

The Impact of Rewards on Employee Motivation, the Mediating role of Office Design: Empirical Evidence from Hotel Industry of Pakistan.

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Abstract: *The real objective of this study was to find out the relationship among the rewards and motivation with mediating role of office design. This is a quantitative study and for data collection questionnaires were used with sample size of 250 employees of (Marriot hotel and Serena hotel Islamabad, Pakistan). Results show that when attractive rewards with better office design are given it leads to increase in motivation of employees. Limitations of study are the sample size was not that diverse and also only one method for data collection i.e. A questionnaire was used for data collection. On the basis of results it is recommended that rewards, office design should be given importance as it leads to increase in employee motivation.*

Key words: *Rewards, office design, motivation, Pakistan*

I. Introduction

Man is extraordinary creature, it is nature's most unique and cherished creation, not only man can sense it can reason and act for its needs and wants. Man is paramount because he can create his own plans, work them and achieve them with sheer hard work ultimately charting his own destiny. He is the author of his own future unlike other living creatures. All the scholars or successful men in this world past or present are same as us, it's only when they chose to become different that made them unique. But man has to set his purpose so that it can act and what can be better than self motivation, but some times you need to make people motivated to make them reach their potential.

Success is what every one wants and business firms are no exception in today's world of cut throat competition where firms are trying there best to remain at the top of competition, to have an edge they need resources, but not any resources they need resources which are most precious and unique. In these one of the best resources they have are their employees, which are the alpha and omega for the firm's short term and long term successes. For any firm to succeed they need to have highly motivated employees who can aim high and achieve their targets with ease.

Motivation the most powerful element in success of any endeavor, motivation refers to control and excite. According to Abraham Maslow American psychologist, employees or people have got five necessary levels of requirements these are physiological, social, security, self-pride, and self- actualization. Maslow also stated that first common needs have to be fulfilled earlier then the next greater requirements will motivate employees or people. (Maslow, 1943). Every one works with passion and zeal when they see they are going to get something. Employees will always perform at optimum when they sense and get to know they are going to get something of worth, according to Vroom's theory which is founded on simple belief that white and blue collar workers effort will result in better performance or achievement which will result in rewards in return. Rewards can be either good or bad, the better the reward it's a possibility the employees will be profoundly motivated. And poor the rewards its rare possibility the employee will be motivated (Vroom, 1964). Skinner's theory simply declares behaviors shown by employees that give good results will be done again by employees. Behaviors that give poor results will not be done again by employees. So managers must promote those behavior which lead to good results. (Skinner, 1953).

The current study major focus will be the impact of rewards, mediating role of office design on employee motivation how much it affects them in two foreign hotels operating in Pakistan. This research also gives short term and long term benefits of rewards on employee motivation.

Problem statement

The current study explores the relationship between following variables; (1) rewards, the (2) mediating role of office design on (3) employee motivation in hotels operating in Pakistan.

Originality of the study

The research paradigm that is the impact of rewards, the mediating role of office design on employee motivation in two foreign hotels operating in Pakistan will be researched which will tell us the factors leading to higher motivation and ultimately hardcore loyalty. This research will look in to which variables lead to most motivation of employees, so that hotels can easily use them to increase more motivation which ultimately leading to increased performance and loyalty among its most valuable asset or treasure which are its employees. This research area that is the office design and its mediating effect on reward and motivation specifically in the hotel industry of Pakistan is yet to be researched and this research for the first time will look in to rewards of different hotels chains operating in Pakistan exploring this specific area will have benefits for not only the hotel management, but it will also have a significant contribution to the management research.

Applied aspects

Employee motivation is the primary target of every business organization, which leads to employee performing above average providing enormous benefits for firms. Whichever strategies that are developed and promoted are meant for employee motivation. The research has various applied aspects. Findings of the research may be conveyed to the hotels managing authorities for usage in the hotel industry of Pakistan to enhance the number of satisfied and loyal employees.

Objective of study:

- The study aspires to find, what types of rewards are provided in two foreign hotels of Pakistan.
- To study the level of effect on motivation of employees of the two foreign hotels in Pakistan.
- To find out whether office design has any effect on employee motivation.
- To determine if there is any relationship between three variables that is rewards (independent variable), role of office design (mediating variable) and motivation (dependent variable).

Research questions:

What kind of association exists between rewards, office design and employee motivation?

What are the effects of rewards on employees?

Does every element of rewards and office design effects employee motivation?

II. Literature review:

Collin Pitts in 1995 said Pay is considered as the most meaningful and motivating benefit that is gained in turn for providing service. It's the reward that encourages people or employees to go to market and find a job. Salary is one of the ways to appoint or set a mutually acceptable common value to the individual's work input. If for some reason companies don't provide employees with the reward package of their desire, this will lead to dissatisfaction with firm, which will result in difficulty for companies in selecting, recruiting and retaining valuable employees (Colin Pitts, 1995).

Reward strategy is considered as that tactic that provides particular guidance for the management to establish and draft programs which assures that it rewards the accomplishments and performance outcomes aiding the achievement of business aims. Armstrong (2000) agreed that reward strategy provides particular way for company's to draft its individual reward agendas. Vicki (1994)

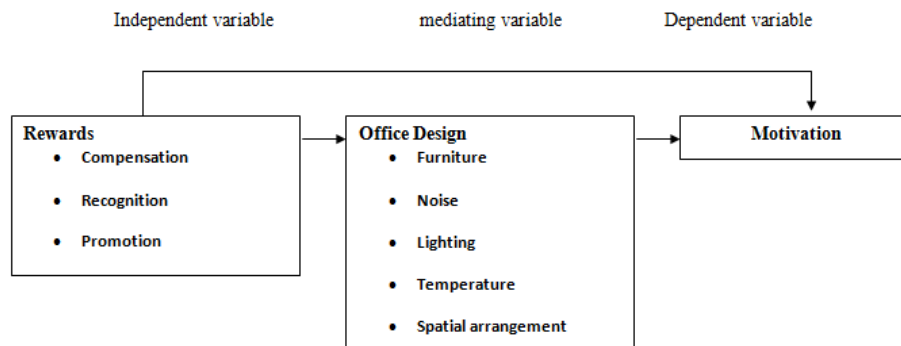
In a research published in 1999 American Society of Interior Designers (ASID) conducted a separate enquiry and gave the evidence that office design belongs in the top three reasons which have an impact on performance and job satisfaction. Taking these finding in account organizations have been experimenting with new office designs and techniques to develop office building that will lead to increase productivity and bring and keep more employees. Intellectuals have recognized that office design of institute or building in collaboration of effective administration processes leads to increase employee productivity and improved organizational performance (Uzee, 1999; Leaman and Bordass, 1993, Williams. 1985). Quible (1996) stated that destitute atmosphere can lead to disorganized workers productivity and can also lower their level of motivation that may result in less job satisfaction, which may in turn affect the financial prosperity of the organization.

Motivation mentioned as "the reasons underlying behavior" (Guay 2010). The question arises why is there is a requirement for employees who are motivated. Simple explanation survival. (Smith, 1994). Employees who are incited or having a spark are much in demand in quickly changing establishments or setups. Galvanized employees not only aid in the survival of companies but also are more creative and beneficial. Executives are required to understand what are the motivating factors which galvanize employees in performing their tasks then they will be productive, all the tasks which executives carry's out, galvanizing employees is the most complicated task, this is mainly because of fluctuating motivations of employees. (Bowen & Radhakrishna 1991). Robert, (2005) who looked in to Barons work (1983) he clearly said that motivation is not only the factor leading to performance; performance may also effect motivation if rewards are provided. Organizations mostly expect their employees to comprehend and go after the commands, and fulfill the jobs given to them as per the

targets set for them; whilst the employees anticipate excellent working environment, impartial income, impartial treatment, safe career, influence and involvement in major decision making (Khan 2010).

As these beliefs are different from organization to organization, Beer (1984) declared that its crucial that we find what issues motivates employees and which elements effect motivation, taking them in account different reward strategies can framed and employed to increase the motivation which culminates in high productivity for organization.

Proposed Theoretical framework:



Hypothesis generation:

- H1. The effective use of rewards leads to increase in employee motivation.
- H2. There is a positive relationship between rewards and office design.
- H3. The effective office design leads to increase in employee motivation.
- H4. Office design mediates the relationship between rewards and employee motivation.

III. Methodology:

The paradigm for the current research consisted of two flourishing foreign hotels operating in Pakistan. Two of foreign hotels are Marriott hotel Islamabad, Serena hotel Islamabad two of these hotels have established their credentials as best service providers of their customers. The study population consists of 125 employees of each hotel; so total of, 250 employees were chosen for all of study. The respondents were selected on the basis of their personal characteristics like gender (82.8% male and 17.2 % female), age range (22-50), qualification (degree level), job experience and martial status (married or unmarried).

Sampling procedure:

A random sample of respondents from HR managers, office managers, duty managers, housekeeper managers, maintenance chiefs, food and beverage chiefs (125 Marriott hotel officers, 125 Serena hotel officers) was be drawn from the hotels respectively.

Hotel	Respondents
Serena hotel	125

Marriot hotel	125
Total	250

Source: Researcher’s own processing

Tools for data collection:

The research design consists of analysis of data collected through questionnaires. There are three main sections of questionnaire; the study adopted questionnaire from De Beer (1987) for rewards, for office design the Questionnaire has total of 20 questions; 4 questions on each variable and four dimensions of employee motivation, the questionnaire was amended according to the research requirements. The scale is divided from 1 (strongly disagree) to 5 (strongly agree) for all of the questions.

Reliability of the instruments:

The cronbach-alpha reliability coefficients for the all variables are as follows.

Name of variable	Cronbach's Alpha	No. of Items
Compensation	.865	4
Promotion	.858	3
Recognition	.879	4
Furniture	.848	4
Noise	.837	4
Temperature	.883	4
Lighting	.890	4
Spatial arrangement	.881	4
Motivation	.944	4

Data Analysis:

For conducting data analysis Social sciences (SPSS) software version 16.0 was utilized in the current study for analysis and presentation of results. Linear regression was done for the examining of the hypothesis in this study. For examining mediation, Baron and Kerry test was executed. Pilot testing was conducted to authenticate the tool; a pilot test was conducted of a sample of 80 respondents. The given back questionnaires were very helpful in rarefy the instrument. To better the simplicity and comprehensibility of questionnaire, hard to understand words were replaced with simpler and easier to understand words where it was possible. Also, some other items were paraphrased to make sure that the understanding level is more suitable.

H1: The effective use of rewards leads to increase in employee motivation.

	r	R Square	Adjusted R Square	F	P value
Rewards	.959	.919	.919	2.826E3	0.000

Dependent variable: Motivation

Table a.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.630	.268		-2.349	.020
	Reward	.378	.007	.959	53.164	.000

a. Dependent Variable: Motivation

In table a, from the analysis done on SPSS it showed that $r=0.959$. As the results are higher then the regular value 0.5, it shows that there is a strong correlation between the both independent and dependent variable i.e. rewards and motivation. As per results 91.9% variation in motivation is due to rewards and rest 8.9% due to other factor that is a small amount of variation, which could be ignored. Therefore we conclude that motivation is highly effected by reward. The P value is $0.000 < (0.05)$ culminating in the approval of hypothesis 1.

H2: There is a positive relationship between rewards and office design.

	r	R Square	Adjusted R Square	F	P value
Rewards	.923	.852	.851	1.428E3	0.000

Dependent Variable: Office design

Table b.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12.401	1.511		8.206	.000
	Reward	1.515	.040	.923	37.788	.000

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12.401	1.511		8.206	.000
	Reward	1.515	.040	.923	37.788	.000

a. Dependent Variable: Office Design

In table b, from the analysis done on SPSS it showed that $r=0.923$. As the results are higher than the regular value 0.5, it shows that there is a strong correlation between the both independent and dependent variable i.e. rewards and office design. As per results 85.2% variation in office design is due to rewards and rest 14.8% due to other factor that is a small amount of variation, which could be ignored. Therefore we conclude that office design is highly affected by reward. The P value is $0.000 < (0.05)$ culminating in the approval of hypothesis 2.

H3: The effective office design leads to increase in employee motivation

	r	R Square	Adjusted R Square	F	P value
Office design	.831	.691	.689	553.598	0.000

Dependent Variable: Motivation

Table c

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.325	.590		-.550	.583
	Office Design	.200	.008	.831	23.529	.000

a. Dependent Variable: Motivation

In table c, from the analysis done on SPSS it showed that $r=0.831$. As the results are higher than the regular value 0.5, it shows that there is a strong correlation between the both independent and dependent variable i.e. office design and motivation. As per results 69.1% variation in motivation is due to office design and rest 30.9% due to other factor that is some amount of variation. Therefore we conclude that motivation has effect of office design. The P value is $0.000 < (0.05)$ culminating in the approval of hypothesis 3.

H4: Office design mediates the relationship between rewards and employee motivation

	R	R Square	Adjusted R Square	F	P value
Office design Rewards	.969	.939	.939	1.903E3	0.000

Dependent variable: Motivation

Table d.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.325	.590		-.550	.583
	Office Design	.200	.008	.831	23.529	.000
2	(Constant)	.458	.263		1.738	.083
	Office Design	-.088	.010	-.365	-8.936	.000
	Reward	.511	.016	1.296	31.728	.000

a. Dependent Variable: Motivation

In table d, from the analysis done on SPSS it showed that $r=0.969$. As the results are higher than the regular value 0.5, it shows that there is a strong mediation of office design between the both independent and dependent variable i.e. rewards and motivation. The P value is $0.000 < (0.05)$ culminating in the approval of hypothesis 4.

IV. Discussion:

The real purpose of following research was to discover out the connection among rewards, office design and motivation in two multinational hotels operating in Pakistan. After the interpretation of results, it is

clear that there exists a relationship among reward, office design and motivation. The mediating impact of office design on the relationship between rewards and employee motivation is proved and results are significant. The significant relationship of office design with both rewards and motivation proves it as mediating variable (Table d). Therefore the Hypothesis no 4 office design mediates the relationship between rewards and employee motivation is proved. It is clear that when effective rewards (compensation, promotion and recognition) with amalgamation of prime office design (furniture, noise, temperature, lighting and spatial arrangement), leads to increase in employee motivation which as a results leads to increase in employee loyalty, increase productivity and low turnover in organizations.

V. Conclusion:

This research study has exhibited that hotel industry in Pakistan should use diverse methods to motivate employees in their office or working environment. This study sheds light on different conditions which are required to motivate employees. It has been noticed that rewards have significant effect on employee motivation and contribution of office design is observed on employee motivation as when combined with rewards. Employee motivation is very important for any company's development and success as unleashing human potential can give astonishing results. It is therefore imperative for an employer to be conscious of factors which motivates the employees as it acts like a catalyst to employees to maximize their overall job performance and loyalty.

Limitations of the Study:

The limitations of current study are, the sample size were not diverse as only two hotels operating in Islamabad were selected. Data for the research was gathered by means of questionnaires; alternative methods could also be used for gathering data.

Recommendations:

In light of the above study, it is recommended that inquiry and inquisitions may be designed to appraise the rewards, office design and employee motivation so that future studies may be drafted keeping into account the existing modus operandi.

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