



# The Influence of Rewards on Employees Performance

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## Author's contribution

The sole author designed, analyzed and interpreted and prepared the manuscript.

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## ABSTRACT

The study aims to examine the influence of reward types (extrinsic, intrinsic, social and rewards mix) on employees performance. Subjects for the study consisted of 308 workers which constituted 60% of the total target population of 513 people working for Unified Mining Companies located in the southern part of Jordan. Total of 308 self-designed questionnaire were distributed to employees on their job location, 268 questionnaires were returned and only 250 were suitable for statistical analysis. SPSS version 16 has been used for data analysis. Both descriptive and inferential statistics were used for data analysis. The statistical tools were aligned with the objective of the research. For this purpose, frequency Tables, percentages, means and standard deviations were computed and substantively interpreted. Inferential statistics like Pearson product moment correlation coefficient ( $r$ ) was used to determine if there is a significant relationship exist between independent variables (rewards types: Extrinsic, intrinsic, social and rewards mix) and dependent variable (employees performance). Analysis and interpretation were made at 0.05 level of significance. The findings indicated that there is a statistical significant relationship between rewards types and employees performance. The study has concluded that, management should have deep sense of commitment towards the issue of rewarding employees, if performance levels to be enhanced. Finally, future research can be conducted to cover all types of rewards and to determine their affect on performance.

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## 1. INTRODUCTION

Rewards and their influence are becoming an issue of concern for all. Therefore effective reward management deals with setting processes, policies and strategies. Such practices are required to ensure that the contribution of employees to the business is recognized by those responsible for the running of the organization. The main theme of reward management is to reward employees fairly, equitably and consistently in correlation to the value of these individuals to the organization. Reward system exists in order to make employees work towards achieving strategic goals through enhancing their productivity and performance levels. Reward management is not only concerned with pay and employee benefits. It is equally concerned with non-financial rewards such as recognition, training, development and increased job responsibility.

Human resources are increasingly becoming one of the most important concerns of business organizations; therefore, people have to be effectively managed and highly valued by the organizations. According to [1], motivation can be defined as the process of stimulating or inducing people to take the desired course of action. Furthermore, it is the act of inspiring employees to work hard to achieve the goals of the organization. Workers motivation requires deep insights on both parties, the management and the employees. In this regard [2], argued that the best means of understanding workers attitudes towards rewards and performance is to consider the social meaning of work. In this respect, short and long-term goals of employees and employers may affect both performance and production variously. For employees to give the best of their effort, they have to be rewarded. Rewards are regarded as the best methods to achieve this. According to [3], rewards were one of the important elements used to encourage employees for contributing their best effort to generate innovation ideas that lead to better business functionality and furthermore, improves companies performance both financially and non financially. Organizations can also gain more overall performance benefits from their rewarded employees. The study carried out [4] stressed that human resources are the most essential area among all resources of the organization; and they added that competent, knowledgeable

and motivated personnel not only essential in overall performance of an organization but also can help to make the organization more competitive, more value added and cost effective.

The purpose of this study is to investigate the influence of rewards on employees performance at Unified Mining Companies located in the Southern of Jordan, Governate of Maan, Al-Shedia Phosphate Mines.

### 1.1 Statement of the Problem

The existence of rewards and its effective management is one of the various organizational strategies used to enhance employees and organizational performance. However, much of the published research on this subject has shown a great deal of disagreement on whether reward systems through the use of various kinds (extrinsic, intrinsic and social rewards) could increase employees performance or not. Many studies have shown a positive relationship between rewards management and desired levels of performance, while other studies see the use of certain types of rewards as predetermine to expected increase in employees performance and hence not meeting organizational goals and objectives. Disagreement among practitioners, scholars, and researchers; and the presence of serious gaps that clearly defines the logical relationship between independent variables and performance has created a need for additional evidence on rewards and performance relationship and across various sectors and in different contexts. Based on this background, the study was conducted to determine the effect of rewards on employees' performance in the Unified Mining Companies located in the Southern of Jordan, Al-Shedia Phosphate Mines, Jordan, Governate of Maan.

### 1.2 Objectives of the Study

The objective of this study is to identify the kind of relationship that exists between rewards and employees performance in Al-Shedia Unified Mining firms located in the southern of Jordan. More specifically, the objectives were named to find out the following:

1. The effect of extrinsic rewards on employees performance

2. The effect of intrinsic rewards on employees performance
3. The effect of social rewards on employees performance
4. The effect of mix rewards (extrinsic, intrinsic and social rewards) on employees performance.

### 1.3 Study Research Questions

The research questions include the following:

1. What is the effect of extrinsic rewards on employees performance?
2. What is the effect of intrinsic rewards on employees performance?
3. What is the effect of social rewards on employees performance?

What is the effect of rewards mix (extrinsic, intrinsic and social rewards) on employees performance?

### 1.4 Hypotheses of the Study

The hypotheses of this study are taken as follows:

**Ho:** There is no significant direct relationship between extrinsic rewards on employees performance.

**H1:** There is significant direct relationship between extrinsic rewards on employees performance.

**Ho:** There is no significant direct relationship between intrinsic rewards on employees performance.

**H2:** There is significant direct relationship between intrinsic rewards on employees performance.

**Ho:** There is no significant direct relationship between social rewards on employees performance.

**H3:** There is significant direct relationship between social rewards on employees performance.

**Ho:** There is no significant direct relationship between rewards mix (extrinsic, intrinsic and social rewards) on employees performance.

**H4:** There is significant direct relationship between rewards mix (extrinsic, intrinsic and social rewards) on employees performance.

### 1.5 Importance of the Study

As it is known to all, employees have different needs and place different values to the rewards they may expect to receive and consequently they fine-tune their performance and productivity. The intended study results will enable management to plan, set and implement effective and efficient rewards strategies that may lead to improved performance of the organization which in turn will lead to economic growth and stability of mining industry and hence growth and stability of the country. Therefore, the importance of the study stems from the importance of the subject in hand, where rewards play an important role in influencing employees behavior, motivation, and satisfaction and consequently affect their performance and productivity.

### 1.6 Scope of the Study

The research is conducted taking into account the following limits: The research is limited to the selection of employees of the biggest three mining companies (Unified Companies) located in southern part of Jordan, Al-Shedia Phosphate Mines. Time is another constraint which affected the conduction of the study and because of that, the research is unable to cover other companies working in the same location or other companies working in other mines in other geographical locations in the kingdom. The research has focused on the respondents from all management levels within these firms; hence, the numbers of respondents involved in this study are 250 persons who were selected randomly.

### 1.7 Literature Review

#### 1.7.1 General literature review

Most business organizations use one type or another of rewards to enhance workers performance. Unfortunately, it is not yet clear as to which type of rewards in particular has the most effective impact on people reactions and performance. The work of [5] defines rewards as positive outcomes that are earned as a result of an employee's performance and these rewards are aligned with organizational goals. When an employee helps an organization in the

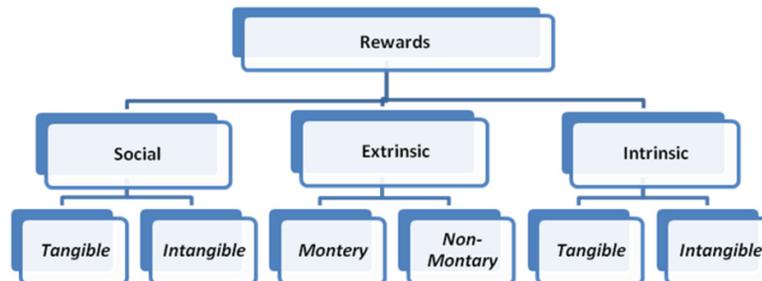
achievement of one of its goals, a reward often follows. There is a great of agreement in literature regarding the types of rewards used in real life situations. According to [6], rewards are categorized into two groups, financial and non-financial rewards. The financial rewards are also called extrinsic rewards and the non-financial rewards are called intrinsic rewards. Other researchers like [7] argued that, three types of rewards existed and to which individuals are normally attracted to and seek from their organization; these are extrinsic, intrinsic and social rewards. The study of [8] best illustrates the differences between extrinsic and intrinsic rewards. Extrinsic rewards refer to physical benefits provided by the organization such as pay, salaries, bonus, fringe benefits, and career development opportunities.

Intrinsic rewards on the other hand, refer to the rewards that come from the content of the job itself and encompass motivational characteristics of the job such as autonomy role clarity and training. The list of differences between extrinsic and intrinsic rewards goes on to include further additions for extrinsic rewards as suggested by [9] for example, extrinsic rewards may include tangible or external rewards like incentives, promotions, job security, contract of service, allowances and insurance. While intrinsic rewards, or intangible psychological rewards may include further elements for instance, appreciation, meeting the new challenges, positive and caring attitude from employers, job rotation, sense of achievement, professional growth and individual recognition.

On the contrary, social rewards as named by [10] arise from the interaction with other people on the job and may include, having supportive relationships with managers, supervisors and co-workers. This view is supported by [11], in which he defined social rewards as non-related factors such as the interpersonal relationships with

colleagues and supervisors support. In line with extrinsic and intrinsic rewards, social rewards can also be classified into tangible and intangible rewards [12]. Tangible social rewards evoke positive senses of well-being when one receives an object that fosters a positive sense of well-being, like a treasured toy, piece of jewelry, monetary incentive, etc. In contrast, intangible social rewards are not physical objects but are elicited during social interactions. Social interactions generate a positive sense of well-being when one feels that one belongs, is accepted by others during social interactions, and is able to experience mastery during tasks or during social interactions. Both tangible and intangible sensory and intangible social rewards are capable of instilling rewarding outcomes of positive senses of well-being and positive emotions like happiness and contentedness. Human beings and animals a like hope, anticipate, and expect to obtain rewards and associated positively rewarding outcomes.

The existence of rewards and their management is becoming an increasing issue of importance not only to practitioners and scholars but also to the concerned parties associated with the organization, (that is the employer and the employees). Understanding this critical point will make all concerned parties aware of the fact that rewards systems do have influence over the way employees perform their tasks and in return achieve organizational strategic goals and objectives. So one can say a proper alignment or the use of reward systems with set organizational strategies will associate organizational effectiveness. The question that would raise is that, which kind of reward practice should the organization and the employees target for, that is what mix of extrinsic, intrinsic and social rewards should be used to achieve goals of parties involved. To do that, the following classification can be considered as seen in Fig. 1.



**Fig. 1. The structure of different types of intrinsic, extrinsic and social rewards that can be offered and as reviewed in this study**

Many researchers found that people are divided on this issue. Some argue that the best way to boost employees' performance is by concentrating on extrinsic rewards. This view is supported by [13] through on line study of 1913 full-time employees. These employees were asked to rank order 14 potential performance incentives in order of preference. These performance incentives included common extrinsic rewards such as cash bonuses, gift cards, award points and travel awards, as well as intrinsic rewards, such as having more freedom and autonomy at work, choosing interesting projects and monitoring other employees. He concluded that cash bonuses were listed as the most preferred incentive by three out of four people (74%) surveyed and nine out of ten (89%) listed cash bonuses within their top three preference. In agreement with other research [14] believed that, money is influential for fulfilling employees' non-monetary needs such as authority, rank and belongingness with preferred groups. It's believed that people who have more money are more powerful in society as compared to those who have lesser money. That is why money is often viewed as assign of personal triumphs and accomplishment.

Deep examination of literature on extrinsic monetary rewards reveals that it might be true that extrinsic monetary rewards could lead to improvement in performance and productivity but on the contrary, most research findings confirmed less relationship between extrinsic rewards and performance. [15] in his series of studies concluded that, extrinsic rewards-concrete tangible rewards such as bonuses, pay increase and awards are detrimental to innovation. A similar finding was cited in the work of [16] in which he concluded that, financial rewards are not the most motivating factors and financial results have a de-motivating effect among employees.

According to [17], although cash rewards are generally welcomed by employees; managers should never use this as a tool to motivate their employees to improve performance levels. Should this happen, there is a chance that the essence of reward would be forgotten. A great deal of literature findings also showed variations in the way people perceive rewards and the value they attach to them. According to [18], and based on Herzberg's two factor theory of motivation; higher occupational levels tend to put more value on "motivators" or intrinsic job factors, while at lower occupational levels

"hygiene factors" or extrinsic job factors were more valued. Hence, an organization that satisfies both extrinsic and intrinsic rewards get the best of their employees. Although value theme is important, other criteria like type of business, size of business, the market in which the organization operates in, operation period and the type of technologies used have a significant impact regarding the choice of extrinsic and intrinsic rewards mixture. According to [19], originators of technology in large firms are likely to be different from that of small firms entrepreneur. Technical personal within large firms seem more likely motivated by non monetary rewards that affect intrinsic value than by monetary rewards. Entrepreneurs in smaller, newly – emerging firms are more likely to be motivated by extrinsic rewards that encourage a stake in the venture. This knowledge triggers a signal to the fact that extrinsic and intrinsic rewards practices in firms applying TQM may differ according to size. On the other hand, a research application of extrinsic and intrinsic rewards may depend on the market in which they operate in and as mentioned before the operation period of the firm.

On the other extreme, other researchers supported with valid empirical findings argue that, intrinsic rewards are just as important as extrinsic rewards and May for some employees see them as stronger motivator and consequently tend to increase their productivity and strive for more professional development. In addition to this view, literature has cited that people have different perceptions of rewards. For instance, some people consider recognition by managers or supervisors more rewarding than financial incentives because this brings to them more inner feelings of happiness that money may not afford to bring. The study of [20], stressed that, employees who are able to experience and receive recognition for their work are also able to have a better perception of their work, their workplace and the people they work for and hence positive contributions towards the organization and its overall objectives. [21] argued that, intrinsic non-financial incentives in organizations are most closely associated with, recognition and performance feedback and non-financial incentives of recognition do not have extensive theoretical foundation as that of money. To achieve that they identified conceptual differentiation between the concept of recognition and social recognition. According to them, recognition refers to formal programs such as employees of the month or top sales award.

Where, as social recognition refers to informal acknowledgment attention, praise, approval of genuine appreciation for work well done from one individual or group to another. As with extrinsic rewards, careless use of intrinsic rewards may lead to negative consequences. [22] claimed that, employees who see the incentive scheme as opportunity to wrest control of their personal activities that provide little intrinsic satisfaction. These days many companies have designed reward systems that target for an employee's skills development. However, this reward system may not always bring positive effects in an organization. For example, when some employees pursue only their own interests, the organizations objectives would be a low priority to them.

Practically, human resources managers use various strategies to achieve the set goals and objectives of organizations. One of such strategies is that reward management. Reward management strategies is normally concerned with attracting and retaining of suitable employees and then providing them with all conditions that enable them to improve their performance through proper motivational tools and techniques According to [23], the purpose of reward system is to a systematic way to deliver positive consequences and fundamentally, the purpose is to provide positive consequences for contributions to get the desired performance levels. This view is parallel to the view of [24] in which he said that, the only way employees fulfill the employers dream is to share in their dreams through the mechanism of rewards that normally include, systems and practices of awards, recognition, promotions, reassignment, non-monetary bonuses like, vacations or a simple thank you. A clear-cut aims of reward management according to [25], can be divided into two distinctive parts; the first one is "participation in organization" and the second is "performance in organization". Firstly The notion of participation means to make employees getting a sense of belonging and becoming a member of organization by feeling of part of community, they can not only develop a desire to stay for a long time as a member of an organization but also devote great effort to their work. Thus, rewards can attract people to join an organization and encourage behavior that contributes to the achievement of an organization objectives. Therefore, one of aims of reward management is to give employees a sense of belonging and motivate their attendance. Secondly, the notion of "performance in

organization" means that reward systems are generally designed to fit for an employee's performance. To be specific, employees seek to use rewards to dominate an employee's behavior and to increase productivity. In this sense, employers have minimal expectations for each employee. Thus, when employees reach an expected level of job performance, an organization will pay attention to them and give them proper reward. Furthermore, if a reward system is set up fairly and equitably; most individuals in the organization will make greater efforts for companies. For these aims to be met reward systems should bosses certain qualities. Firstly, good or convenient reward system should encourage employees to give their best. According to [26], the payment package is one of the most obvious and visible expressions of the employment relationship. This means that rewards are the most efficient way to encourage an employee's best behavior and this can be linked to the achievement of organizational goals and objectives. Secondly, since markets that business organizations operate in are changeable in nature; rewards should also be adoptable to change and able to deal with market flexibility. In his research, [27] found that, the higher the level of adoptability of a firm, the higher the level of environmental complexity that can be handled by that firm and the better the chances of its long-term survival, and an integral part of that adoptability was "a flexible reward structure". Thirdly, any reward or incentive systems should be fair and non-discriminatory. The notion of fairness and non discrimination is mandatory by legislation and go in line with the difficult concept of "equal pay for equal work". According to [28], in practice reward systems or strategies come in all shapes and sizes, and there is no single reward package that offers "a best practice approach". Legislation requires reward systems to be fair and non-discriminatory. Although the concept of "equal pay for equal work" can be difficult to work in practice, these are requirement under Legislation for basic component (up to the statutory minimum) for elements such as maternity pay; sick pay; access to pension schemes; paid holiday; and for payments up to at least equal to national minimum wage. A decision may well be necessary in many organizations as to whether exceed the statutory minimum or not. According to [29], for reward systems to be effective they have to be seen as fair. This means that there has to be openness with respect to information about how the reward system operates and how employees will be rewarded. Employees should

be involved in designing the reward system and its administration. Fourthly, reward systems should be effective and efficient. According to [30], reward systems should be effective and efficient so that such actions are realized in the corporation and this system should be designed in a way that creates maximum returns for both, the corporation and the individuals. [31] pointed that an effective reward systems requires an experimental attitude; continual fine-tuning of the system; inputs from people within the system and ongoing evaluation of effectiveness of the system. [32] concluded that, effective reward systems leads increased satisfaction for employees, recognition of accomplishment; a desire to attain high standards a means to achieve personal and social goals; high productivity and feeling of competence and freedom. Fifthly, since employees are different in their perception, attitude, mentality and orientation, then a contingent reward system is needed. According to [33], an important task of management is to know how to integrate extrinsic, intrinsic and social rewards successfully. Employees are different for the kind of rewards that they want, under different organizational conditions. These conditions implies that what is needed is a contingency approach to rewards that considers needs of workers, type of jobs, organizational environment, and the fact that some of the most important rewards are in the form of fringe benefits and allowance. These rewards are often more valuable to employees because they have more psychological and social meaning. Special benefits may be evidence of recognition, status, or other important social values. Finally yet importantly reward systems should be well structured, and fits well into the organizational strategies. According to [34], an effective reward system may have three components: Immediate, short- term and long-term incentives. This means immediate recognition of a good performance, short- term rewards for performance could be offered monthly or quarterly and long-term rewards are given for showing loyalty over the years. Immediate rewards are given to employees repetitively so that they can be aware of their outstanding performance, such rewards include being praised by an immediate supervisor or it could be a simple tangible reward. Short-term rewards are made either monthly or quarterly bases depending on performance. Examples of such rewards may include cash benefits, or special gifts for exceptional performance. [35] stated that long-term rewards are awards given to employees

who have been performing well. Such an employee will become loyal to his or her organization and it reduces employees' turnover. Long-term rewards include being made partner or cash benefits that mature after many years of service or at retirement. These rewards are strategic for retaining the best human resources.

Employees and employers should be aware of the strong relationship between rewards and performance, that is the relationship between, how people perform and what they expect must be clearly defined. Performance management programs can be used to plan employees performance, monitor performance, measuring performance, and evaluate performance and controlling performance. To achieve that a well designed system needs to be developed to link positive contributions with rewards. This link can be seen as the mutual gain between rewards or incentives received and targets or goals attained. According to [36], there is symbiotic relationship between human resource strategy and performance. In order to fully understand the influence of rewards on employees' performance; one need to give a proper definition of performance. According to [37], organizational performance comprises the actual outputs or results of an organization measured against its intended output (i.e. organizational goals and objectives). Performance, according to [38], is defined as a discipline of acting upon intelligence and reported information in planning ahead and in managing services operations both directly and through partnerships with other delivering agents. They described it as processes that contribute to the effective management of individuals and teams in order to achieve high levels of organizational performance. In their research paper [39] argued that paying for performance is a big issue in a contemporary human resource management; organizations have long believed that productivity improve when pay is linked to performance and payment results systems and incentives are developed to support this belief. Rewards received can cause great satisfaction among employees, and satisfaction level is directly associated with employees performance. [40] concluded with set of factors that influence the performance with regards to work. Firstly, it depends on the amounts received and the amount the individual feels he or she should receive. Secondly, comparison to what others collect influences people performance. Thirdly, employees levels of satisfaction with both intrinsic and extrinsic rewards received affect overall job performance.

Furthermore, the study of [41] showed that companies could gain competitive advantage over other firms by motivating and retaining human resources. Here, organizations motivate the high performers by providing financial and non-financial reward systems that would motivate the employees and enhance job satisfaction. Financial and non-financial rewards have strong influence over the employees' motivation and are directly related to performance. The significance of financial and non-financial rewards varies with age. The non-financial rewards influence motivation largely after the pay exceeds a certain level. Once again, which kind of rewards can best lead to increased performance still needs more research. However, [42] conducted research on non-financial rewards and workers job satisfaction and research claimed that an effective reward package could have an important impact on the employees' performance. Stovall study showed that non-financial rewards motivate workers and that leads to job satisfaction that in turn leads to increased level of performance. A valid starting point to reward employees for their increased performance would be measuring this performance. Measuring performance is still to some extent troublesome, especially in countries where employees are normally paid set wages or salaries and sometimes overtime payment. In discipline of human resource management, writers such as [43], [44] gave suggestions regarding measuring employees performance and its practical indicators. According to them, the following are some indicators for measuring employees performance, quality that can be measured by percentage of work output that must be redone or is rejected; customer satisfaction that can be measured by the number of loyal customers and customers' feedback. Also timeliness measured in terms of how fast work is performed by the employees when given a certain task; absenteeism tardiness when employees absent themselves from work; and achievement of objectives measured when an employee has surpassed his or her set targets, he or she is then considered to have performed well to achieve objectives. Once performance is measured, the next step that becomes so urgent is that, should rewarding performance be based on individual or group merits. Larger part of human resources literature give a credit to the theme of individual performance, according to [45] the management of individual performance within organizations has traditionally centered on assessing performance and allocating rewards with effective performance seen as the result of

the interaction between individual ability and rewards. It is increasingly recognized that planning and enabling environment have a critical effect on individual performance, with performance goals and standards, appropriate resources, guidance and support from the managers all being central. The argument for prompt effective remuneration strategy begins with the simple concept that all rewards are based on individual performance results. In their research [46] stated that the system of payment by results is based on the principle of scientific management and tasks that could be measured by standard assessment. In this context, employees belief that, if they produce an average rate of outcomes they will expect to receive their normal payment, while if their outcomes are above the average level they will receive a bonus or other kinds of rewards because they produce more results than other colleagues or produce results above an employer's expectations. According to [47], an individual's behavior in a certain way is greatest when he or she believes that their behavior will lead to certain rewards. In this way, the method of payment by results is the most prompt and efficient way to motivate employees. Team performance, on the other hand has its share in literature. According to [48], team bonuses are used to show that the company is serious about valuing team contributions to quality and increased productivity. Here, the monetary rewards consist of a cash bonus allocated to each team member; and given separately from their salary. Within this context [49] and when reviewing business concepts developed by the best companies to deal with the increasingly turbulent environment, it was found that these organizations employed reward systems that emphasized group performance of individual performance. Also research conducted into a list of productive companies, [50] assumed that the pay plans of the companies where the reason they achieved high productivity. Instead, he found that these pay plans that were based on group productivity – based compensation, drove and reinforced the culture that in turn increased productivity. Finally, the methods used to link rewards to performance are numerous; and their explanation is beyond the scope of this study. However, it has hoped that, this study will provide the base for thorough and beneficial future research in the field of rewards management and its applications.

### **1.7.2 Empirical literature review**

Research on the field of rewards and performance is very extensive. In this study more

light will be shed on the relationship between the independent variable (rewards types: Extrinsic, intrinsic and social rewards) and the dependent variable (performance). The identification of this relationship is important, so that those in charged in the management of rewards systems can design a diverse reward systems that meet all employees needs, differences, desires and expectations, at the same time attaining organizational goals and objectives through higher levels of performance and productivity. The following selected studies may help in designing contingent or diverse reward systems: The study of [51] aimed to investigate different factors determining extrinsic and intrinsic rewards in the light of Herzberg's two-factor theory and their impact on banking employees job satisfaction and job performance and endeavors to influence overall performance of commercial banks of Pakistan. For this purpose, 200 employees were selected and 165 completed questionnaires were used for statistical analysis. The results of this study showed that the provision of extrinsic and intrinsic rewards rated as satisfactory, and that respondents agreed that extrinsic and intrinsic rewards increased job performance of employees. The study was considered as a milestone for understanding systems of rewards and their effect on overall organizational performance, especially in Eastern countries. [52] conducted a similar study that aimed to examine the relationship between rewards and employees performance as well as to identify the relationship between extrinsic and intrinsic rewards. The study explored factors determining extrinsic and intrinsic rewards and their impact on employees performance and actions to influence the commercial banks for a consideration of a more systematic and a structured approach to acknowledge employees efforts which in turn prosper high performance culture in commercial banks of Bangladesh. For the sack of collecting relevant information, 200 questionnaires were distributed and 180 were returned and used for statistical analysis to test the hypotheses derived from predictive theories. The t-test showed that, there is a statistical significant relationship between extrinsic and intrinsic rewards on employees performance, that is a positive relationship between rewards and employees performance and a highly positive significant relationship between extrinsic and intrinsic rewards, and due to this positive relationship, banks of Bangladesh should keep using rewards if they to increase their performance. [53] this study aimed at

determining the effect of rewards on employees performance at Kenya power and lighting company plc. Specifically the studies sought to determine the effect of cash bonus on employees' performance. 68 questionnaires were collected and used for statistical analysis and chi-square was used to analyze and test the hypothetical relationship between cash bonuses and employees performance. The findings of the study, showed that cash bonuses have no effect on employees performance, this was due to the variation in opinion regarding whether cash bonuses affect performance or not. The study concluded that the organization should focus on changing the intrinsic nature and content of jobs; this according to them will increase employees' performance, as employees will get more autonomy, more jobs that are seek challenging assignments and responsibilities. The study concluded that, further research can be done to cover other elements of rewards such as owing equity, so that their findings can be used to enhance management of performance. Diversity of reward systems and its alignment with other firms' strategies is seen by many researchers to have a positive influence on organizational performance. The study [54] sought to investigate the effect of rewards and compensation strategies on the performance of commercial banks in Kenya. The study targeted a population of 46 banks with total number of employees 2738. A stratified random sample of 349 employees was selected and self-administered questionnaires and interviews were used to collect data and (SPSS and MS Excel) packages were used for statistical analysis. Main findings of this study included that rewards and compensation strategies used have a significant effect on performance of commercial banks in Kenya. The study established that banks are currently emphasizing on rewarding and compensating their employees therefore, bank performance is influenced by human resource management actions. Based on findings, a positive relationship was identified between rewards and compensation strategies and employees performance. They concluded that banks should embrace the use of both financial and non-financial rewards beside other incentives and pay schemes. [55] aimed to investigate the influence of rewards on employees' performance. The case study approaches was used to conduct this study, and for these sack two groups of the respondents were involved: Front line management and employees. Samples of 100 respondents were taken and data collected through questionnaires

and SPSS package was used to analyze the data. Findings included that in order for the organization to perform well the following issues should be considered for the betterment of the company. These issues include expression of employees views, participation in decision-making, provision of continuous training; good working environment and good working equipment; good pay and the provision of required allowances. The researcher recommended that the company should provide training, promotion, house allowance, transport allowance and management should respect and delegate power to employees in order to do their duties well, especially on those issues concerning how to reward employees in order to enhance their performance. As discussed earlier on, the relationship between motivation and organizational performance is stronger than one could imagine. Some researchers see this relationship as imperative. The study of [56] aimed to identify and investigate both financial and non-financial rewards that affect the motivation of employees in organizations. In this paper, imperativeness between motivation and performance; and retention of employees were discussed. To collect data questionnaires were distributed to 25 employees in Astro Films (PVI) situated in Lahore city of Pakistan. The researchers have found that there are different factors that may affect the motivation of employees, and these factors can be classified into two groups: Financial and non-financial rewards. According to them, although financial rewards are important for employees' motivation; the importance of non-financial rewards cannot be discriminated. The study concluded that human resource management should explore all factors that motivate employees and must pay attention to the problems of employees' motivation for the overall benefits of the organization. [57] this study sought to determine the role of rewards system in promoting employees motivation in the Kenyan micro finance institutions. The study targeted 86 employees from which a stratified random sample of 43 respondents were drawn and to which questionnaires were distributed. Data collected were analyzed using SPSS package. The study concluded that, career development and coaching mentoring are the greatest component of employees motivation and that a good work environment is the most important component of intrinsic rewards that many organizations offer to appropriate employees, other intrinsic rewards like those lead to self-

esteem has appropriately affected employees motivation. While medical aid and education benefits are seen the most important component that affect employees motivation. They concluded that rewards systems used should be set based on realistic and reliable standards. The reward plan exercised should be easily understood by workers. Employees should be allowed to participate in the setting of systems and policies of rewards. A similar research to the current study is the study conducted by [58] which aimed to examine the influence of rewards on workers performance. Subjects consisted of 100 workers of central Bank Nigeria, Abuja. The selection of subjects was done in such away to include all categories of workers (senior and junior staff) and it cuts across gender. Data were collected through the administration of self-designed questionnaire and SPSS package was used to test the hypotheses. The findings were tested at 0.05 level of significance. The results showed that there existed relationship between extrinsic rewards and performance of workers, while no relationship existed between intrinsic rewards and performance of workers. They concluded that employers should use their sense of commitment to put in place appropriate incentive plans that would encourage workers to be more purposeful and improve their performance. The last study reviewed on this subject is that of. [59] sought to establish the relationship between intrinsic and different extrinsic rewards, with intrinsic motivation and affective commitment. For the sake of collecting relevant information, across sectional correlation, study was conducted and self-designed questionnaires were distributed. Data obtained from 399 South African employees were analyzed using correlations and multiple regressions to test hypotheses. The following main findings were emerged: Firstly, there is a relationship between all types of rewards investigated the outlined variables. Secondly, this relationship is stronger for intrinsic than for extrinsic rewards. Thirdly, monetary rewards do not account for the variance in intrinsic motivation above that of non-monetary rewards. The study concluded that, rewards management should focus on job characteristics and designs, to increase staff intrinsic rewards and include non-monetary rewards such as supportive leadership to encourage employees' intrinsic motivation and affective commitment. This can be achieved through different rewards particularly intrinsic non-monetary rewards.

## 2. RESEARCH FRAMEWORK

The research framework in this study is drawn graphically. It is drawn based on the examination and understanding of published literature on this issue. Here it is theorized that each variable of the rewards types has influence on employees performance. Fig. 2 shows the research framework of this study.

## 3. RESEARCH METHODOLOGY

### 3.1 Research Design

This study utilized the survey research design method, and the quantitative approach was used. Relevant research and studies carried out on this issue will be used to support the decision of either acceptance or rejection of stated hypotheses. The methodology used here is that, once the decision is made to "accept or reject" hypotheses based on correlation analysis of variables, then findings of relevant research and studies will be stated if in favor with the results of the current study and furthermore, findings of relevant research and studies will be stated if against. A self-designed questionnaire is used to collect relevant data from the respondents the

logic of using this method is to maintain real life references and phenomena regarding the effect of rewards on employees performance. In addition to that the chosen method is known for its economies in terms of time and resources.

### 3.2 Target Population

The target population consist of 513 people, and it includes all full time employees of the Unified Mining Companies located in the Southern part of Jordan (Al-Shedia Phosphate mines). The target population characteristics is summarized as shown in Table 1.

### 3.3 Sample of the Study

From the above target population a sample of 60% of the respondents was selected from within each company and in proportion that each company bears to the study population. According to [60], sampling at least 10% of the population is acceptable representation of the population in interest; thus the choice of 60% is considered a highly representative stratified sample. Calculation of representative sample is shown in Table 2.

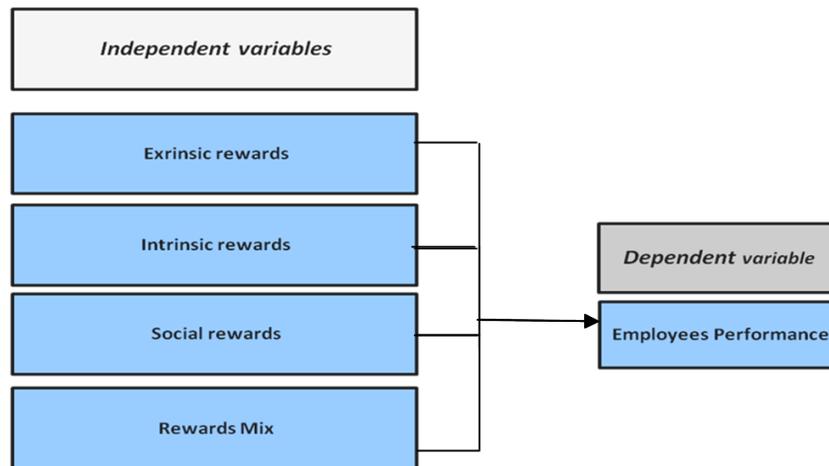


Fig. 2. Research framework

Table 1. The target population characteristics

Sequence	Companies name	Population	Percentage %
1	A	205	40
2	B	165	32
3	C	143	28
Total		513	100

Source: Prepared by researcher 2015

**Table 2. Calculation of representative sample**

Sequence	Companies name	Frequency	Sample ratio	Sample size
1	A	205	0.60	123
2	B	165	0.60	99
3	C	143	0.60	86
Total		513	0.60	308

### 3.4 Research Instrument

Two instruments are used in this study:

#### 3.4.1 Primary data

Through the use of self-designed close ended questionnaire. This instrument of research is referred for external judgment to ensure validity and reliability. The questionnaire is comprised of five sections:

**Section (1):** Comprising eight (8) items seeking demographic data such as gender, age, marital status, nationality, education, occupational status or category, experience and income.

**Section (2):** Consist of ten (10) items which sought to collect information about the relationship between extrinsic rewards and employees performance.

**Section (3):** Consist of ten (10) items regarding the perceptions of workers on the relationship between intrinsic rewards and employees performance.

**Section (4):** Contain ten (10) items requesting information about employees views on the relationship between social rewards and employees performance.

**Section (5):** Contain ten (10) items seeking information on the perceptions of workers on rewards mix (extrinsic, intrinsic and social rewards) and expected relationship with employees performance. List of Instrument Items for Sections (2-5) are shown in Table (3).

#### 3.4.2 Secondary data

Include all relevant available data that have been prepared, collected, and analyzed by others which include publications, periodicals, essays, and other relevant documentaries.

### 3.5 Validity and Reliability

According to research principles an instrument is valid if it measures what it is intended to measure

and accurately achieves the purpose for which it was designed. To ensure validity of the instrument, face, and content; the questionnaire was given to professionals for judgment, appropriateness and over all evaluation. Reliability, on the other hand relates to the consistency of collected information. In order to maintain the reliability of the instrument researcher used a pilot study. It was carried out on a sample of Sixty (60) employees of Unified Mining Companies located at Al-Shedia Phosphate Mines. The result of the reliability test was 0.837 showing that the instrument is highly reliable.

### 3.6 Data Collection

The numbers of questionnaires distributed to the respondents is 308, which account to 60% of the total target population of 513 people. The total number of returned questionnaires is 268. Return were subjected to a careful checking and 18 questionnaires were excluded and regarded as unsuitable for statistical analyses because they do not meet the conditions and criteria of answering and filling the questionnaires, therefore, the total number of useable returns is 250. None response is 40 and it was assumed that the non-respondents were either unwilling to cooperate or simply are not interested in the survey. Summary of distributed, returned, useable, non responses questionnaires are shown in Table 4.

### 3.7 Procedures

Questionnaires were distributed to the subjects on location of their work. Simple instructions and assistance were given on how to correctly fill in the questionnaires and confidentiality of information is assured. The scoring of responses is carried out as follows:

**Section (1):** No scores were attached (i.e. bio-data).

**Sections (2-3-4-5):** Contain independent and dependent variables. Respondents were required to provide their rating on their perception using a

5-point Likert's Scale Measurement that ranged from:

1: Strongly Disagree, 2: Disagree, 3: Partially Agree, 4: Agree, 5: Strongly Agree.

Descriptive Statistics and Person Product Moment Correlations will be used for data analyses and testing of hypotheses. For this purpose, SPSS (Version 16) was used to implement data analyses.

**Table 3. Instrument items for seeking information**

Extrinsic rewards			Intrinsic rewards		
Section	Item #	Description	Section	Item #	Description
2	1	Basic payment (wages & salaries)	3	1	Recognition
	2	Contract of employment		2	Achievement acknowledgement
	3	Job promotion		3	Work freedom & independence
	4	Job security		4	Job rotations
	5	Performance (Bonus & awards)		5	Goals setting participation
	6	Retirement benefits		6	Appraise & appreciation
	7	Compensation & incentives policies		7	Responsibility & authority
	8	Medical allowance		8	Advancement & growth
	9	Accommodation & Transportation allowance		9	Training & skills development
	10	Good environment & working conditions		10	Challenging assignments
Social rewards			Rewards mix*		
Section	Item #	Description	Section	Item #	Description
4	1	Supervisors support	5	1	Pay and recognition
	2	Social status		2	Job security & advancement and growth
	3	Caring & supportive attitude		3	Supervisors support & training and skills development
	4	Supportive environment		4	Organizational supportive structure and culture responsibility and authority
	5	Positive colleagues relationships		5	Good environment & working conditions and work freedom & independence
	6	Organizational supportive structure and culture		6	Compensation & incentives policies, challenging Assignments and social status
	7	Group belongness and affiliations		7	Goals setting participation, positive colleagues relationships
	8	Status symbols		8.	Retirement benefits. recognition and social status
	9	Prestige enhancement		9	Responsibility & authority, social status
	10	Off-job social recreation clubs membership		10	Contract of employment, advancement & growth and status symbols

\* Note: The list of Rewards Mix is not exhaustive and the researcher suggests that future research can be conducted to cover all possible combinations of rewards factors. Moreover, it is very important to remember that creativity is needed when setting and using these types as the bases of rewards. Creativity combined with allowing members' participation in this process brings forth not only their unique needs and preferences but also their seriousness in developing effective rewards system

**Table 4. Summary of distributed, returned, useable, non responses questionnaires**

Condition	Distributed questionnaires		Returned questionnaires		Useable questionnaires		Non-response	
	Number	%	Number	%	Number	%	Number	%
Number of employees	308	100	268	87	250	82	40	13

Source: Prepared by researcher 2015

#### 4. DATA ANALYSIS AND MAIN FINDINGS DISCUSSION

##### 4.1 Respondents Demographic Profile

Table 5 gives the following statistical demographic indications:

- a) With respect to Gender, Table 5 indicates the allocation of the sample of respondents from unified mining companies at which the research was conducted. As can be seen from the Table above, the whole sample (250) is 100% male and female representation is (0). The explanation is that, the nature of mining jobs do not suit females and most of these mining locations are remote from place of residence. In addition to that, the Jordanian culture and traditions do not allow Women to work in male dominated working environment.
- b) With respect to Age, Table 5 indicates that the majority of participants age is between 31-40 (36%); then comes the age between 41-50(22%); then the age between 21-30(20.8%); next comes the age less than 20(15.6%). Careful analysis of age distribution shows that, these companies prefer to employ young able bodies because the nature of mining work requires labor that have stamina and take the burden of heavy load jobs.
- c) With respect to Marital Status, Table 5 indicates that workers are married 189(75.6%); not married 45(18%); and engaged 16 (6.4%). The Classification of majority of respondents as married has benefited this study in that, the respondent took serious interest in the survey by filling and returning these questionnaires to the best of their ability because in mind they have connected this study with potential increase in financial rewards, which in turn could cover the rising cost of living in Jordan.
- d) With respect to Nationality, Table 5 indicates that the majority of respondents were Jordanian citizens 190(76%); while other nationalities counted for 60(24%). These percentages indicate that these companies meet labor law requirements regarding the employment of citizens and expatriates.
- e) With respect to Education, Table 5 indicates that most respondents had secondary education is 122 (48.8%); primary education is 80 (32%); while minority of the rest of respondents is 48 (19.2%) hold higher degrees ranging from diplomas to masters. This of course give clear indication that these kinds of jobs do not require highly educated people.
- f) With respect to Occupational Status, Table 5 indicates that the majority of employees 184(73.6%) are found in the low level of hierarchy of these companies; doing ordinary and routine mining jobs assisted by 12(4.8%) support staff; supervised by 25(10%) supervisors; and managed by 29(11.6%) top and middle management. These analysis give clear indication that the type of structure used in these companies is hierarchal one.
- g) With respect to Experience. Table 5 indicates that the majority of employees 110(44%) have between 4-6 years of experience; 65(26%) respondents have 1-3 years of experience; 45(18%) respondents have 7-10 years of experience and only 30(12%) respondents have above 10 years of experience. Analyzing this pattern of experience it give clear indication that, the experience of those workers in the mining industry is limited up to 10 years. This of course is a match to the age of these mining companies who have been operating in the mining industry for not more than 11 years.
- h) With respect to income, Table 5 indicates that the majority of employees 136(54.4%) earn up to 399(JD) per month; 58(23.2%) of respondents earn between 400-599 (JD) per month; 24(9.6%) of respondents earn between 600-799 (JD) per month; 18(7.2%) of respondents earn between 800-999 (JD) per month; and finally 14(5.6%) of respondents earn above 1000 (JD) per

**Table 5. Frequency distribution for respondents demographics**

Sequence	Demographic item	Frequency	Percent	Valid percent	Cumulative percent
1	<b>Gender</b>				
	Male	250	100	100	100
	Female	-	-	-	-
2	<b>Age</b>				
	less than 20	39	15.60	15.60	15.60
	21-30	52	28.80	28.80	36.40
	31-40	90	36	36	72.40
	41-50	55	22	22	94.40
	above 50	14	5.60	5.60	100
3	<b>Marital status</b>				
	Married	189	75.6	75.6	75.6
	Not married	45	18	18	93.6
	Engaged	16	6.6	6.6	100
4	<b>Nationality</b>				
	Jordanians	190	76	76	76
	Syrians	28	11.2	11.2	87.2
	Iraqis	13	5.2	5.2	92.4
	Sudanese	11	4.4	4.4	96.8
	Yemenis	8	3.2	3.2	100
5	<b>Education level</b>				
	Primary	80	32	32	32
	Secondary	122	48.8	48.8	80.8
	Diploma	16	6.4	6.4	87.2
	Bachelor	22	8.8	8.8	96
	H. diploma	6	2.4	2.4	98.4
	Masters	4	1.6	1.6	100
6	<b>Occupation status</b>				
	CEOs	7	2.8	2.8	2.8
	Operation manger	16	6.4	6.4	9.2
	HR. mangers	6	2.4	2.4	11.6
	Supervisors	25	10	10	21.6
	Support staff	12	4.8	4.8	26.4
	Other workers	184	73.6	73.6	100
7	<b>Experience</b>				
	1-3 years	65	26	26	26
	4-6 years	110	44	44	70
	7-10 years	45	18	18	88
	above 10 years	30	12	12	100
8	<b>Monthly income</b>				
	Below 399	136	54.4	54.4	54.4
	400- less than 599	58	23.2	23.2	77.6
	600-less than 799	24	9.6	9.6	87.6
	800-less than 999	18	7.2	7.2	94.4
	above 1000	14	5.6	5.6	100
Total		250	100	100	100

month. Careful insight into these earnings show that the level of income is still low compared to the same industry in neighboring countries; that's why the existence of extra rewards might balance out these difference.

#### 4.2 Reliability Analysis

This part presents the background information of the respondents; findings of the analysis are

based on the objectives of the study that include the effect of rewards on employee's performance. The study targeted a sample size of 308 respondents and from which 250 questionnaires were considered as relevant for statistical analysis reaching a response rate of 81%. This response rate was satisfactory to make conclusions on the effect of rewards on employees' performance. Furthermore, Cronbach's Alpha was used to insure internal

consistency of the instrument. For this purpose, SPSS was used for reliability analysis. Cronbach's Alpha reliability analysis is shown in Table 6.

In social science research, a higher value shows a more reliable generated scale. According to [61], 0.70 is an acceptable reliability coefficient. In Table 6, all reliability values are greater than the prescribed threshold of 0.70 and Cronbach's Alpha values are compatible to reliability test of the conducted pilot study, which is equal to 0.837.

**Table 6. Reliability analysis**

Scale	Cronbach's alpha	Number of items
Extrinsic rewards	0.852	8
Intrinsic rewards	0.831	10
Social rewards	0.822	10
Mix rewards	0.843	10

### 4.3 Descriptive Statistics

Descriptive Statistics in the form of means and standard deviations for independent variables were computed and presented in Table 7.

- a) From the findings on the influence of extrinsic rewards on employees performance, the study showed the following order of importance for factors of extrinsic rewards: Firstly, comes medical allowance; with a mean of 4.42; secondly, comes basic payment (wages & salaries), with a mean of 4.41, thirdly, comes good environment & Working Conditions with a mean of 4.23, fourthly, comes Retirement Benefits, with a mean of 4.18, fifthly, comes performance (bonus & awards), with a mean of 3.99; sixthly, comes job security, with a mean of 3.98; seventhly, comes compensation & incentives policies, with a mean of 3.97; eighthly, comes contract of employment, with a mean of 3.89; ninthly, comes accommodation & transportation Allowance, with a mean of 3.82 and finally, comes Job Promotion, with a mean of 3.65. The study, found that, the majority of the respondents agreed that, medical allowance has deep influence on employees performance because the cost of medical treatment in Jordan is very high compared to earned levels of income.
- b) From the findings on the influence of intrinsic rewards on employees performance, the study found the following

order of importance for factors of intrinsic rewards: Firstly, comes recognition, with a mean of 4.34; secondly, comes appraise & appreciation, with a mean of 4.02; thirdly, comes work freedom & independence with a mean of 3.89; fourthly, comes advancement & growth, with a mean of 3.81; fifthly, comes training & skills development, with a mean of 3.79; sixthly, comes achievement acknowledgement, with a mean of 3.65; seventhly, comes challenging assignments, with a mean of 3.61; eighthly, comes goals setting participation, with a mean of 3.56; ninthly, comes job rotations, with a mean of 3.52; and finally, comes responsibility & authority, with a mean of 3.45. The study, found that, the majority of the respondents indicated that these companies showed recognition and appreciation which affected employees feel sense of satisfaction and hence increased their performance. Development on personal and professional grounds were regarded as strong motivator; therefore, these companies should concentrate on these issues. Lastly, mining companies should reconsider modifying their structure to allow for more room to allow for increased levels of responsibility & authority.

- c) From the findings on the influence of social rewards on employees performance, the study found the following order of importance for factors of social rewards: Firstly, comes supervisors support, with a mean of 3.96; secondly, comes social status, with a mean of 3.67; thirdly, comes status symbols, with a mean of 3.66; fourthly, comes group belongingness and affiliations, with a mean of 3.62; fifthly, comes caring & supportive attitude, with a mean of 3.57; sixthly, comes supportive environment, with a mean of 3.55; seventhly, comes positive colleagues relationships, with a mean of 3.52; eighthly, comes organizational supportive structure and culture, with a mean of 3.46; ninthly, comes prestige enhancement, with a mean of 3.45; and finally, comes off-job social recreation clubs membership, with a mean of 3.32. The study, found that, the majority of the respondents indicated that, good supportive relationships with immediate supervisors acted as motivator and hence has immediate impact on employees performance. However, the social well being of employees was seen

as influential important factor with a considerable affect on performance. This direction goes in line with modern human resource research; based on that, there is

a call for more socialization through social meetings which make people open towards others and hence build up a positive and a productive personality.

**Table 7. Rates of rewards types on employees performance**

Extrinsic rewards				Intrinsic rewards			
Section	Description	Mean	SD	Section	Description	Mean	SD
2	Basic payment (wages & salaries)	4.41	.23	3	Recognition	4.34	.21
	Contract of employment	3.89	.16		Achievement acknowledgement	3.65	.19
	Job promotion	3.65	.15		Work freedom & independence	3.89	.17
	Job security	3.98	.19		Job Rotations	3.52	.16
	Performance (Bonus & awards)	3.99	.20		Goals setting participation	3.56	.15
	Retirement benefits	4.18	.21		Appraise & appreciation	4.02	.20
	Compensation & incentives policies	3.97	.18		Responsibility & authority	3.45	.14
	Medical allowance	4.42	.24		Advancement & growth	3.81	.19
	Accommodation & transportation allowance	3.82	.17		Training & skills development	3.79	.17
	Good environment & working conditions	4.23	.22		Challenging assignments	3.61	.18
Social rewards				Rewards mix			
Section	Description	Mean	SD	Section	Description	Mean	SD
4	Supervisors support	3.96	.20	5	Pay and recognition	4.46	.23
	Social status	3.67	.18		Job security & advancement and growth	4.22	.20
	Caring & supportive attitude	3.57	.15		Supervisors support & training and skills development	3.80	.17
	Supportive environment	3.55	.14		Organizational supportive structure and culture	3.54	.16
	Positive colleagues relationships	3.52	.16		responsibility and authority	4.01	.19
	Organizational supportive structure and culture	3.46	.17		Good environment & working conditions and work freedom & independence	3.89	.18
	Group belongness and affiliations	3.62	.17		Compensation & incentives policies, challenging assignments and social status	3.78	.17
	Status Symbols	3.66	.18		Goals setting participation, positive colleagues relationships	4.21	.20
	Prestige enhancement	3.45	.15		Retirement benefits. Recognition and social status	3.65	.18
	Off-Job social recreation clubs membership	3.32	.14		Responsibility & authority, social status	3.66	.19
				Contract of employment, advancement & growth and status symbols			

d) From the findings on the influence of rewards mix on employees performance, the study indicated the following order of importance for factors of rewards Mix: Firstly, comes pay and recognition, with a mean of 4.46; secondly, comes job security & advancement and growth, with a mean of 4.22; thirdly, comes retirement benefits. recognition and social status, with a mean of 4.21; fourthly, comes good environment & working conditions and work freedom & independence, with a mean of 4.01; fifthly, comes compensation & incentives policies, challenging assignments and social status, with a mean of 3.89; sixthly, comes supervisors support & training and skills development, with a mean of 3.80; seventhly, comes goals setting participation, positive colleagues relationships, with a mean of 3.78; eighthly, comes contract of employment, advancement & growth and status symbols, with a mean of 3.66; ninthly, comes responsibility & authority, social status, with a mean of 3.65; and finally, comes organizational supportive structure and culture responsibility and authority, with a mean of 3.54. The study, found that, the majority of the respondents responses indicated that, strong association between financial and non-financial rewards in the form of pay and recognition which in turn reveals that people want money and respect if they are to increase their performance. In addition to that security, advancement and growth are very important factors that determines the level of performance. Finally, the maintenance of good social status goes beyond employment period to include the retirement stage. All said to have crucial impact on employees overall performance.

Descriptive Statistics in the form of overall means and standard deviations for both independent and dependent variables for the respondents were computed and presented in Table 8.

Table 8 shows that the means for reward types ranged from a low value of 2.498 to a high value of 4.054. Results of descriptive Statistics reveal that the rewarding of employees is relatively good. As can be seen from Table 8 the mean for the entire independent variables are relatively high, and are a above the mean value of the dependent variable (in this case employees

Performance) Expressed in figures 4.054 , 3.430, 3.578, 3.922 >2.498; this indicates that over all employees Performance is well because employees are satisfied with rewards they receive.

**Table 8. Over all means for rewards category and employees performance**

Variables	Means	Standard deviations
Employees performance	2.498	.130
Extrinsic rewards	4.054	.195
Intrinsic rewards	3.430	.176
Social rewards	3.578	.163
Mix rewards	3.922	.187

#### 4.4 Pearson Correlation Coefficient

Pearson's correlation coefficient ( $r$ ) is a measure of the strength of the association between the two variables. According to the common practice used in research studies that normally include several variables, beyond knowing the means and standard deviations of the dependent and independent variables, the researcher would often like to know how one variable is related to another. While correlation could range between -1.0 and +1.0, the researcher need to know if any correlation found between two variables is significant or not (i.e.; if it has occurred solely by chance or if there is a high probability of its actual existence). As for the information, a significance of  $p=0.05$  is the generally accepted conventional level in social sciences research. This indicates that 95 times out of 100, the researcher can be sure that there is a true or significant correlation between the two variables and there is only a 5% chance that the relationship does not truly exist. The correlation matrix between dependent variable and independent variables are exhibited in Table 9.

As shown in Table 9, all four dimensions have significant correlation with employees' performance. The highest coefficient of correlation in this study was between extrinsic rewards and employees' performance. There was a significant positive relationship between extrinsic rewards and employees performance ( $r = .592, p < 0.01$ ). The second highest correlation was between Intrinsic rewards and employees performance ( $r = .553, p < 0.01$ ) and the third highest correlation was found between social rewards and employees performance ( $r = .497, p < 0.01$ ) and finally, high correlation was noticed between towards mix and employees

**Table 9. Dimension correlations rewards and employees performance**

Variables	Employees' performance	Extrinsic rewards	Intrinsic rewards	Social rewards	Rewards mix
Employees' performance	1.00				
Extrinsic Rewards	.592	1.00			
Intrinsic Rewards	.553	.549	1.00		
Social Rewards	.497	.589	.567	1.00	
Rewards Mix	.459	.566	.568	.557	1.00

**Table 10. Coefficients table**

Variables	Un standardized coefficients		Standardized coefficients	t	Sig.
	Beta	Std. error	Beta		
Constant		.560	.470	3.523	.000
Extrinsic Rewards		.495	.135	2.143	.043
Intrinsic Rewards		.454	.133	1.971	.036
Social Rewards		.325	.146	1.876	.033
Rewards Mix		.486	.130	2.867	.041

performance ( $r = .459, p < 0.01$ ). In other words, the results indicate that all four variables have significant correlation with Employees performance.

**4.5 Regression Analysis**

Regression equation is  $Y = .560X_1 + .495X_2 + .454X_3 + .325X_4 + .486X_5$

From the above regression equation it was found that holding extrinsic rewards, intrinsic rewards, social rewards and rewards mix to a constant zero, employees' performance will be 0.560, a unit increase in extrinsic strategies would lead to increase in employees performance by 0.495 units, a unit increase in intrinsic rewards would lead to increase in employees performance by 0.454 units, a unit increase in social rewards would lead to increase in employees performance by 0.325 units and a unit increase in rewards mix would lead to increase in employees performance by 0.486 units. Extrinsic rewards had the greatest effect on employees performance, followed by rewards mix, then intrinsic rewards while social rewards had the least effect on employees performance. At 5% level of significance and 95% level of confidence, extrinsic rewards had a 0.043 level of significance; intrinsic rewards had a 0.036 level of significance, social rewards had a 0.033 level of significance while rewards mix had 0.041 level of significance. Hence the sequence of the most significant factors is extrinsic rewards, rewards mix, intrinsic rewards and social rewards All the variables were significant ( $p < 0.05$ ).

**4.6 Hypotheses Testing and Results**

For hypotheses testing, Pearson Product Moment Correlation Coefficient is used for analysis and interpretation of results.

**Hypotheses 1:** The first hypotheses states that:

**Ho:** There is no significant direct relationship between extrinsic rewards on employees' performance.

**H1:** There is significant direct relationship between extrinsic rewards on employees' performance.

**Results Discussion:** Table 9 (a) shows that, value at 0.05 significant level with degree of freedom 98 is 0.197. From calculations and indications  $r > t_v$  (i.e.  $0.480 > 0.197$ ). Since calculated value is (0.480) is greater than the table value (0.197), the result is significant.

**Decision:** According to the above analysis the null hypotheses (**Ho**) is rejected and the alternative hypotheses (**H1**) is accepted, that is there is significant/direct relationship between extrinsic rewards on employees' performance. This implies that, an increase in extrinsic rewards like salaries; cash bonus, allowances of various types given to employees will lead to a correspondent increase in their performance. The justification for this result is that, most people, including the workers of these mining firms regard extra money received in the form of salaries, cash bonus, allowances of various

types as one of the most important factors that encourage them to work harder and hence push them to improve their performance.

**Hypotheses 2:** The second hypotheses states that:

**Ho:** There is no significant direct relationship between intrinsic rewards on employees' performance.

**H2:** There is significant direct relationship between intrinsic rewards on employees' performance.

**Results Discussion:** Table 9 (b) shows that, value at 0.05 significant level with degree of freedom 98 is 0.197. From calculations and indications  $r > tv$  (i.e.  $0.450 > 0.197$ ). Since calculated value is (0.450) is greater than the Table value (0.197), the result is significant.

**Decision:** According to the above analysis the null hypotheses (**Ho**) is rejected and the alternative hypotheses (**H1**) is accepted, that is there is significant/direct relationship between intrinsic rewards on employees' performance. This implies that, an increase in intrinsic rewards like appreciation, recognition and praise and so on, given to employees will lead to a correspondent increase in their performance. The justification for this result is that, workers of these miming companies consider appreciation, recognition and praise and so on as important factors that encourage them to work harder which is reflected in the form of increased performance.

**Hypotheses 3:** The third hypotheses states that:

**Ho:** There is no significant direct relationship between social rewards on employees' performance.

**H3:** There is significant direct relationship between social rewards on employees' performance.

**Results Discussion:** Table 9 (c) shows that, value at 0.05 significant level with degree of freedom 98 is 0.197. From calculations and indications  $r > tv$  (i.e.  $0.422 > 0.197$ ). Since calculated value is (0.422) is greater than the table value (0.197), the result is significant.

**Decision:** According to the above analysis the null hypotheses (**Ho**) is rejected and the alternative hypotheses (**H1**) is accepted, that is there is significant/direct relationship between social rewards on employees' performance. This implies that, an increase in social rewards like supervisors' support and good relations with colleagues given and felt by the employees will lead to a correspondent increase in their performance. The justification for this result is that, workers of these miming companies consider social rewards in the form of supervisors support and good relations with colleagues given and felt by the employees as important factors that encourage them to work harder which is reflected in the form of increased performance.

**Hypotheses 4:** The fourth hypotheses states that:

**Ho:** There is no significant direct relationship between rewards mix (extrinsic, intrinsic and social rewards) on employees' performance.

**H4:** There is significant direct relationship between rewards mix (extrinsic, intrinsic and social rewards) on employees' performance.

**Results Discussion:** Table 9 (d) shows that, value at 0.05 significant level with degree of freedom 98 is 0.197. From calculations and indications  $r > tv$  (i.e.  $0.413 > 0.197$ ). Since calculated value is (0.413) is greater than the table value (0.197), the result is significant.

**Table 11. Correlation between extrinsic rewards, intrinsic rewards, social rewards, rewards mix and employees performance**

Correlation	R	tv	df	Sig level
<b>Rewards types</b>				
a) Extrinsic rewards and employees performance	0.480	0.197	98	0.05
b) Intrinsic rewards and employees performance	0.450	0.197	98	0.05
c) Social rewards and employees performance	0.422	0.197	98	0.05
d) Rewards mix and employees performance	0.413	0.197	98	0.05

**Decision:** According to the above analysis the null hypotheses (**H<sub>0</sub>**) is rejected and the alternative hypotheses (**H<sub>1</sub>**) is accepted, that is there is significant/direct relationship between rewards mix on employees' performance. This implies that, the existence of rewards mix (or diverse rewards systems) will lead to an increase in employees performance. The justification for this result is that, workers of these miming companies consider rewards mix (or diverse rewards systems) as important factors that encourage them to work harder which is reflected in the form of increased performance.

#### 4.7 General Discussion of Results

The acceptance of the first hypothesis indicate a significant relationship between extrinsic rewards and employees' performance, which means that, extrinsic rewards received by employees have significant impact on their performance. This goes in line with [62] work in which concluded that, extrinsic financial rewards given to employees will boost quality of performance. The findings of this study agree with the work of [63], which showed that, subjects who received individual incentives performed better than those who did not receive incentives; and workers exhibited productive work behavior when rewards were made contingent upon performance. However, other studies had corrupted the present findings, for example the work of [64] states that, extrinsic rewards are counterproductive because performance cannot be measured accurately and is influence by factors beyond employees' control; and according to them the case against monetary rewards is made by quality leaders where two lines of argument appear: First, it states that money is a poor motivator. Second, it maintains that numerical measures of performance are flawed and therefore must not be tied to rewards. A support for this argument is found in the work of [65], where the study came as a corruption to the present study. Here it was observed that poor remuneration in relation to profits made by organization, wage differentials between high and low income earners among other things contribute to low morale, lack of commitment and low productivity. The acceptance of the second hypothesis indicated a significant relationship between intrinsic rewards and employees performance; that is intrinsic rewards given to employees has significant influence on employees' performance. In line with this result, is the work of [66], which claimed that intrinsic rewards for example, showing recognition,

expressing of appreciation and acknowledgement of achievement and soon have a significant influence on employees results and performance. Further agreement with this study is the work of [67] in which he emphasized the great importance of intrinsic rewards in influencing workers performance. The acceptance of the third hypothesis indicated a significant relationship between social rewards and employees performance; that is social rewards have a significant influence on employees performance. However, more in depth studies need to be conducted to explore the extent of social rewards on employees performance. The acceptance of the fourth hypothesis has indicated a significant relationship between rewards mix and employees performance, that is rewards mix has a significant influence on employees performance. Unfortunately, majority of research studies on reward programs and their evaluation tend to focus on a limited number of specific types of rewards given to employees. In line with present findings, is the work of [68] in which he encountered a positive interaction between different multiple elements of rewards mix on employees performance.

#### 4.8 Practical Applications of Findings

Its hoped that this study will have important practical implications for all those interested in the subject of reward systems management in particular (employers and employees). This research emphasized the importance of fine – tuning and aligning reward systems to ensure employees satisfaction and at the same time reaching better levels of performance. Fine-tuned reward systems should be diverse, fair, flexible and has added value to the parties of the organization. In real life situations, management should set reward systems and programs that link the type of rewards given to performance results; thus the higher the rewards perceived by employees, the greater the satisfaction towards the organizational policies and strategies leading to greater productivity as a result of improved performance. This study contributes to the body of literature by investigating all possible set of reward factors that would affect employees performance; that is the study investigated extrinsic, intrinsic, social and rewards mix, therefore, management of organization could benefit from the findings of this research by implementing its recommendations to their organization. The findings of this research proved that all types of rewards are instrumental

in shaping people results and performance, therefore, reward strategies should reinforce these people results. In addition to that, it's hoped that, the findings of this study can be used as a practical handy tool in providing practical solutions to issue of conflicts, that have resulted from the existence of poor reward systems or the ineffective management of reward systems.

## 5. CONCLUSION

Human resources are valuable assets of organizations and they constitute critical component of strategic success across all types of organizations. Highly rewarded employees, tend to be highly satisfied well performing employees; they also tend to remain longer with the organizations and that would lead or increase competitive edge. Going by the findings of this study a positive significant relationships have existed between (extrinsic, intrinsic, social and reward mix) and employees performance; therefore, the issue of rewarding employees using all possible types of rewards matters a lot and should never be neglected by management of the organizations because deliberate ignorance of rewarding needs will lead to non motivated, non committed staff with poor performance.

## 6. RECOMMENDATIONS

Since the relationship between rewards and employees performance is considered to be strong, then that should alarm management to be more committed regarding the setting of appropriate incentive plans because that will encourage employees to be more purposeful and hence increase their performance. It is also recommended that there should be a consistency between firms overall strategies and the reward package that is given to employees. Adherence and parallelism between organization's strategies and reward packages and programs will lead to the achievement of concerned parties mutual goals and objectives. In order to maintain consistency of interests and goals; it is recommended that management should modify their reward program on a regular basis. Modification should be done in corporation with employees representative bodies to ensure meeting mutual goals and objectives. Finally, it is recommended that knowledge building should be implemented continuously in order to allow for variations in needs and expectations of both employers and employees; not only in the aspect of rewarding employees, but also in all other

aspects that may have significant influence on employees performance.

## 7. LIMITATIONS OF THE STUDY

Similar to other research studies, this study has the following prominent limitations: Firstly, the measurement of study variables and their effect on performance are all based on respondents perceptions and attitudes while filling the questionnaires. Thus, errors might exist in the data set. Secondly, the study covered three mining companies in the private sector, so if findings of this study to be generalized, then different sectors like manufacturing, finance, and public sector firms should be researched to get more updated and valuable contributions regarding the effect of rewards systems on employees performance. Thirdly, the findings of this study is applicable only to smaller to medium sized organizations, therefore, the present findings cannot be generalized to a bigger organizations. Fourthly, despite the fact that the literature search was extensive, potentially valuable studies may not have been included and the selection of literature sources may have elements of bias and subjectivity. Finally, more future research should be conducted to explore the distinction between different forms of extrinsic, intrinsic and social rewards; and across different sectors and across different cultures, so that, more complete and thorough understanding of the effect of different rewards programs on people results can be achieved.

## COMPETING INTERESTS

Author has declared that no competing interests exist.

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