

Rewards, Working Environment And Motivation: The Relationship of towards Job Performance among Utility Company Employees in Kuala Lumpur

Idaya Husna Mohd, Ahmad Fadhil Bin Mohamed, Muhamad
Khalil Omar, Norashikin Hussein, Aini Hairianie Aluwi,
Syezreen Dalina Rusdi

Faculty of Business and Management, Universiti Teknologi MARA (UiTM) Selangor,
Kampus Puncak Alam, Bandar Puncak Alam, 42300 Puncak Alam Selangor
Email: idayahusna@uitm.edu.my

To Link this Article: <http://dx.doi.org/10.6007/IJARBSS/v11-i5/10005>

DOI:10.6007/IJARBSS/v11-i5/10005

Published Date: 30 May 2021

Abstract

This study was carried out to examine the relationship between rewards, working environment and motivation towards job performance. A survey method was used in which 132 employees in the various department at a utility company in Malaysia. Among other departments involved are Procurement & Supply Chain Division. The researcher used the Cronbach alpha to test for reliability of the instrument while the content validity of the instrument was determined by seeking the expert opinion of the University supervisors. A structured questionnaire was then administered to the respondents which captured the respondent's profile and data relevant to all the study variables. Data was collected, processed and then analyzed by use of Statistical Package for Social Sciences (SPSS) tool. Data was then analyzed both descriptively and inferentially. The overall findings of the study indicate that all variable has a significant positive relationship with job performance except for rewards. The study concluded the organization should ensure that they are providing sufficient reward to motivate and fulfil their employees' physiological needs. It was further concluded that the working environment should be safe, supportive and attractive employees. The findings also led to the conclusion that the employee will be motivated when the environment is comfortable so that they able to perform their job well and lead to improved job performance. In the future this research would then be recommended to target a broader population, others industries and others variables.

Keyword: Job Performance, Rewards, Working Environment, Motivation.

Introduction

According to the Employees Job Happiness Index 2017 survey by JobStreet.com, among seven countries in the same region, Malaysia was ranked the fourth for employees who are happy at the workplace, scoring 4.65 on a 10-point scale. Around 10,143 Malaysia employees surveyed, 58 per cent of the respondents reported that they are neutral to happy with their job. Malaysia employees reported that training, poor leadership and lack of career development were the top three factors that lead to job unhappiness. To become a good worker, the employee first needs to love the job they do. Hence, they will feel motivated to perform the job and to keep maximum performance from the employee; leaders need to use a process that can create motivation and benefits to both team member and company.

Besides that, the employees said that they feel less appreciated and recognized by employers. They feel all the hard work is not appreciated. Therefore, employees feel unmotivated to complete the task, especially when they give excellent performance in the organization. A positive surrounding is vital to make employees feel valued and acknowledge. Bamel, Rangnekar, and Rastogi, (2013) mentioned that employee who thought his work is worth to be rewarded by the organisation would lead the feeling that they supposed to be recognized to continue performing better in future. Workers or teams must be allowed to replicate or continue the actions and allow other workers to do the same — informal (oral) or formal (written remarks) acknowledgement. Motivator has a positive power to fulfil and produce high performance (Negash, Zewude & Megersa, 2014).

Furthermore, there are also some employees decided to leaves the organization. Therefore, several strategies should be applied to avoid employee turnover. As stated by previous researchers, managers need to understand the factors that can increase employee motivation. It is because it can help the manager to set a task and rewards to enhance those motivations. (Nik Ahmad & Sulaiman, 2014). Based on an article from The Malay Mail (2017) stated that Malaysia employee performance among worst in Asia which is 59%. In this case, employees admitting they were less motivated to contribute to their work. When an employee is less motivation, they are likely to deliver weak performance in their task. Researchers in their study stated that lack of motivation would lead to less focus on the job, refuse to accomplish their duties and responsibilities, argued with the supervisor and decide to leave the organization. However, motivated employees will become loyal to the organization, be more productive and innovative and give the best performance in their work. (Bhatti, Aslam, Hassan, & Sulaiman, 2016). Besides, most employee in the electric utility sector are faced with a crucial question of what factors influence employee job performance. As there are insufficient empirical information that may control their endeavors in improving overall job performance among employees, in perspective of assessing employee job performance at the workplace, it leads to a study on the relationship between rewards, working environment, and motivation related to job performance among the employees of a utility company in Kuala Lumpur. As there are still very little work on job performance to date and even less empirical research concerning rewards, working environment, and motivation influencing job performance. This study, therefore, examines the relationship between rewards, working environment and motivation towards job performance among employee in the utility Company in Kuala Lumpur.

Relationship Between Rewards and Job Performance

Before employees do anything, they look for reward (Agrawal, 2011). Reward management is now a crucial aspect of human resource management. Intrinsic rewards are satisfaction derived from the job itself, such as pride in one's work, a feeling of accomplishment, or being part of a team. Extrinsic rewards include benefits provided by the employer, usually money, promotion, or benefits (Decenzo & Robbins, 2007). Kalleberg (1977) explained that rewards consist of benefits that employees receive in exchange for their work during the job. According to Wang (2004), in so many organization rewards plays so many roles in sustaining and creating commitment among employees for excellent performance and that better performance leads to job satisfaction. Ali and Ahmed (2009) investigated that there is a positive relationship between "recognition and reward", "motivation and satisfaction". They stated that if the employee rewarded and recognized, then there is a massive change in their motivation and satisfaction.

The study conducted to examine the relationship between rewards and employee performance in the cement industry in Pakistan revealed that there is a direct relationship between the reward system and the employee's performance (Qureshi, Zaman, & Shah, 2010). Jehanzeb, Rasheed and Rasheed (2012) also explained the relationship of rewards, motivation and job satisfaction in banking sector of Saudi Arabia. In this study, it has found that employees of the banking sector give more importance to financial rewards and economic rewards. Danish and Usman (2010) explained the impact of rewards and recognition on job satisfaction as well as the motivation of employees of the organization. In this study, analysis shows a close relationship between several dimensions of work motivation and job satisfaction with a relationship between financial and non-financial rewards. Rewards and motivation of employees have a positive relationship with each other; a study is conducted on commercial bank of Sri Lanka Plc, In Jaffna District by (Pratheepkanth, 2011). According to Mishra and Dixit (2013), financial and non-financial rewards and benefits highly correlated with employee's motivation in an organization rewards system. Because of the positive relationship between rewards and motivation, the job satisfaction of workers also increased. Job satisfaction leads to success and feelings of achievement during the job. Also linked increase productivity, increase worker's efforts on the job and leads to happiness enthusiasm, feeling of fulfilment (Kaliski, 2007). Rewards have a positive influence on worker performance in the organization because rewards increase the work efficiency of workers of the organization (Ajila & Abiola, 2004).

H1: There is a significant relationship between rewards and job performance.

Relationship Between the Working Environment and Job Performance

According to Ollukkaran and Gunaseelan (2012), the new challenge for management is to build a work environment that encourages and stimulates its workers, because the quality of the work environment affects the level of motivation and performance of employees. No doubt, workplace environment influences productivity, morale, and employee's engagement-both positive and negative. When employees are physically and emotionally, getting a desire to work, their performance will be improved. It is the nature of the working environment of employees that influences their level of motivation and subsequent performance (Leblebici, 2012). The nature of the environment in the workplace determines the level of motivation and subsequent performance of the employee (Naharuddin & Sadegi, 2013). Moreover, proper workplace environment helps reduce absenteeism and thus increase employee's performance, which will lead to increase productivity (Peters & Zelewski, 2007). People

working under uncomfortable conditions can end up with low performance and face occupational health risks that cause high absenteeism and turnover (Naharuddin & Sadegi, 2013). Oladipo (2009) notes that suitable conditions also result in a high turnover rate for employees and they will live up to their potential. Job and work environment stimuli define as job and workplace characteristics that affected individual workers daily while doing their jobs in their work environment (Chandrasekar, 2011).

Another study found that enhancing the working environment decreases dissatisfaction and absenteeism while increasing productivity. According to Naharuddin and Sadegi (2013), in recent years, employees' comfort while working, due to workplace conditions and the environment has been recognized as an essential factor for measuring their productivity. Ernst Kossek, Kalliath, and Kalliath (2012) state that management maximizes employee productivity in two key areas: personal motivation and the work environment infrastructure. El-Sabaa (2001) emphasized that employees feel engaged in their jobs and also in their home life in healthy working environments. They believe that they value at work, and their jobs are a good fit with their abilities and interests. According to Chandrasekar (2011), an extrinsic factor of motivation, the work environment relates not only to the physical environment, but also to the emotional aspects of the workplace, which included relationships with managers, relationships with co-workers, job-to-person matching, justice and fairness, and personal control of the work. Ernst Kossek, Kalliath and Kalliath (2012) concluded that it is the nature of the working environment of employees that has the most significant impact on their level of motivation and subsequent performance. Therefore, creating a healthy work environment would motivate the employees to make an effort at the workplace and thus could increase their work performance.

H2: There is a significant relationship between the working environment and job performance.

Relationship Between Motivation and Job Performance.

Motivation is an employee's intrinsic enthusiasms about and drive to accomplish activities related to work. According to Chaudhary and Sharma (2012), motivation is the internal drive that causes a person to determine whether to take action. Now and then, managers neglect to comprehend the significance of inspiration in fulfilling their central goal and vision. When they comprehend the essentialness of motivation, they do not have the expertise and learning to give a workplace that can cultivate employee motivation. The same study examined the relationship between environmental factors and job performance with work motivation and the degree to which this relationship is mediated by work motivation among a group of hotel workers in England. The results suggest that there is a significant relationship between environmental and job performance variables and that work motivation mediates the connection between working conditions and job performance. The results also suggest that there is a significant relationship between work motivation and job performance of the hotel workers. The results point to the importance of working conditions and work motivation in explaining job performance of hotel workers in the framework of environmental work conditions and job performance. (Jayaweera, 2015). A further study carried out to measure the impact of work motivation on the employment performance of employees at the Islamic Revolution Housing Foundation, which took place in 2013. In this analysis, a sample of 70 individuals was randomly selected from the statistical population of 85 employees of the Islamic Revolution Housing Foundation, according to the Morgan table. Work motivation and job performance questionnaires developed and collected information were put into data

analysis and hypothesis testing using AMOS and SPSS software. The results show that work motivation has a positive and significant effect on job performances of employees in the Islamic Revolution Housing Foundation (Azar & Shafiqhi, 2013).

H3: There is a significant relationship between motivation and job performance.

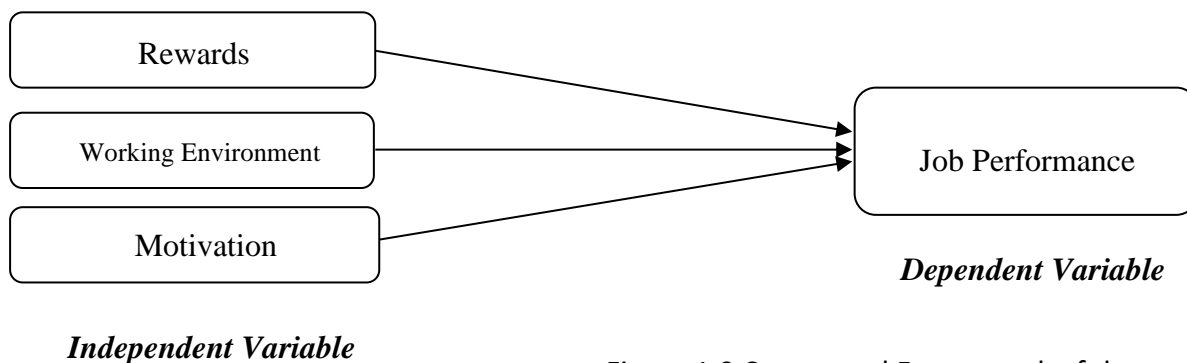


Figure 1.0 Conceptual Frame work of the study

Methodology

Research methodology is crucial in completing this study because it is a systematic process of identifying and formulating by setting objectives and methods for collecting, editing, and tabulating to find the solution. The probability sampling technique was used in this study in order to distribute questionnaire. In this study, data were collected from employees in the utility company in order to determine the relationship between needs assessment, training and development, career development and employees' performance. The sample of population that is going to be used by the researcher is the employees of the corporation. Although this corporation is a utility company in Malaysia, the population sample will be limited to the company itself only, which amounts about 180 employees only. Using the Krejcie and Morgan (1970) table, the sample size would be 132 respondents required as to complete this particular study. The data collected were then analyzed using IBM SPSS Statistics.

Findings and Analysis

Profile of the respondents taken from Section A of the questionnaires which include the characteristics such as gender, age, race, higher academic qualification, organizational tenure, positional tenure and department. Based on Table 5, female respondents are 56 (57.6%) from the whole population, while male respondents are 76 (42.4%) of the population. In addition to that, in terms of age distribution, the highest respondents belong to age group of 26 - 35 years old 48 (36.4%) respondents, followed by age group from 36 - 45 years old with 39 (29.5%) respondents, next is age group of 46 - 56 years old with 32 (24.2%) respondents and age group of 57 - 60 years old with 12 (9.1%) respondent. For races of the respondents in table 5, 79 (59.8%) of respondents were Malay, 34 (25.8%) of respondents were Chinese, 18 (13.6%) of respondents were India and 1 (0.8%) of the respondent was another race which is Bumiputera Sarawak. Other than that, majority of the respondents have degree qualification with 67 (50.8%) of respondents, followed by 28 (21.2%) of respondents with SPM qualification, 19 (14.4%) of respondents with diploma qualification. Next is respondents have Master Degree qualification with 16 (12.1%) respondents and respondents have PhD qualification with 2 (1.5%) respondent. Majority of the respondents experienced 6 - 10 years in organizational tenure which is 48 (36.4%) of respondents, followed by 30 (22.7%) of

respondents in 11 - 20 years and 21 - 30 years experiences in organizational tenure which is 24 (18.2%) of respondents, 21 (15.9%) of respondents in less than 5 years and 9 (6.8%) of respondents in more than 31 years in organizational tenure. Besides, majority of the respondents with 42 (31.8%) of respondents were working for 11 - 20 years in positional tenure. Followed by 35 (26.5%) of respondents were working for less than 6 - 10 years, another 25 (18.9%) of respondents were working for less than 5 years, 24 (18.2%) of respondent was working for 21 - 30 years in positional tenure and 6 (4.5%) of respondents were working for more than 31 years in positional tenure.

From Table 2 below, the result obtained in the coefficient table used to interpret the data to measure which variables are significant and also have a strong relationship. Based on the regression result, the F - value is 26.125. This value indicates that the model is reliable and can be trusted because the significant value is more than 1. As the value is more than 1 this gives a meaning that the independent variables studied, which are rewards, working environment, and motivation can measure the job performance, which is the dependent variables. On the other hand, for the R square value, the number shows indicate the percentage contribution of the independent variables on the dependent variables. Referring to Table 11 below, the R square value is 0.380 which implies that 38 per cent of independent variables which are rewards, working environment, and motivation. Therefore, the balance of 62 per cent that influences job performance explained by the other factors that studied in isolation.

The p-value shown in the regression table for Rewards is 0.248, which means that the relationship between this variable with Job Performance is not significant ($\beta = 0.129$, $t = 1.160$, $p = 0.248$). Whereas for the p-value of Working Environment, the value is 0.009 which implies that the relationship of this variable is significant with the Job Performance as it is below 0.05 ($\beta = 0.272$, $t = 2.662$, $p = 0.009$). Lastly, for the p-value of Motivation, the value is 0.000 which implies that the relationship of this variable is also significant with the Job Performance as it is below 0.05 ($\beta = 0.323$, $t = 3.730$, $p = 0.000$).

Table 1
Multiple Regression Analysis – Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.616a	0.380	0.365	0.32606	2.027

a. Predictors: (Constant), IV_Motivation, IV_WorkingEnvironment, IV_Rewards

b. Dependent Variable: DV_JobPerformance

Source: Developed for the research

Table 2
Multiple Regression Analysis – ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.332	3	2.777	26.125	0.000 ^b
	Residual	13.608	128	.106		
	Total	21.941	131			

a. Dependent Variable: DV_JobPerformance

b. Predictors: (Constant), IV_Motivation, IV_WorkingEnvironment, IV_Rewards

Source: Developed for the research

Table 3

Multiple Regression Analysis – Coefficients^a

	Standardized Coefficients Beta	t	Sig.	Tolerance	VIF
(Constant)		7.488	0.000		
Rewards (IV)	0.129	1.160	0.248	0.391	2.555
Working Environment (IV)	0.272	2.662	0.009	0.465	2.151
Motivation (IV)	0.323	3.730	0.000	0.645	1.551

a. Dependent Variable: DV_JobPerformance

H1: There is a significant relationship between rewards and job performance

The hypothesis mentioned above predicts that there is a relationship between the variables, which suggests that rewards given by the company may influence the employee's job performance. The previous study proved that reward is one of the policies from the organization, which could lead to improvement of the employee's job performance and eventually the productivity or output in the organization (Ajila & Abiola, 2004). However, the findings of this research found that there is no significant relationship between rewards and job performance. This is because the result shows that ($\beta = 0.129$, $t = 1.160$, $p = 0.248$) which indicate that the relationship between the variables is not significant and weak. Therefore, H1 is not supported, implying that there is no significant positive relationship between rewards and job performance.

H2: There is a significant relationship between the working environment and job performance

A positive relationship founded between the working environment and job performance. The results are consistent with the previous studies showing the correlation between the working environment and job performance (Fine & Kobrnick, 1978; Mohapatra & Srivastava, 2003; Naharuddin & Sadegi, 2013). According to Visher (2007), employees were able to perform with their full energy and attention by having a pleasant working environment. Based on the findings of this research, the p-value of working environment is 0.009 which implies that the relationship of this variable is significant with the job performance as it is below 0.05 ($\beta = 0.272$, $t = 2.662$, $p = 0.009$). Therefore, H2 is supported implying that there is a significant positive relationship between the working environment and job performance, which means that as the value of working environment increase, the job performance will also increase.

H3: There is a significant relationship between motivation and job performance

Motivation has a significant impact on job performance and the results are consistent with previous research findings (Lyons, Duxbury, & Higgins, 2006; Maidani, 1991; Cerasoli, Nicklin, & Ford, 2014). It reveals that employees perform better when they are motivated, which means that management must take initiatives to encourage motivation among

workers, intrinsically and extrinsically, it offers increases in pay and benefits, respects employee experiences and supports initiatives. Based on the findings of this research, the significance value of motivation is 0.000 which is less than 0.05 the value 0.000 implies that the relationship of this variable is significant with the job performance ($\beta = 0.323$, $t = 3.730$, $p = 0.000$). It shows that motivation has significantly affected job performance. Therefore, H3 is supported where motivation has a positive relationship on job performance.

Conclusion

This study aimed to conduct a study in analyzing the relationship between rewards, working environment and motivation towards job performance. From the findings, we can see that all variable has a significant positive relationship with job performance except for rewards. For others like the working environment and motivation influence job performance positively. As the working environment values are high, job performance is also high. Same goes to motivation and job performance.

The organization should ensure that they are providing sufficient reward to motivate and fulfil their employees' physiological needs. When reward unable to fulfil or satisfied employees physiological need, this will lead to job abandonment and cause a problem for the organization. The superior, supportive, attractive, and safe working environment could bring lots of benefit to the organization. Therefore, the working environment should be safe, supportive and attractive employees. The employee will be motivated when the environment is comfortable so that they able to perform their job well and lead to improved job performance. Future researcher can try to target a broader population in different branches in Malaysia if a future researcher has more budget to travel to other locations or if a researcher can try to do an online survey in order to get more target population for research. Next, the method used in data collection should include interviews. By interviewing participants of the study, researchers could clarify and explain in more details if the participants do not understand the questions that were asked. This could lead to precise feedback and answers from the participants. Interviewing may also increase the response rate of the study.

References

- Afful-Broni, A. (2012). Relationship between motivation and job performance at the University of Mines and Technology, Tarkwa, Ghana: Leadership Lessons. *Creative Education*, 3(03), 309.
- Agrawal, A. A. (2011). Current trends in the evolutionary ecology of plant defence. *Functional Ecology*, 25(2), 420-432.
- Ajila, C. O. (1997). Job motivation and attitude to work as correlates of productivity among workers in manufacturing companies in Lagos State, Nigeria. Unpublished PhD Dissertation). OAU Ile-Ife Osun State, Nigeria.
- Ajila, C., & Abiola, A. (2004). Influence of rewards on workers performance in an organization. *Journal of Social Sciences*, 8(1), 7-12.
- Ali, R., & Ahmed, M. S. (2009). The impact of reward and recognition programs on employee's motivation and satisfaction: an empirical study. *International review of business research papers*, 5(4), 270-279.
- Azar, M., & Shafighi, A. (2013). The Effect of Work Motivation on Employees' Job Performance: *International Journal of Academic Research in Business and Social Sciences*.

- Azar, M., & Shafiqhi, A. A. (2013). The effect of work motivation on employees' job performance (Case study: employees of Isfahan Islamic revolution housing foundation). *International journal of academic research in business and social sciences*, 3(9), 432.
- Bamel, U. K., Rangnekar, S., and Rastogi, R. (2011), "Managerial effectiveness in Indian organisations: reexamining an instrument in an Indian context", *Research and Practice in Human Resource Management*, Vol. 19 No. 1, pp. 69-78.
- Bhatti, O. K., Aslam, U. S., Hassan, A., & Sulaiman, M. (2016). Employee motivation an Islamic perspective. *Humanomics*, 32(1), 33-47.
- Chandrasekar, K. (2011). Workplace environment and its impact on organisational performance in public sector organisations. *International journal of enterprise computing and business systems*, 1(1), 1-19.
- Chaudhary, N., & Sharma, B. (2012). Impact of employee motivation on performance (productivity) in private organization. *International Journal of Business Trends and Technology*, 2(4), 29-35.
- DeCenzo, D. A., & Robbins, S. P. (2007). *Supervision today*. Pearson Education Inc: upper saddle River New Jersey, 7458, 173.
- Kosse, E., Kalliath, T., & Kalliath, P. (2012). Achieving employee wellbeing in a changing work environment: An expert commentary on current scholarship. *International Journal of Manpower*, 33(7), 738-753.
- Gunaseelan, R., & Ollukkaran, B. A. (2012). A study on the impact of work environment on employee performance. *Namex International Journal of Management Research*, 71.
- Jayaweera, T. (2015). Impact of work environmental factors on job performance, mediating role of work motivation: a study of hotel sector in England. *International journal of business and management*, 10(3), 271.
- Jehanzeb, K., Rasheed, M. F., & Rasheed, A. (2012). Impact of rewards and motivation on job satisfaction in banking sector of Saudi Arabia. *International Journal of Business and Social Science*, 3(21).
- Kaliski, B. S. (2007). *Encyclopedia of Business and Finance*, Second edition, Thompson Gale, Detroit, p. 446
- Kalleberg, A. L. (1977). Work values and job rewards: A theory of job satisfaction. *American sociological review*, 124-143.
- Leblebici, D. (2012). Impact of workplace quality on employee's productivity: case study of a bank in Turkey. *Journal of Business, Economics*, 1(1), 38-49.
- Malik, M. E., Danish, R., & Usman, A. (2010). Impact of job climate and extrinsic rewards on job satisfaction of Banking Executives: A case of Pakistan. *Interdisciplinary Journal of Contemporary Research in Business*, 1(12), 125-139.
- Naharuddin, N., & Sadegi, M. (2013). Factors of workplace environment that affect employee's performance: A case study of Miyazu Malaysia. *International Journal of Independent Research and Studies*, 2(2), 66-78.
- Negash, R., Zewude, S., & Megersa, R. (2014). The effect of compensation on employees motivation: In Jimma University academic staff. *Basic Research Journal of Business Management and Accounts*, 3(2), 17-27.
- Nelson, B. (2004). "Everything you thought you knew about recognition is wrong", *Workforce Management*, available online at: <http://www.workforce.com>.
- Oladipo, S. E. (2009). Psychological empowerment and development. *Edo Journal of Counselling*, 2(1), 118-126.

- Peters, M. L., & Zelewski, S. (2007). Assignment of employees to workplaces under consideration of employee competences and preferences. *Management Research News*, 30(2), 84-99.
- Pratheepkanth, P. (2011). Reward system and its impact on employee motivation in commercial bank of sri lanka plc, in jaffna district. *Global Journal of Management and Business Research*, 11(4).
- Qureshi, M. I., Zaman, K., & Shah, I. A. (2010). Relationship between rewards and employee's performance in the cement industry in Pakistan. *Journal of international academic research*, 10(2), 19-29.
- Wang, Y. (2004). Observations on the Organizational Commitment of Chinese Employees: Comparative Studies of State-Owned Enterprises and Foreign-Invested Enterprises. *The International Journal of Human Resource Management*, 15(4/5): 649–64