needs are met.					
2.	I am happy to be given new job activities by my employer.					
3.	I enjoy giving my best performance at work every day.					
4.	I spend most of my time so involved in doing my job so well to the extent that time moves so quickly for me.					
5.	I am completely engaged in my work.					
E		1	2	3	4	5
1.	I am in support of making my organization productive.					
2.	I want to improve my performance to make the organization profitable.					
3.	I value making customers happy hence i provide excellent customer service.					
4.	I make sure that I provide quality service because my organization provides me with the exact rewards that I want.					

5.	I want to continuously improve on my work performance.					
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