THE RELATIONSHIPS BETWEEN SUPERVISORY REWARD POWER AND EMPLOYEES' JOB OUTCOME: WORK MOTIVATION AS THE MEDIATING ROLE

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THE RELATIONSHIP BETWEEN SUPERVISORY REWARD POWER AND EMPLOYEES’ JOB OUTCOME: WORK MOTIVATION AS THE MEDIATING ROLE

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This project is submitted in partial fulfilment of the requirements for a Bachelor of Science with Honours (Human Resource Development)

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ABSTRACT

THE RELATIONSHIP BETWEEN SUPERVISORY REWARD POWER AND EMPLOYEES' JOB OUTCOME: WORK MOTIVATION AS THE MEDIATING ROLE

Lindsey Wong Sing Yee

This study aimed to identify the linkage of supervisory reward power with job outcome, organizational citizenship behavior and employees' task performance where work motivation act as a mediator. The objectives of this research are (a) to identify relationship between supervisory reward power and employees' job outcome, (b) to identify relationship between work motivation and employees' job outcome, (c) to identify work motivation as the mediator of the relationship between supervisory reward power and employees' task performance, (d) to identify work motivation as the mediator of the relationship between supervisory reward power and organizational citizenship behavior. The respondents of this study are 118 employees of a private company in Kuching. The factors concerned are supervisory reward power, work motivation, organizational citizenship behavior, and task performance. The research methodology used is quantitative survey approach and utilizing Pearson correlation analysis and stepwise regression analysis to test the hypotheses. Pearson correlation analysis was used to determine the relationship between the variables. Stepwise regression analysis was used to test the mediating variable in the relationship between supervisory reward power and job outcome. The findings of this study showed that all the hypotheses proposed were accepted. Therefore, it is recommended that organization and management should put strong emphasize on the supervisory reward power as they are crucial to enhance the employees' job outcome and work motivation as also in the consideration.
ABSTRAK

HUBUNGAN ANTARA KUASA GAJARAN PENYELIA DAN HASIL KERJA PERKERJA: MOTIVASI KERJA SEBAGAI MEDIATOR

Lindsey Wong Sing Yee

Kajian ini bertujuan untuk mengenalpasti hubungan kuasa gajaran penyelia dengan hasil kerja perkerja di mana meliputi kelakuan organisasi dan prestasi kerja pekerja di mana pengaruh motivasi kerja sebagai mediator. Tujuan kajian ini adalah (a) untuk mengenalpasti hubungan antara kuasa gajaran penyelia dan hasil kerja pekerja, (b) untuk mengenalpasti motivasi kerja sebagai mediator di antara hubungan kuasa gajaran penyelia dan prestasi pekerja, (c) untuk mengenalpasti motivasi kerja sebagai mediator di antara hubungan kuasa gajaran penyelia dan kelakuan organisasi, dan prestasi kerja. Metodologi penyelidikan yang digunakan adalah pendekatan kajian kuantitatif serta menggunakan analisis Korelasi Pearson dan analisis regresi stepwise untuk menguji hipotesis. Analisis korelasi Pearson digunakan untuk mengkaji hubungan antara pembolehubah-pembolehubah. Analisis regresi stepwise digunakan untuk menguji pembolehubah mediator dalam hubungan antara kuasa gajaran penyelia dan hasil kerja. Hasil analisi kajian ini menunjukkan bahawa semua hipotesis yang diajukan telah disokong. Oleh kerana itu, mencadangkan bahawa organisasi dan pihak pengurusan harus meletakkan menekankan pada kuasa gajaran penyelia kerana mereka sangat penting untuk meningkatkan hasil kerja pekerja dan motivasi kerja sebagaimana juga dalam pertimbangan.
CHAPTER 1
INTRODUCTION

1.0 Introduction

This chapter includes nine sections. The first section discusses about the background of the study. The second section states the statement of problem. The third section explains the objectives of the study; comprise main objective and specific objectives. The research conceptual framework is in the fourth section. The fifth section explains the research hypothesis. The sixth section explains about the significance of the study. The seventh section defines the important terms used in the study that consist of conceptual definition of terms and operational of term. The eighth section is the limitation of this study. The final section discusses about the conclusion of this chapter.
1.1 Background of the Study

Nowadays, organizations are demanding employees who are "good citizens"—individuals willing to extend themselves to help coworkers and employers (Sloat, 1999). In order to be competitive, the employers need to ensure that their employees are sensitive, thoughtful, and effective when carrying out their work. They need to be encouraged to show their fullest potential.

Work behavior that goes beyond the reach of organizational measures of job performance holds promise for a long-term organizational success (Van Dyne, Graham, & Diener, 1994) because they are purported to improve organizational efficiency, effectiveness, and adaptability (Organ, 1988).

Rewards will be provided recognition for people in their achievement and contribution (Armstrong & Stephens, 2005). It has been used to show appreciation towards the employees' effort and contribution during the employment. An organization reward system includes anything an employee values and desires that an employer is able and willing to offer in exchange for employee contribution (Cascio, 1992).

The fundamental objectives of the rewards are to attract, retain and motivate the employees so that they would perform their duties effectively and efficiently (Cherrington, 1987). With a proper reward system it may increase the employee retention and thus will lead to job satisfaction, motivation and commitment towards the organization (Lawler, 1990). Thus, the management of an organization should be more concerned in managing the reward system.

In this study, the supervisory reward power is a concern. The supervisory reward power is the perceived ability to present subordinates with outcomes that are
valued in a positive manner (Hinkin & Schriesheim, 1989). It also refers to supervisor’s ability to provide advancement, recognition, acceptance, favorable position, or vital resources. Based on the ability to control valued organizational assets, employees would perform better task performance in order to get supervisory rewards (Jahangir, 2006). Hence, rewards can be neither in term of monetary or non-monetary.

1.2 Statement of Problem

Based on past research, a growing number of studies on the supervisory reward power issue have been carried out due to the realization of the effect of the demanding working environment in today’s new age competitive world. It was quite recently that this issue has grabbed the interest of researchers. A different perspective has been looked into in order to prove the relations between the supervisory reward power and their employees’ outcome with work motivation as the mediator.

Much research theories on leader power have supported that supervisor reward power would be positively associated with employee task performance, productivity, satisfaction, turnover, and organizational citizenship behaviors (Simen, 1976; Martin & Hunt, 1980; Jahangir, 2006). Although prior theories had stated that supervisor reward power has a significant impact on employee outcomes, little attention has been paid to the process that how that power influences employee work outcomes. The published literature on leader while extensive, suffers from some deficiencies. The past literature has devoted inadequate attention to the relationships among supervisor power and employees’ outcome (Rahim, Antonioni, & Psenicka, 2001). Despite Raven’s (1992) call for studying how certain power bases influence the existence and use of the remaining power bases, there has been little systematic attempt to investigate this process. Besides, little or no attention has been devoted to investigate whether power bases have direct, as well as mediated effects through
work motivation on other variables such as job performance and organizational citizenship behavior (Rahim, Antonioni, & Psenicka, 2001). Therefore, there have been the calls for a theoretical explanation of the effects of supervisory reward power on employee work outcomes (Elangovan & Xie, 1999; Jahangir, 2006).

Task performance and organizational citizenship behavior towards the reward provided has a big impact on the organization itself. The force that keeps an organization to go lies exclusively on its employees. What the employees do and think will directly and indirectly affect the organization performance.

The past studies that were done by researchers are more focused on the relationship between supervisory reward power and employees’ task performance or and organizational citizenship behavior but does not included the work motivation as the mediating role. For example, study done by Amyx & Alford (2005); Jahangir (2006); Cheng et al. (2004) only focused on the leader reward behavior associated with employees’ task performance, productivity, satisfaction, turnover, and organizational citizenship behaviors.

Drawing on different theories of motivation, it can be argued that perceived reward power of the supervisor will be positively related to subordinate work motivation and produce a positive outcome. For instance, studies that conducted to examined the relationship between supervisory reward power and employees’ performance and behavior, and work motivation act as moderator (Hsi & Tso, 2008; Whittington, Goodwin & Murray, 2004) had show that the employees’ performance and behavior are strongly affected by their supervisor high reward power ability which had been motivated their psychological reaction. Thus, it is important for the organization to investigate this similar study in Malaysia context as these studies were only done in oversea.
While there have been many studies of organizational citizenship behavior (OCB) and employees’ task performance in organizations, little known studies have examined the linkage of supervisory reward power with OCB and employees’ task performance where the effect of work motivation, as a mediator, is included (Hsi & Tso, 2008).

Hence, the present study is an attempt to bridge these gaps. Specifically, it was designed to test of how subordinates’ perception of supervisory power bases are related to their job outcome, which in turn, is related to supervisors’ evaluation of job performance and OCB, and work motivation as the mediator. This is a more functional approach for providing alternative explanations of the relationships among correlated variables.

This study was conducted in order to answer the following questions:

a) What is the relationship between supervisory reward power and job outcome?
b) What is the relationship between work motivation and job outcome?
c) What is the relationship between supervisory reward power and job outcome when work motivation mediates the relationship?
1.3 Objectives of the study

This study was conducted to identify the relationship between supervisory reward power and employees' task performance and organizational citizenship behavior, and with work motivation as mediating factor.

The objectives of the study can be summarized as follows:

1.3.1 General Objective

To identify work motivation as the mediator of the relationship between supervisory reward power and employees' job outcome.

1.3.2 Specific Objective

a) To identify relationship between supervisory reward power and work motivation.
b) To identify relationship between supervisory reward power and employees' job outcome.
c) To identify relationship between work motivation and employees' job outcome.
d) To identify work motivation as the mediator of the relationship between supervisory reward power and employees' task performance.
e) To identify work motivation as the mediator of the relationship between supervisory reward power and organizational citizenship behavior.
1.5 Research Hypothesis

H1: There is a positive relationship between supervisory reward power and work motivation

H2: There is a positive relationship between supervisory reward power and task performance

H3: There is a positive relationship between supervisory reward power and organizational citizenship behavior

H4: There is a positive relationship between work motivation and task performance

H5: There is a positive relationship between work motivation and organizational citizenship behavior

H6: Work motivation positively mediate the relationship between supervisory reward power and task performance

H7: Work motivation positively mediate the relationship between supervisory reward power and organizational citizenship behaviors
1.6 Significance of the Study

- *Theoretical Contribution*

The existing theory was only investigated to response above argument that what is the process of supervisor reward power affecting employees' outcome.

This study can further investigate employees' outcome included task performance and organizational citizenship behavior which affect by supervisor's ability to provide advancement, recognition, acceptance, favorable position, or vital resources where for provide things that the subordinate strongly desires when work motivation as major mediators in the process that supervisor reward power influence employee outcomes.

This study will demonstrate how work motivation can affect employees' outcome. The work motivation will increase or decrease the employees' task performance and organizational citizenship behavior.

- *Practical contribution*

This study can be used as a guideline for supervisor or employee in managerial capacity in managing the reward power, improve employee task performance and behavior, motivate subordinates, and increase employee commitment. This had given a great opportunity to explore the types of supervisory
reward power that can provide for the employees within an organization. The valuable knowledge about rewards gained from the research is useful to the supervisor or employee in managerial capacity. This new knowledge would certainly help them to improve the supervisory reward power system in an organization.

The supervisor or employee in managerial capacity will be able to understand and fulfill employees’ desire; and manage them to be more effective and efficient in terms of able to achieve organizational goal.

1.7 Definition of Term

1.7.1 Independent Variable: Supervisory reward power

**Conceptual**

The source of supervisory reward power arise from the subordinate’s dependence on his or her supervisor, which represented that their supervisor has enough ability to provide things that the subordinate strongly desires (Emerson, 1976; Casciaro & Piskorski, 2005). It refers to supervisor’s ability to provide advancement, recognition, acceptance, favorable position, or vital resources. Based on the ability to control valued organizational assets, employees would perform better task performance in order to get supervisory rewards (Jahangir, 2006).

**Operational**

In this study, supervisor reward power is a support that refers to supervisor’s understanding tolerance toward employees juggling with their work; where is the ability of supervisor to provide subordinate desired organizational asserts whether in tangible or intangible that include financial reward, fringe benefit, recognition and
praise, career and education opportunities, personal improvement, and self-esteem and respect (Kottkamp et al., 1986).

1.7.2 Mediator: Work motivation

Conceptual

Work motivation is the concept used to describe the forces acting on or within an organism to initiate and direct behavior (Petri, 1991). The concept of motivation can be used to explain differences in the intensity of behavior. Intensity is directly proportional to levels of motivation. The concept helps to explain why behavior occurs in one situation but not in others (Kalat, 1981). It is refer to psychological forces within a person that determine the direction of a person behavior in an organization a person level of effort and a person level of persistence in the face of obstacle (George & Jones, 2002).

Operational

In this study, work motivation refers to process that account for an individual’s willingness to exert high level of effort to reach organizational goals, conditioned by the effort’s ability to satisfy some individual need. It is a set of reasons that determines one to engage in a particular behavior. Thus, in this study it will be measured by internal self-motivation, work effort, sense of personal accomplishment, and improvement (Van de Ven & Ferry, 1997).
1.7.3 **Dependent Variable: Task Performance**

**Conceptual**

Hiltrop and Despres (1994) defined task performance as the value added in an activity or task achieved by an individual at work. Mobberg and Caldwell (1988) defined task performance as employees' level of achievement against the standard determined by the employer. Johns (1992) defined task performance as the degree to which the members of the organization contribute to reach the organizational objective.

**Operational**

In this study, task performance is defined by the employees' action or achievement at work where included employees' customer relation, employees' quality of performance, employees' productivity and employees' morale. Hence, it will be measured by significant contribution performance, completes job assignments on time, is one of the best employees in their work unit, and performance meets the expectations of the supervisor (Farh & Cheng, 1997)

1.7.4 **Dependent Variable: Organizational citizenship behavior**

**Conceptual**

Organizational citizenship behaviors (OCB) are a special type of work behavior that are defined as individual behaviors that are beneficial to the organization and are discretionary, not directly or explicitly recognized by the formal reward system. These behaviors are rather a matter of personal choice, such that their