

**T.C.  
YASAR UNIVERSITY  
INSTITUTE OF SOCIAL SCIENCES  
BUSINESS ADMINISTRATION  
MASTER THESIS**

**THE EFFECT OF THE COMPENSATION SYSTEM ON THE LEVEL OF EMPLOYEES  
MOTIVATION: THE ROLE OF THE MODERATE VARIABLES IN THE EFFECT  
RELATIONSHIP BETWEEN COMPENSATION SYSTEM AND LEVEL OF  
EMPLOYEES MOTIVATIONS**

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**Izmir, 2015**



## T.C. YASAR UNIVERSITY

### SOSYAL BİLİMLER ENSTİTÜSÜ YÜKSEK LİSANS TEZ JÜRİ SINAV TUTANAĞI

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**WAFAA SALMAN IBRAHIM**

**ABSTRACT**

Increasing competition among organizations leads to more emphasis on the concept of motivation, which is a key factor to success for all organizations. Therefore, it has been recently realized that creating a good compensation system is important for employees to meet their intrinsic and extrinsic needs. This study aims at examining the relationship between compensation systems and the level of employees' motivation in a hospital in Iraq and determining the effect of the moderator variables of supervisors' support, coworkers' support and the value of money in the proposed relationship. In doing so, a survey was conducted on a sample of 118 respondents at Azadi Hospital. The study tries to determine the extent of the link between the compensation system and level of employee's motivation. It is also to verify the effect of the moderator variables affecting to the relationship between the compensation system and the level of employees' motivation. The major conclusion of the study was that weak and negative relationship has been noticed between intrinsic rewards it shows from  $F(t) (1,116) = 3.923 > F(c) = 0.124$ . It accounted for the 0.01 % which is very weak affects relationship between intrinsic rewards and intrinsic motivation. As well as a weak relationship between extrinsic rewards and extrinsic motivation the  $F(t) (1,116) = 3.923 > F(c) = 0.842$  and the P value = (0.361) which is less than the significant of the study value (0.05). The result has revealed that money is the most important factor in motivating employees. Therefore, it was recommended that the motivation should be built on a good compensation system by providing rewards to the employees based on their needs and desires.

**Keywords:** Compensation system, level of employees' motivation, supervisors' support, coworkers' support and value of money.

**YAŞAR ÜNİVERSİTESİ**  
**SOSYAL BİLİMLER ENSTİTÜSÜ**  
**İŞLETME ANABİLİM DALI**  
**YÜKSEK LİSANS TEZİ**

**ÜCRETLENDİRME SİSTEMİNİN ÇALIŞANLARIN MOTİVASYON DÜZEYİ ÜZERİNDEKİ ETKİSİ: MODERATÖR DEĞİŞKENLERİN ÜCRETLENDİRME SİSTEMİ VE ÇALIŞANLARIN MOTİVASYON DÜZEYİ ARASINDAKİ ROLÜ**

**WAFAA SALMAN İBRAHİM**

**ÖZET**

Örgütler arasındaki rekabetin artması, tüm örgütlerin başarısının bir anahtarı olan motivasyon kavramı üzerine yoğunlaşmasına yol açmıştır. Bu nedenle, son zamanlarda, iyi bir ücretlendirme sistemini oluşturmak çalışanların içsel ve dışsal memnuniyetini sağlamak açısından önemli hale gelmiştir. Bu çalışma, Irak'ta faaliyet gösteren bir hastanede ücretlendirme sistemi ile çalışan motivasyonu düzeyi arasındaki ilişkinin etkisini araştırmayı ve yönetici desteği, meslektaş desteği ve paranın birey açısından ifade ettiği değer değişkenlerinin bu ilişki üzerindeki moderator etkisini bulmayı amaçlamaktadır. Bu amaçla, Azadi hastanesinde çalışan 118 katılımcıdan oluşan bir örneklem üzerinde bir araştırma gerçekleştirilmiştir. Çalışmada, ücretlendirme sistemi ile çalışan motivasyonu düzeyi arasındaki ilişkisinin yanı sıra, moderatör değişkenlerin ücretlendirme sistemi ile çalışan motivasyonu düzeyi üzerine etkisi de araştırılmıştır. Çalışmanın temel sonucu, içsel ödüllendirme ile içsel motivasyon arasındaki ilişkinin zayıf ve olumsuz olmasıdır, bununla birlikte, dışsal ödüllendirme ile dışsal motivasyon arasındaki ilişki de oldukça zayıftır. Ayrıca, çalışma paranın, çalışanların motivasyonundaki en önemli unsur olduğunu ortaya koymaktadır. Buna göre motivasyonun, çalışanların ihtiyaçlarına ve isteklerine göre düzenlenen ödüllere göre oluşturulan iyi bir ücretlendirme sistemi üzerine inşa edilmesi önerilmektedir.

**Anahtar kelimeler:** Ücretlendirme sistemi, çalışanın motivasyon düzeyi, denetçi desteği, meslektaş desteği, paranın anlamı.

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## DEDICATIONS

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## CHAPTER ONE

### INTRODUCTION AND OVERVIEW

#### 1.1 INTRODUCTION

Motivation is an important concept extensively discussed by many researchers. According to Baron (1983, 123) motivation is “a set of processes concerned with the force that energizes behavior and directs it towards attaining some goal”. There is a number of different theories that focus on how to motivate employees in different ways. In the first half of twentieth century, the first theory emerged was Maslow hierarchy of needs (1954), Herzberg Two Factor Theory (1959) and Vroom Expectancy Theory (1964). These researchers tried to explain human needs and how to motivate employees. According to Lazear and Gibbs (2009), intrinsic motivation is an internal force inside of the people that pushes them to behave in a certain way. Intrinsically motivated people usually prefer to do challenging job, personal growth and autonomy, while employees are extrinsically motivated as a consequence of tangible rewards such as benefit, money and extra wages .

However, the needs and the desires of individuals are changing continuously; therefore, an organization has to be aware of how to apply a suitable compensation system for compensating employees. In some cases, some employees are more intrinsically motivated while, others are more extrinsically motivated. In other words, when a manager tries to avoid mistakes in compensation system, it is important to study the need and desire of the employees before the compensation process. The right way in compensating employees leads to reducing turnover, less absenteeism and improving productivity; which is the aim of every organization to reach.

The role of money cannot be ignored as a motivational factor. According to Locke, Feren, McCaleb, Shaw, and Denny (1980: 379) “Money is the crucial incentive”. By money an individual can fulfill the physical needs (foods, clothes, and houses) and psychological needs (self-actualization, respect, and growth). The studies have shown that having large amount of money cannot cause happiness because the intense focus and emphasizes on money leads to unhappiness. Herzberg (1959) states that money is a hygiene factor which causes dissatisfaction but the absence of money

cannot cause satisfaction. Nel et al., (2001) state that the majority of authors assume that if an individual sees money as a motivating factor or not it depends on what people consider as motivation. According to different motivation theories that are discussed in the literature, motivation is a force generated inside a person in order to achieve a specific goal. Employees exert high level of effort to fulfill the needs which they feel are unsatisfied.

Kahn (2001) points out that support refers to the extent to which an employee feels he/she is important and valuable in the organization. Hence, the social support is generated from two sources: supervisor's support and coworker's support. Employees feel motivated when they belong to a group and share information and knowledge with other colleagues. Therefore, the human nature comes from interaction with other people which is proven in Hawthorne study as further discussed in the literature. Additionally, employees prefer to be self-controlled not by supervisor they want to see democratic supervisors and reduction in traditional hierarchical relationships with supervisors.

The aim of this study is to measure the extent to which employees are intrinsically or extrinsically motivated, and to show the importance of compensation system whether employees prefer intrinsic or extrinsic rewards. And also how they perceive support received from the supervisors, coworkers and perception or the (value) of money.



## **1.2 Statement of the Problem**

The problem of the study is mainly related with the following aspects:

- 1- Compensation system: Identify the effect of the intrinsic and extrinsic rewards on the level of employee's intrinsic and extrinsic motivation.
- 2- Level of employee's motivation: There are some factors that contribute to identify the relationship between compensation system and level of employee's motivation, such as supervisor support, coworkers support, and the meaning of money.
- 3- To specify the opinion of the respondent towards variables of the study.

## **1.3 Study Objectives**

- 1- To identify the factors that intrinsically or extrinsically motivate doctors at Azadi Hospital.
- 2- To determine the support perceived from supervisors and coworkers.
- 3- To determine the effects of money on doctor's motivation.
- 4- To study the effect of the compensation system among the doctors at Azadi Hospital.

## **1.4 Study Questions**

- 1- What is the level of support doctors perceive from their supervisors and coworkers at Azadi Hospital?
- 2- To what extent are employees intrinsically or extrinsically motivated at Azadi Hospital?
- 3- To what extent the perception of money or (value) of money is important by doctors at Azadi Hospital?
- 4- How well is the compensation distributed among the doctors at Azadi Hospital?

## 1.5 Structure of the Chapters

The structure of the study is given as follows:

**Chapter 1:** Provides a brief introduction to the key concepts of the study and a summary about the relationship between compensation system and the level of employees' motivation; and the perceived support from coworkers and the supervisor and the meaning or (value) of money. It also explains the problem and objectives of the study.

**Chapter 2:** Provides deeper information of each concept and also detailed explanation for each concept. By reviewing the relevant literature and focusing on the important suggestion from other researches.

**Chapter 3:** Describes the methodological part of this study, which contains the research approach, data collection instrument, sample and sample procedure. It also contains the most important findings of this study based on the result of the statistical techniques by using a specific statistical program (SPSS).

**Chapter 4:** Provides the best conclusions and recommendations for the Azadi Hospital and recommendations for further research.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1. The Concept of Motivation**

According to Kressler (2003: 1) the term “motivation originally derived from the Latin word mover, which means to ‘move’ ”. The phenomenon of motivation has been defined by many researchers in various ways. Therefore; there is no unique theory which determines the factors that motivate people in a specific time. “Employees’ motivation was an important topic even in 1789; Samuel Slater was a pioneer who was concerned about creating a good working condition for employees to do their jobs well” (Lazear and Gibbs, 2009: 129). Maslow (1954) stated that the need and desire of people differ in different times. In the opinion of Armstrong (2005: 11) “motive is the reason for doing something and motivation theory deals with factors that encourage people to behave in certain ways”.

On the other hand, Torrington, Hall, Taylor and Atkinson (2009: 276) define the concept of motivation to be “the desire to achieve beyond expectations, being driven by internal rather than external factors, and to be involved in a continuous striving for improvement”. As Antonioni (1999: 29) asserts that motivation is “the amount of effort people are willing to put in their work depends on the degree to which they feel their motivational needs will be satisfied. On the other hand, individuals become demotivated if they feel something in the organization prevents them from attaining good outcomes”. In Stephen’s opinion (1998: 68) “motivation is the willingness to exert high levels of effort toward organizational goal, conditioned by the effort ability to satisfy some individual need”.

In addition, the most important aspect of motivation is the psychological aspect. Madsen (1974: 13) defines motivation saying “motivation is an important concept in modern psychology. It is not possible to understand, explain or predict human behaviours without some knowledge of motivation”. Therefore, motivation can be defined as “the psychological process that gives behaviour purpose and direction, a predisposition to behave in a purposive manner to achieve specific unmet needs, an unsatisfied need, and the will to achieve, respectively” (Kreitner, 2004: 3). Young (2000: 1) suggests that “motivation can be defined in a variety of ways depending on who you ask”. If a researcher asks someone on the street; he or she may get a

response like “it’s what drives us” or “it’s what makes us do the things we do”. Therefore, “motivation is the force within an individual that accounts for the level, direction, and persistence of effort expended at work” (Furnham, 2012).

Motivation is both one of the simplest and most complex management jobs. “It is simple because people are basically motivated or driven to behave in a way that they feel leads to rewards. Thus, motivating someone should be easy, just find out what he or she wants and holds it” (Dessler, 1980: 55).

It can be concluded from all the above definitions that motivation has several explanations:

- Motivation is an invisible force that pushes people in return.
- Motivation is not a fixed trait; it changes according to psychological, financial, environmental and social factors.
- Having motivated workforce helps organization to survive from threat in the external environment.

## **2.2 Theories of Motivation**

‘The term motivation was developed mostly during the 1950s. There are numbers of different theories of motivation (Robbins, 2005: 170). Researchers have studied human motivation extensively to seek what really motivates people in the work place. The theories of motivation can be divided into three board categories: content theory, process theories and reinforcement theories (Stoner and Freeman and John, 2012: 11). The content theories of motivation emerged with the scientific management in the early 1900s developed by Fredrick Taylor in the late 1930s. It focuses on how to motivate employees (Locke and Latham, 2004: 388). Content theory deals with the elements that are inside the person; it supports, promotes and remains to stop the behavior of the person. They try to specify the needs that stimulate the person.

One of the most common theories in this area was Maslow's hierarchy of needs (1954). He categorized human needs in five hierarchy levels of needs: psychological, safety, belonging, esteem and self-actualization need (McShane and Glinow 2009: 137). One of the most Maslow's contributions in motivation theories was to introduce a more positive perspective on employees' motivation. Previously, scholars focused on drive "deprivation" (particularly hunger) while Maslow suggests that need for "gratification" is just important in motivating people. Clayton Alderfer's ERG theory of needs differs from Maslow's hierarchy of needs. Alderfer identified three groups of core needs: existence needs relatedness and growth. Existence needs focus on the material and safety needs as the same in Maslow's hierarchy of needs. Additionally existence needs and physiological needs are in the same level of hierarchy because relatedness needs focusing on the interaction with others and interpersonal relationship it is equal to the belonging needs in Maslow's hierarchy of needs. Therefore, they are in the same hierarchy level. Finally, the desire to fulfil the instinct needs such as self-actualization and personal growth. Therefore, growth needs are equal to the self-actualization needs in the hierarchy level.

Psychologist Frederick Herzberg has a different view about examining employees' motivation. He developed the two- factor theories of motivation. The two factors are hygiene and motivators which lead to satisfaction and dissatisfaction (Steers et al., 2004: 381). Satisfaction or motivating factors in the job content are the tasks people actually do. They are source of job satisfaction (achievement, recognition, autonomy, and job characteristics). Hygiene factors are not motivational factor; they are associated with job dissatisfaction (working condition, company police, and environmental factor). In the late 1940s McClelland's needs theories focused on the relationships between needs and behavior. Most of his research was on the need for achievement, affiliation and power. McClelland suggests that these three needs become necessary by the passage of time as a result of life experience. Therefore, "he recommends the managers to learn how to identify the presence of need for achievement, need for affiliation and need for power in themselves and in others" (Kreitner, 2004).

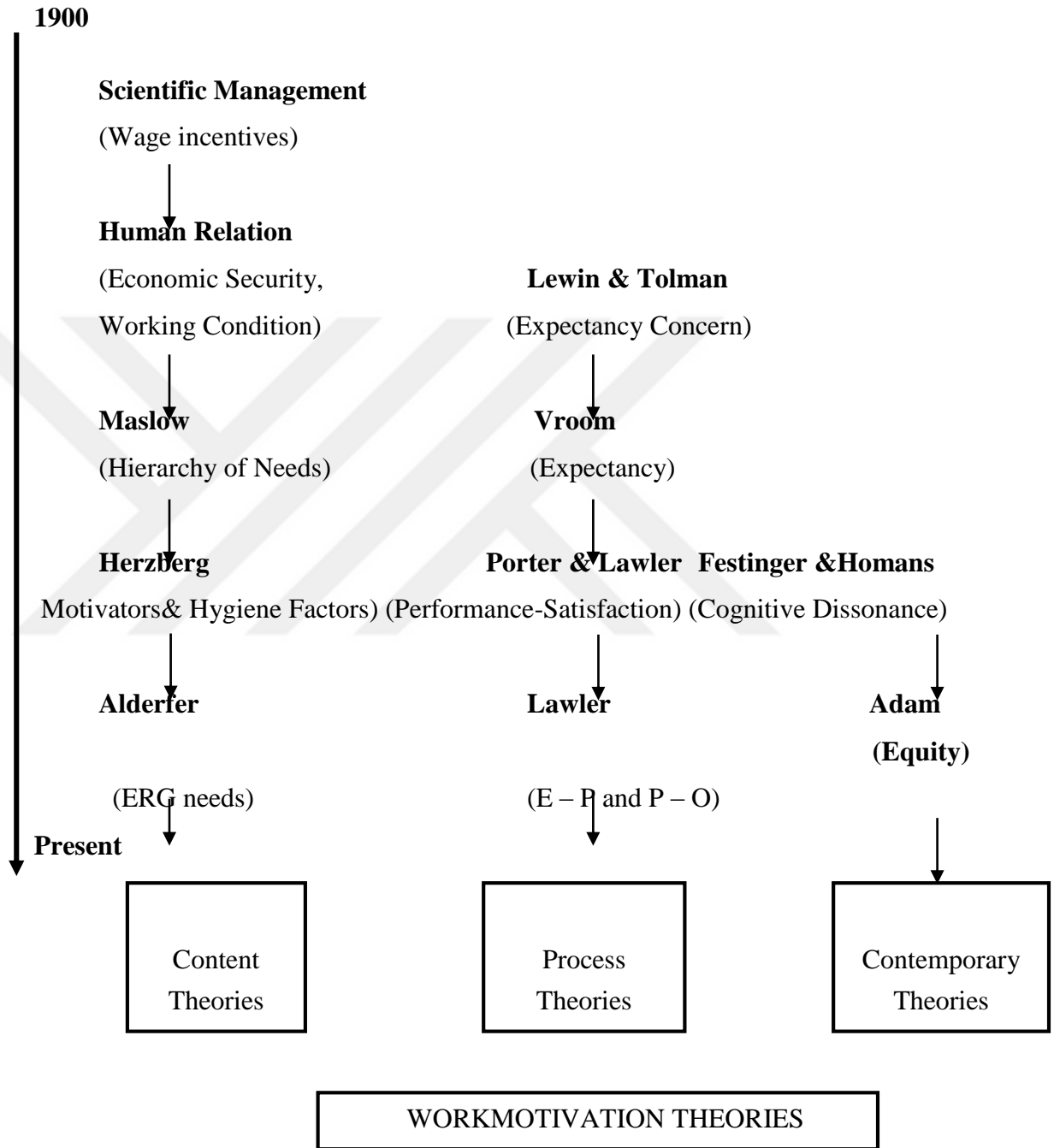
**Figure 0.1 The Relationships between Alderfer's ERG Needs, Maslow's Five Level Hierarchy, and Herzberg Two factor Theories**

Alderfer's ERG	Maslow's Hierarchy of Needs	Herzberg's Two Factors
Growth	Self-actualization needs	Motivators
Relatedness	Esteem needs	
	Social needs	Hygiene factors
Existence	Safety needs	
	Physiological needs	

Source: Luthans, K. (2000); *Recognition: A Powerful, but often Overlooked, Leadership Tool to Improve Employee Performance*, The Journal of Leadership Studies, Vol.7, No.1, pp.32-39.

In the late 1960, a new approach of motivation was emerged called "process theory". Process theories analyze how behavior is activated, guided continued and stopped by the factors that are basically external to the person. One of the most common process theories is Adams Equity Theory, developed by the Stacy Adams. Equity theory primarily addresses the relationship between attitude toward inputs and outcomes and toward reward practice. Another category of the process theory is Expectancy Theory. This theory developed by Victor Vroom. The roots of expectancy theory can be traced back to the cognitive concept of social psychology. According to this theory, people are motivated when; (1) effort will lead to desire outcomes, (2) the desired outcomes of employees will be rewarded, and (3) perceiving the value of these rewards is highly positive (Locke and Latham, 2004: 389). A number of these theories are still useful while some others are not applicable nowadays in the world.

Figure 2.2: The Theoretical Development of Work Motivation.



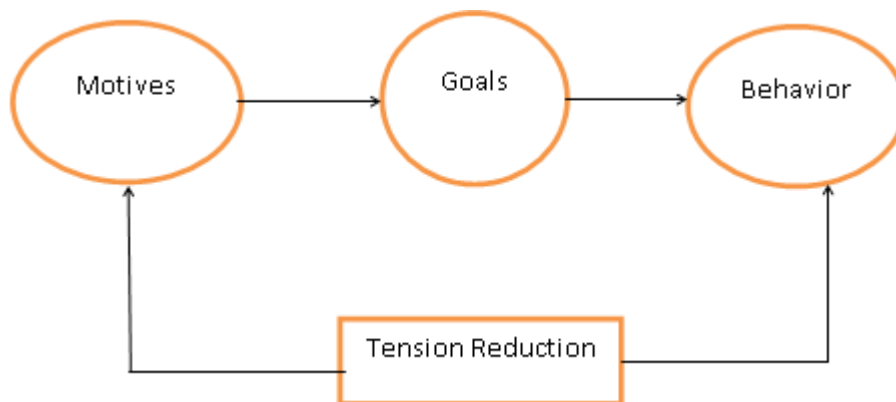
Source: Luthans, F. 2005. *Organizational Behavior*. 10th ed. Boston: McGraw-Hill .

## 2.3 The Process of Motivation

Motivation process represents a very general model of human behavior. It focuses on the factors that influence people to behave in specific ways (Armstrong, 2006: 256). Motivation is a process or cycle that aims at achieving some goals. The three major components of motivation process include: motives, goals and behavior (Khanka, 2000: 106):

- Motives: mean prompting people to action. It provides an activating thrust toward reaching goals.
- Goals: motives are directed toward goals. Motives generally create a state of psychological imbalance. Attaining goal restores balance.
- Behavior: is a series of activities to be undertaken .Behavior is directed to achieve a goal.

**Figure 2.3 Motivation Process**



One Source: Khanka, S.S. (2000). *Organizational behavior* .1ed .new Delhi.



## **2.4 Types of Motivation**

There are two types of motivation: intrinsic motivation and extrinsic motivation (Deci and Ryan 1985: 55). Employees are intrinsically motivated when they see that work is interesting (Freemantle, 2001: 53). Employees prefer to be extrinsically motivated when they see payment and money on the best consequence of their effort (Armstrong, 2006: 109-110) Therefore, the role of intrinsic and extrinsic motivation cannot be ignored. Both of them are important (Herzberg, 1959). Determining the type of motivation depends on employees. Some of them are intrinsically motivated while others are extrinsically motivated; they both depend on different factors (Nicholson, 2003: 60):

- Personal characteristics of the employees such as behaviours, capabilities, beliefs, attitudes and desires.
- The nature of their job and job characteristics.
- The nature of the organization such as procedures, monitoring system, compensation system, and human resources management system.

### **2.4.1 Intrinsic Motivation**

Jones and George (2004: 405) assert that intrinsic motivation is the invisible force inside the person that makes him behave in a certain way. Intrinsic motivation is internally created by the relationship between the person and task. Therefore, doing meaningful job is associated with intrinsic motivation. “The phenomenon of intrinsic motivation first emerged from experimental studies of animal’s behavior where it was discovered that many organisms engage in exploratory, playful, and curiosity-driven behaviors even in the absence of reinforcement or reward”(Jones and George ,2000: 519). However in human life intrinsic motivation is something inside of the person that pushes him to behave in a specific way or derive him to do something they desire without material rewards.

The intrinsic motivation is becoming more important especially after the introduction of the concept of total quality management and management by objectives, which requires extra effort from the employees. If the organization requires much more

sophisticated work, then it should be aware of how to motivate the employees by studying their needs and desires, because the needs of employees differ in different times. Roberts (2005: 29) suggests that there are two schools of thoughts dealing with to keep talented employees in the organizations: First thought, appreciating the effort of employees by the word thank you in formal way or through certificate or written notes. Second thought, by providing extra rewards (money).

According to the view of Deci (1971), people are intrinsically motivated when they see the tasks are interesting. Therefore, he called intrinsic motivation “free choice” when he conducted a study on a group of people. The purpose of this study was to measure to which extent people have interest to continue the task without material consequences. The task was consisted of two sections: In the first section, the participants were required to do a task for a limited time and in return to obtain material rewards. When the time of the task is over, they will be free to leave the room and do whatever they want. In the second section, participants were free to continue or leave the experiment room but without any material consequences. Therefore, the difference between two groups can be observed when some of the participants enjoyed continuing the task and spending extra time, because they saw the interest in the task rather than in material consequences.

However, some researchers argue that there are effective relationships between intrinsic and extrinsic motivation. Deci (1972) supposes that sometimes extrinsic motivation can increase intrinsic motivation. Supporting this argument, Brook (2009: 93) suggests that intrinsic motivation can flourish when the company provides all necessary hygiene factors to the employees such as good working condition, fringe , benefits and job security.

#### **2.4.2 Extrinsic Motivation**

Extrinsic motivation consists of all tangible and visible materials that motivate people to behave in a specific manner to acquire rewards and to avoid punishments (e.g., money, pay, benefits, and promotions). In addition, extrinsic motivation is important to attract, retain and keep employees on the job for long period of time (Jones and George, 2008: 521). According to the cognitive evaluation theory, employees are intrinsically motivated when performing a task. Sometimes employee’s performance level decreases in doing a task when extrinsic motivation is related with the

performance of the task. Thus, motivating employees by money and benefits causes the person to exert low level of effort in performing a task. It can be deduced from this theory that in some cases extrinsic motivation decreases or undermines intrinsic motivations.

As Lazear and Gibbs (2009) confirm, extrinsic motivation is a simple way to motivate employees. He mentions in his book 'Personal Economic in Practice 2009' that there are two ways to motivate employees by extrinsic motivation such as following:

- If compensation system is designed well, employees' motivation will be high.
- Rewarding employees who exert high level of effort can fulfill the personal and organizational objectives.

## **2.5 Perspectives on Intrinsic Motivation and Extrinsic Motivation from Diverse Theories:**

### **2.5.1 Cognitive Evaluation Theory**

Cognitive evaluation theory (Deci, 1985) suggested that in many cases extrinsic rewards have a positive effect on the intrinsic motivation. It depends on how the individuals interpret the result of received rewards. If the task is challenging and the recipient is interested in it, he will be intrinsically motivated (Kristjansson, 1993: 340). Additionally, if the recipient sees that the reward offers positive information on their own effort and self-control over result, again intrinsic motivation will increase. If the recipient expresses the result as external control, the intrinsic motivation will decrease.

### **2.5.2 Herzberg Two Factor Theory**

Maslow's work was modified by the psychologist Frederick Herzberg. A new motivation theory is known as Herzberg two factor theories. He did the study on 200 accountants, and engineers concluded that there are factors that cause satisfaction (Herzberg, 2003: 5). Motivational factors such as achievement, advancement, growth, recognition, work itself and responsibility are intrinsic in nature and they have

positive effect on job satisfaction, and often results in increased output so they enhance moral, satisfaction, efficiency and productivity.

On the other hand, there are factors that lead to job dissatisfaction (Hygiene factor); they are extrinsic in nature and do not motivate employees, but if absent they lead to dissatisfaction such as working condition, salary and job security (Amoako, 2011: 2-3). Herzberg was the first person to focus on the hygiene factors as the most important factor in retaining employees in the organization. He suggests that only the difficult task has the opportunity for self-achievement, advancement, stimulating work and responsibility.

### **2.5.3 Self-Determination Theory**

In Self-Determination Theory, Deci (1985) suggest that sometimes extrinsic rewards can reinforce intrinsic motivation. For example, organizational climate, daily routine and managerial behaviors have great influence in enhancing intrinsic motivation. General interest theory supports Self-Determination Theory by focusing on the intrinsic motivation (Eisenberger, Pierce, and Cameron 1999).

### **2.5.4 Douglas Hall's Age Theory of Motivation**

Hall's theory of motivation largely depends on individual chronological age (La Motta, 1995:18). Human needs vary depending on the different stages of the human life. Human needs change from time to time. Employees, less than age thirty, tend to prefer "a good salary" as a first level according to what it is important to them, which is a kind of extrinsic motivation to fulfill the needs. While employees over fifty are more concerned with "interesting work", also achievement, autonomy and recognition are most important rank orders in their job, which is intrinsic to fulfill this kind of needs.

### 2.5.5 Equity Theory

Adam Equity Theory developed in the early 1960's. Umphress, et al., (2003: 738) confirm that the feeling of inequality arises when an individual perception of his or her outcomes to inputs unequal to the others outcomes and inputs. Therefore, equity occurs when:

$$\frac{\text{Person's outcomes}}{\text{Person's inputs}} = \frac{\text{Others' outcomes}}{\text{Others' inputs}}$$

Equity Theory has an important role when managers apply fair compensation system. They can increase motivation by providing intrinsic and extrinsic rewards to employees. Sometimes extrinsic motivation is more dominant for satisfying individual needs. For example, pay represents salient motives. It leads to satisfaction of specific motives and goals. It also, provides more security - less anxiety and more recognition (Thierry, 1992). Money is an important factor in our daily life; therefore employees feel that it will lead to some security in living and recognition by peers. Even though, those employees are dissatisfied with the factor in their job such as working conditions (Rice, 1993: 202).

### 2.5.6 Attribution Theory: The Over Justification Effect

In recent years, this theory has played an important role in motivating human resources behaviour and organizational behaviours. This theory suggests that intrinsic motivation may be decreased by extrinsic motivation. People pay attention to the external rewards such as money or prizes and decrease a person's intrinsic motivation to perform a task. This theory and cognitive evaluation theory are similar in many aspects. According to Kreitner, (2008:259) there are other reasons why intrinsic motivation decreases by extrinsic motivation:

- High focus on the financial rewards.
- Employees lack of appreciations effort.
- Too long delay between employees' performance and rewards.

## **2.6 Compensation System and Motivation**

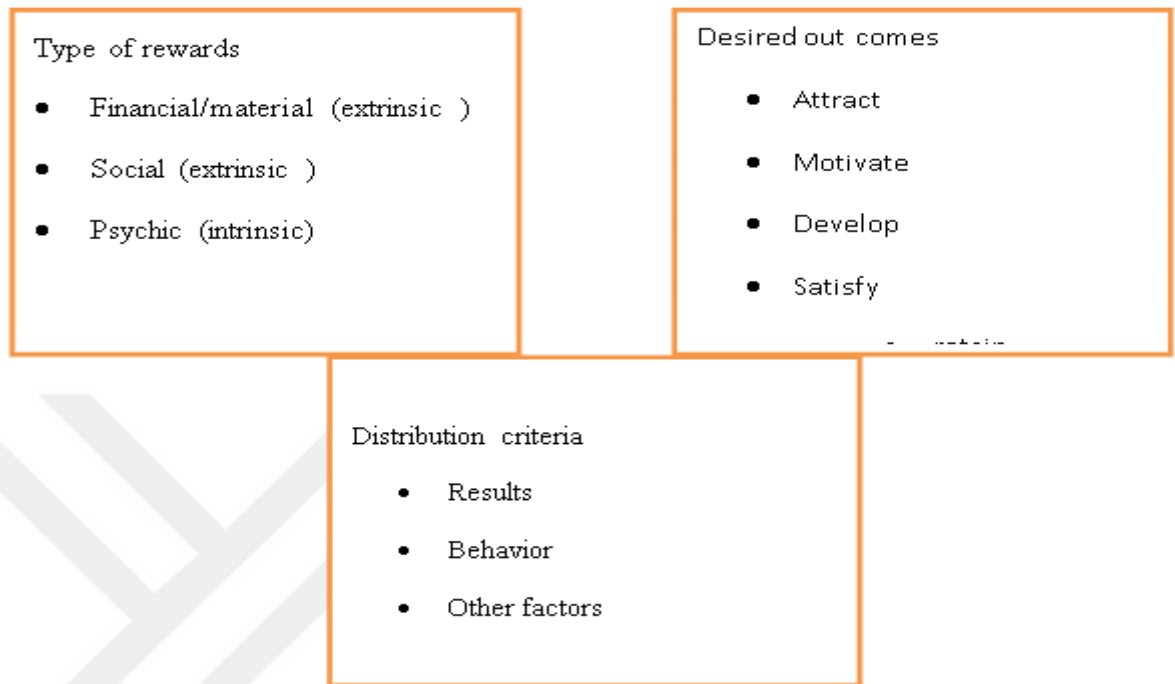
The literal meaning of compensation is to ‘counter- balance’. Compensation system in the field of the human resources management was built to “motivate, attract, reward and retain” workforce (Berger, 2000: 4). The aim of the compensation system is to motivate employees toward achieving firm goals, increasing effectiveness and realizing growth opportunities (Chandra, 2009: 79). As indicated by Deeprose (1994:26) the effective compensation system can be an assistance tools for an organization to reach its goals by hiring and retaining hard working employees. Employees are compensated in order to present services or products (Ahlfors, 2011: 14).

The phenomenon of compensating employees first started in the Germany 1800s. They began compensating people in war condition to take care of people who suffered from difficult war conditions. In the 1930s and 1940s, this phenomenon became common in all of 50 states of U.S.A after that, the role of Equal Pay Act occurred (EPA) in 1963 which claimed, men and women have to be equally paid in similar jobs. It focuses on the rights of women compared to men, which was ignored in the previous decade. Thus, in competitive business environment it is manager’s duty to be careful about compensating employees in equal ways (Salanova et al., 2010: 19).

### **2.6.1 Types of Compensations**

To avoid over expensive compensation system, managers must be careful about how to apply suitable compensation system to motivate employees. Markova and Ford (2011: 813) suggest that the original success of the organization comes from the employees by using their creativity and willingness to exert high efforts. In addition, the companies have to encourage capacity and ability of the employees by providing effective types of compensation. In the opinion of Carrell et al. (1995: 498) compensation not only refers to financial rewards such as salary and benefit but also non-financial rewards such as achieving personal goals, autonomy and recognitions. Both types of compensation it will be clearer in figure below:

**Figure 2.4 General Model of Organizational Compensation System**



**Sources:** Kreitner, R. Kinicki, A. (2008). *Organizational Behavior*, 8<sup>ed</sup>, McGraw, Hill.

•**Type of Rewards:** These groups of rewards include (financial rewards, social rewards and psychological rewards). Some people are motivated by money or praise. In non –financial rewards, people are intrinsically motivated by challenging jobs, achievement and responsibilities.

•**Distribution Criteria;** There are three classifications of reward distribution:

1. Performance: Results are tangible outcomes such as people, team, performance or outcomes of an organization; quantity and quality of this outcome.
2. Performance: Action and behaviors, such as team work, cooperation, risk taking and creativity.
3. Non-performance considerations: Such as customary or contractual.

•**Desired Outcome:** According to the desired outcome of the compensation system, good compensation system should always attract talented people and be able to

motivate and satisfy them once they join the organization. Also, it must encourage and reinforce personal growth, development and this can prevent hard working employees from leaving.

### **2.6.1.1 Financial Compensation**

Hill and Steven (2008: 329) define financial compensation to be “anything received from another person and has material value such as money, benefit, prize and fringe”. There are two different points of view about financial compensations. Firstly, the importance of money as motivate factor. Secondly, further study about the reason why people are satisfied and dissatisfied with financial compensations. Finally, it should be taken into consideration which standard to use when developing financial compensation system. In their study, Gupta and Shaw (1998) suggest that extrinsic compensation is actually very important. Because money causes problems for many people, at the same time it is instrument of solving many problems. Therefore, money means the ends that people can get for achieving their goals.

Employers have to provide reasonable salaries when they want to keep talented employees or hard working employees in the organizations (Bairi, Manohar and Gautam, 2011). Supporting this argument, Noe et al., (2003: 519) state that pay, salary and praise are the most important factors affecting standard of living of an employee. It is a powerful motivation factor because an effective pay strategy, can sustainability lead to success of organizations; conversely a poor or lack strategy of pay can have detrimental effects.

However, Kohn (1993: 58-62) claims that pay cannot be a motivation factor. Researchers have explained that when employees are asked “what do you care about?” Money comes as a fifth or sixth factor in order. When money is used to recognize the employees for doing a good work, according to Nelson (2004: 14) “this sends wrong signals to the employees”. The emphasis on monetary rewards drives employees to seek for individual gains and reduces teamwork. Armstrong et al., (2010: 5) assume that managers can have solution for the problem in short term. For example, providing extra money or pay for employees, will lead to a long term problem if these employees are not interested in their work or they are not working effectively. As a result, financial rewards are not always the best type of reward to motivate employees in the organization.



### **2.6.1.2 Non-Financial Compensations**

Non-financial compensations are perceived more important in order to maintain sustainability of employees in the organization (Luthans, 2000: 33). Non-financial rewards focus on satisfying the need of employees for long time. There could be needs for achievement, extra responsibility and personal growth needs. In addition, Thomas (2002: 6) states that non-financial compensations are intrinsic in nature because it arises from the work itself. Sarvadi (2005) pointed that the general problem in today's organizations is lack of importance to non-financial components such as recognition and appreciation, which leads to high outcomes and they are less costs in the nature comparing to other types of compensation.

When employees are motivated by non-financial rewards, it means they are interested in their job and are able to make extra responsibility in their work by doing challenging tasks. Perry et al., (2006: 505) found that extrinsic rewards are not the most important factors in motivating employees; sometimes they are demotivating factors for employees. Nelson (2004: 14) suggests that employees prefer intrinsic rewards when doing contribution to their work or doing challenging tasks. Money has greater role in fulfilling security, psychological and social needs of people. It seems as the symbol of the status respect, love, freedom and power. Money is assistance tools to fulfill the social needs.

Frederick Taylor (1947) suggests that lower level of employees are more motivated by money than other factors because of their low level of education, knowledge, less opportunity in participating in decision making process and less authority. As a result, they are receiving the low wages and salaries (Perry et al., 2006: 505). While, study by Buhler (2003: 20) blue color and low level of employees perceive or consider responsibility and achievement as their preferable motivation factors. Hence, providing money for these kinds of employees become useless and demotivate factors. In conclusion, based on researchers arguments both financial and non-financial compensation are important if the compensation system is designed well regarding to the needs and desires of employees' motivation will be high. Employees have different goals such as social goals, financial goals and personal goals. Fulfilling each of these goals requires specific type of compensation (Nelson, 2004: 18).

It is the manager's duty to reassess the ways of compensating employees. In the opinion of (Robbins, 2003: 61) when managers feel that their employees have lack of performance, they should review and assess the compensation system used in the organization.

## **2.7 Money and Motivation**

In the early 1960s and till now, money has emerged as an important factor in motivating employees for the behavioral scientists (Steers, 1979: 522). Money can be seen as the most motivate factor in today's organizations. It assists an individual to acquire physiological needs (food, clothes, and house) and psychological needs (feeling of achievement, self-actualization, and respect). However, money has been paid attention by many psychologists and scholars. Therefore, other researchers interested in further studies about money may obtain the answers on many questions. For example, how much is the value of money as motivator? If employees are motivated by money, how much effort they will make in order to obtain it. According to Markova and Ford (2011) "money means different thing to different peoples". It helps understand the behavior of an individual which is different from one individual to another.

However, in some cases, flexible hours are more important for women employees comparing to providing extra money. In the opinion of Mol (1992) money is not stimulator factor, but it is drive force to do specific job in order to acquire rewards. According to Herzberg two-factor theory the hygiene factors, are the factors that ensure the employees performance are in reasonable level such as company policies, job security and working condition; while motivation factors are the factors that push employees to reach goals such as recognition, growth and self-achievement. Armstrong (2006: 267) states that the nature of money has no intrinsic meaning. In some cases, it represents sources of power, but at the same time it is a symbol of lots of intangible goals.

Cognitive evaluation theory suggests that "employees' behavior is goal directed" (Sirgy, 1998). Hence, employees will engage in activity which leads to desire outcomes and to achieve desired goals. Sometimes employees are highly motivated when they are having opportunity to make more money while in many cases money is not only rewards which employees are looking for. Money is important motivation

factors for old employees who have high career in their work while young generation are more motivated by extrinsic motivation such as money.

Opsahl and Dunnette (1966: 94) argue that there are some explanations that show the effect of money in motivating employees: First of all, money can be seen as a hygiene factor according to Herzberg two factor theories. He suggests that the absence of money causes dissatisfaction although the presence of money does not satisfy. It merely eliminates the source of dissatisfaction and brings someone to a neutral state of satisfaction. Second, money can be seen as factor to reduce stress or anxiety of employees. In some cases the absence of money causes anxiety for an individual. Such as “The cost is too much” or “We can't afford that”

Additionally, Sirgy (1998:229) suggests that an individual is called a materialistic person when they see money as everything in the world. Martocchio (1998) suggests that the value of money differs among employees, so each of them perceives it differently as listed below:

- Symbol of power.
- Symbol of love.
- Personal achievement.
- Kind of support for the individual and families.
- Symbol of status: (when an individual works more or make extra effort he/she will acquire a high status in the organization and society).
- Extrinsic motivation for good performance.
- Right of employee in the organization when doing a job.

## **2.8 Co-worker Support and Motivation**

Growing the size and numbers of organizations and increasing diversity in the work place leads to more focus and interest in the concept of coworkers support

(Hodson, 1997: 430). Coworker support means helping and concerning for one another in their tasks and also exchanging information, knowledge and experience among each other (Zhou and George, 2001: 685). As Rue and Byars (2007: 29) state that “two heads are better than one ...” Integrating workers in the work place leads to increasing commitment to achieve organizational goals. Lindorff (2001: 276) concluded in his research that the support received from coworkers have positive effects in decreasing stress in the workplace. Beside this positive effect, there is a negative view from coworkers support. In the opinion of Sorenson (2008) accepting the support from colleagues is not always the best way because it refers to dependency and lack of abilities.

Regarding the views of Zhang and Guo (2003: 265) the perception of support from colleagues is different in various cultures. It can be observed that in non-western culture the people are more motivated when they are belonging in a group rather than working as separate individuals. Therefore, they called ‘collectivist cultures’ so they are inherently interdependence on other people. The Japanese people are best example for this type of culture. People in the collectivist culture always use the word “we” while in the western cultures the word “I” is very common. American people are best example for western cultures self-achievement and individual responsibilities are much more preferable (Hofstede, 1994: 6).

Motivating employees in the organization originated from two sources: intrinsic motivation and extrinsic motivation (Rai, 2004: 43). The Hawthorne studies showed the cohesiveness of workers when they prefer social relationships to be stronger in motivating employees rather than financial rewards. Hawthorne studies were undertaken in the Western Electric company by Elton Mayo 1930s. It focuses on the role of human relations in work productivity of employees. He chose two groups of peoples in a lighting experiment by increasing the light of one of them and decreasing the light for the other group. At the end he noted that the productivity of both groups was increased. As a result, lighting was a minor factor affecting employees productivity output. The core thing is that the relationship among coworkers was greater than physical conditions (such as pay, break time and light..., etc.). The Hawthorne study was a starting point of many new management theories that focus on the relationships among employees as a basis of organizational processes such as Maslow (1954) and McGregor (1960) and so many other theories.

## 2.9 Supervisor Support and Motivation

The social support originally comes from two sources supervisors support and coworkers support. Supervisors support means to which extent the supervisor values the contribution of their employees and care about their well-being. Supervisor is a person who deals with employees every day from different backgrounds. However, organizations have different work force of different gender, races, religions, ethnic, groups and physical abilities. All of this diversity comes as a result of globalization. Therefore, supervisors must have a number of different skills such as technical skills, human relation skills, administration skills, and decision making and problem solving skills. Supervisors have the important role that is concerned with encouraging the employees work to contribute positively in accomplishing organizational goals and objectives. Thus, they have a quite complex job as shown below:

- Motivating, delegating, planning and training employees.
- He must make the right decisions.
- Creating a good communication channel with employees in the organization.
- Giving proper work assignments to employees.

Several studies have shown that there is a positive relationship between supervisor support and intrinsic motivation such as engaging employees in activities because of being interesting not for any reason. According to Oldham (1996: 29), an employee will be intrinsically motivated when supervisors engage them in the decision making process, respect their ideas, make them be assured that their hard work and risk-taking are appreciated. The role of supervisors in intrinsic motivation can be explained in two ways: Firstly, supervisors provide an emotional support to the employees that influence their behavior to do their work better. Secondly, when the supervisor is truthful, fairness and away from bias with all employees, the employees will be highly intrinsically motivated. Employees perceived supervisor's support in three categories such as rewards, good working conditions and fairness (Erdogan and Enders, 2007: 323).

## 2.10 Hypothesis Development

In the literature, there are several studies on intrinsic and extrinsic motivation: However, each of them focuses on a specific issue such as (levels of employees' motivation, compensation system, supervisor support, coworkers support and the meaning of money). Researchers provide different points of views according to the different cultural and environmental context. For instance, Adeniyi (2013) in his study focuses on the impact of compensation system on the performance of employees in the public sector in Nigeria. The author considered compensation system as one of the most important aspects in the field of the human resources management. Compensation system covers different types of rewards. The two basic types were financial and non -financial rewards such as wages benefit and fringe, as well as indirect compensation or supplementary pay. The result of the study was that there is a positive relationship between non-monetary rewards and employees' performance in public sectors. Therefore, he recommends that through the use of some factors, such as participating employees in decision making process and a good communication between manager and employees, will enhance employees' performance and increase their sense of belonging to the organization.

The study of Manjun (2010) focuses on the link between the level of employees' competency and the compensation system. The study shows that an organization is committed to reward its employees in order to meet its strategic objectives. Therefore, a good compensation system has to attract, retain and keep talented employees from leaving an organization. Employees should be compensated according to their ability, experience and skills. The traditional approach of employees' compensation system is based on the job and job evaluation method. The principle of the pay rate of the job depends on the job itself, not the person who did it. Thus, this was not a suitable approach in compensating employees because some of them are more qualified than others. In accordance with the traditional approach, all employees are compensated at the same level regardless their skills, ability, and experience. The study recommended that the new way of compensation should be applied in all organizations and managers should care about the skills and experiences of the employees in the organization.

However, Abdul Salaam (2008) has conducted a study on employees working in the field of Agricultural Development Programs in Egypt. The aim of the study

was to examine the consequence of unfair treatment that influences the outcomes of employees. Fair treatment and justice by coworkers and supervisors are the most important intrinsic motivation factors to the employees. Hence, the results have shown that organization should not only emphasize on the performance of employees but also the factors affecting the increase or decrease of their performance. The issue of unfair treatment has been extensively studied by many researchers but there is still lack of study about motivating employees by coworkers and supervisors support. The result of this study shows that perceiving unfair treatment by coworkers and supervisor is negatively associated with job satisfaction and it leads to low level of organizational commitment and increasing absenteeism, and decreasing performance.

According to the study conducted by Kirstein (2010), motivation is one of the significant ways in the field of human resources management. The aim of the study is to determine the factors that are affecting the students to be more motivated. The sample consists of the students of Aarhus School of Business. Quantitative methods questionnaire is used to collect data from (152) respondents. The students are asked to rank thirteen motivation factors in order of importance. The result of this study shows that interesting jobs and high salary were the most significant factors for all students. Therefore, the findings suggest that both intrinsic and extrinsic motivation have an important role in motivating students. Additionally, it shows that when managers attract and recruit newly graduated students, rewarding them should not be only monetarily motivation such as money but also non-monetary motivation. This definitely has a great effect on them. Hence, the efficient motivation systems have to satisfy different needs.

In the study of Lin (2007), the aim of the study was to focus on the correlation between management and employees' motivation in South Africa. Therefore, keeping the successful employees in the organization reduces the costs of the process of recruiting new candidates. Also, it takes time until the new employees adapt to the culture, climate and process of the organization. Hence, the findings of this study suggest that managers have to evaluate the performance level of employees. Based on this level, managers should determine the factors that are considered motivational by the employees. This assessment process shows what company expects from their employees and what employees need from their employers to be satisfied.

According to the study of Verma (2011) suggest that money is a motivation factor in some circumstances. The question that arises here is "Does money motivates employees to perform better?" For some people, the answer is "yes, " when:

1-They perceive money as a significant motivation factor.

2-It is kind of short term rewards in short time.

3-There is a strong relationship between money and high performance.

Yet, in the opinions of other people the answer is “No”. When an experiment was made on 2,500 employees at the University of Maryland, one of the findings of this experiment were that the majority of the employees disagreed to consider money as the most important motivating factors. For them, regular payment is important to satisfy psychological needs and safety needs. Hence, the employees’ perception of money is different according to the employees’ behavior, norms values, attitudes and cultures.

**Based on these studies in the literature, the following hypotheses were proposed:**

**H1: There are positive relationships between compensation system and levels of employee’s motivation.**

H1a: There is a positive relationship between intrinsic rewards and intrinsic motivation.

H1b: There is a positive relationship between extrinsic rewards and extrinsic motivation.

**H2: The support received from the supervisor will positively affect the relationship between compensation system and levels of employee’s motivation.**

H2a: The support received from the supervisor will affect the relationship between intrinsic rewards and intrinsic motivation.



H2b: The support received from the supervisor will affect the relationship between extrinsic rewards and extrinsic motivation.

**H3: The support received from coworkers will affect the relationships between compensation system and level of employee's motivation.**

H3a: The support received from coworkers will affect the relationship between intrinsic rewards and intrinsic motivation.

H3b: The support received from coworkers will affect the relationship between extrinsic rewards and extrinsic motivation.

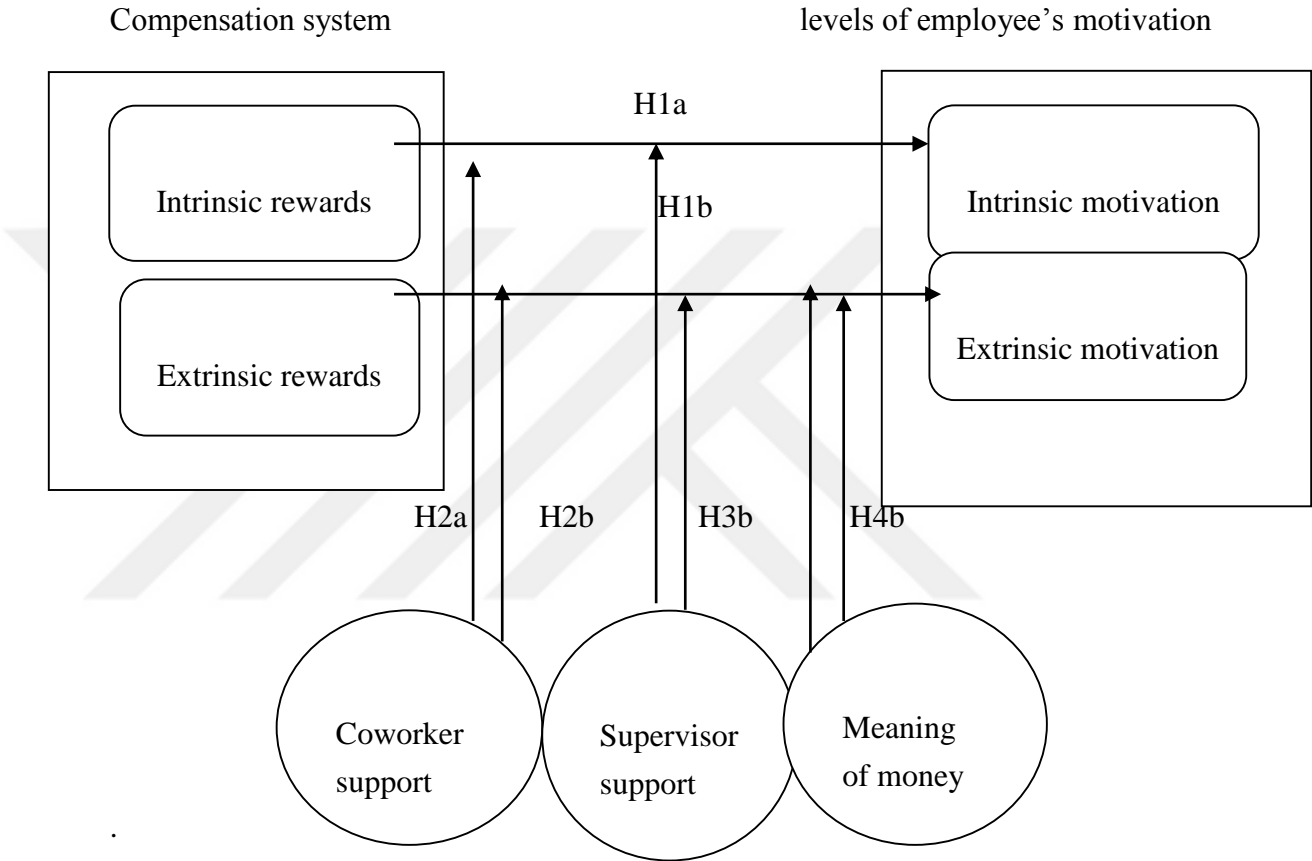
**H4: The meaning of money will positively affect the relationship between intrinsic rewards and intrinsic motivation.**

H4a: The meaning of money will positively affect the relationship between intrinsic rewards and intrinsic motivation.

H4b: The meaning of money will positively affect the relationship between the extrinsic rewards and extrinsic motivation.

These proposed hypotheses are illustrated in Figure (2.5)

Figure 2.5. Research Model



## **CHAPTER THREE**

### **METHODOLOGY OF THE STUDY**

This chapter provides the methodology of the current study and it includes the following sections: research design, population for this study, sample selection, research instruments, data collection and data analysis procedures etc.

#### **3.1 Research Design**

The purpose of this study was to measure the level of employees' motivation. In doing so, a survey was conducted on a selected organization in Iraq and the proposed hypotheses were tested on this sample. The questionnaire was used as a quantitative method for data collection. It is the best type of data collection method, because it provides the opportunity to evaluate views of large numbers of people simultaneously.

#### **3.2 Instrumentation**

##### **3.2.1 Data Collection Instrument**

A questionnaire was used as an instrument for data collection. According to Zikmund (2003: 73), it is less time consuming, less costly and a fast way for collecting data than other types of data collection. Questionnaire survey includes: biographical questionnaire, questions of motivation dimensions which include: intrinsic rewards, extrinsic rewards, intrinsic motivation, extrinsic motivation, coworker support, supervisor support and the meaning of money. A sample of the questionnaire has shown in appendix.

##### **3.2.2 Data Analysis Instrument**

The process of data analysis starts after collecting the questionnaire from the respondents and then coding this data with numbers to be easy to access. The statistical programme (SPSS) Version (20) was used for analyzing and interpreting these data. In order to generalize the analyzed data, the following statistical

instruments were used inferential statistic, frequency, descriptive statistic, correlation, Hierarchical regression analysis and analysis of variance (ANOVA).

Survey questionnaire consists of six pages and four sections. The five point likert scales were used to measure the respondent's statement about how strongly they agreed or disagreed to each statement. The first section part 1 is consists of question about the compensation system which is divided into intrinsic rewards and extrinsic rewards. Part 2 of the first section includes the questions about the level of employees' motivation. This is divided into intrinsic motivation and extrinsic motivation. The second section contains the question about supervisors' and coworkers' support. Part 1 of this section contains scales about the supervisor' support while part 2 includes scales about coworkers support. The third section consists of the question about money perception, which measures how respondents perceived the meaning of money. The fourth and final section includes the demographic questionnaire. This includes gender, age, working experience, title of the job, education level and marital status. Table (3.1) provides scales, scale items and their sources used in the questionnaire forms.

**Table 3.1 Scales Used in the Questionnaire**

<b>Intrinsic Motivation Scales (dependent variable)</b>		<b>Sources</b>
1-	"The tasks that I do at work are enjoyable".	(Cameron and Pierce, 1994 ;Van Herpenal.,2005;Oliver and Anders, 1994; Gagné et al, 2010)
2-	"I really think that my job is meaningful".	
3-	"I feel lucky being paid to do a job I like this much".	
4-	"The tasks that I do at work are themselves an important driving force to me".	
5-	"Usually I'm enthusiastic about my job".	
6-	"I get much satisfaction from the work I do".	
7-	"I work because I cherish the feeling of performing a useful service".	
8-	"I am doing this job for the moments of pleasure it brings to me".	
<b>Extrinsic Motivation Scales (dependent variable)</b>		<b>Sources</b>
1-	"There are enough promotion possibilities to stimulate me to work hard".	(Cameron and Pierce, 1994 ; Van Herpenal., 2005; Oliver and Anders, 1994; Gagné et al, 2010)
2-	"I'm satisfied with the way in which my compensation is determined".	
3-	"I'm enthusiastic about my salary level".	
4-	"I do this job because I get paid for it".	
5-	"I do this job because it allows me to make a lot of money".	
6-	"I do this job because it affords me a certain standard of living".	

<b>Extrinsic Rewards Scales (independent variable)</b>		<b>Sources</b>
1-	“The general compensation system of the organization”.	(Nadlerand Lawler, 1989)
2-	“The amount of basic salary you get”.	
3-	“The amount of job security (work insurance) you have”.	
4-	“Your chances for getting a promotion or getting a better job”.	
5-	“The pension/ retirement plans you have”.	
<b>Intrinsic Rewards Scales (independent variable )</b>		(Nadler and Lawler, 1989)
6	“The respect you receive from the people you work with”.	
7	“The non-financial praise you get from your supervisor”.	
8	“Your chance for advancement”.	
9	“The freedom to use your own judgments”.	
10	“The way your manager provides help on hard problems”.	
11	“Opportunity to leave (e.g., sickness leave, maternity leave)”.	
12	“The rewards /recognition for your success from your organization”.	

<b>Supervisor Support Scales (moderate variable)</b>		<b>Sources</b>
1-	“My supervisor cares about my opinions”.	(Rhoades et al., 2001; Susskind et al., 2003)
2-	“My supervisor strongly considers my goals and values”.	
3-	“My supervisor shows concern for me and my well-being”.	
4-	“My supervisor is very helpful to me in performing my duties”.	
5-	“When performing my duties, I rely heavily on my supervisor”.	
6-	“My supervisor provides me with important work-related information and advice that make performing my job easier”.	
<b>Coworkers support (moderate variable)</b>		<b>Sources</b>
1-	“My coworkers really care about me”.	(Ducharme and Martin, 2000; Susskind et al., 2003)
2-	“I feel close to my coworkers”.	
3-	“I feel appreciated by my coworkers”.	
4-	“My coworkers are very helpful to me in performing my duties”.	
5-	“When performing my duties, I rely heavily on my coworkers”.	
6-	“My coworkers provide me with important work-related information and advice that make performing my job easier”.	
<b>Meaning of money scales (moderate variable)</b>		<b>Sources</b>
1-	“If I don’t save enough money every month I get very anxious”.	(Furnham et al.,2012)
2-	“It is important to have savings; you never know when you may urgently need the money”.	
3-	“With enough money, you can do whatever you want”.	
4-	“The main point of earning money is to feel free and be free”.	
5-	“There are very few things money can’t buy”.	
6-	“If I had enough money, I would never work again”.	
7-	“The best thing about money is that it gives you the power to influence others”.	
8-	“Money is important because it shows how successful and powerful	

	you are”.	
9-	“You can never have enough money”.	
10-	“I have always been inspired by powerful tycoons”.	
11-	“I often demonstrate my love to people by buying those things”.	
12-	“Money can help you be accepted by others”.	

### 3.3 Population and Sample

The population for this study was obtained from Azadi Hospital, which considered the biggest hospital in Duhok city-Kurdistan/northern Iraq. The Hospital has more than 6 floors and several accessories around it. The first floor contains CCU (coronary care unit), ICU (intensive care unit), and cardiology ward. It also contains five operating rooms. The second one consists of gynecology department which is (the medical practice dealing with the health of the female reproductive systems (vagina, uterus and ovaries), including delivery rooms and 2 emergency rooms and premature unit. The third floor has a general surgery ward. The fourth contains internal medicine ward. Fifth floor: south wing: neurology ward, north wing: ENT (Ears, Nose and Throat) ward. Sixth floor: south wing: nephrology, north wing: urology ward. The total population available for this study consisted of all doctors (N = 118) from the Azadi hospital There were 81 male and 37 female. The sample for this study contains all the doctors from different departments and units. This type of sample was used because this category of sample is usually more responsive for completing questionnaires and it will result in the less amount of disruption. Leary (2004: 118) defines sampling as “the process by which a researcher selects a sample of participants for a study from the population of interest”. A total of 150 questionnaires were distributed to respondents and a total of 118 employees completed the questionnaire by using convenience sample. According to Leary (2004) “Convenience sampling is a simple approach when a sample is selected according to the convenience of the researcher. This convenience may be in respect of availability of data and accessibility of the elements”.

### 3.4 Procedure

The procedures taken to accomplish the study were as follows: through the questions were taken from prepared scale including 56 items. Then, it was modified and reduced to 51 related items. In fact, the first draft of the questionnaire was tested to the number of samples in Azadi Hospital. Based on the results, each and every item

of the questionnaire was meticulously reviewed. Some items were omitted and some other ones were modified in order to increase its validity and be more reliable. The final draft was copied and distributed among 150 participants. The total number of 118 participants returned the completed questionnaires.

### 3.5 Reliability and Validity

Cronbach alpha was used to measure reliability and validity of the questionnaire. The aim is to measure what is actually intended to be measured and to what extent this questionnaire is reliable and valid for use.

#### 3.5.1. Reliability

The SPSS program is used for measuring the reliability of this instrument by using cronbach –alpha is 0.81.3% which indicates that there is appositive strong relationship among test variables. The value of the calculated coefficient –alpha shows the reliability of the test.

**Table 3.2 Reliability of the Component of the Questionnaire**

<b>Variables</b>	<b>Number of items</b>	<b>Cronbach Alpha</b>
Intrinsic rewards	7	0.88
Extrinsic rewards	5	0.83
Intrinsic motivation	8	0.76
Extrinsic motivation	6	0.75
Coworkers support	6	0.86
Supervisor support	6	0.89
Meaning of money	12	0.77
Total	51	81.3

### 3.6. Limitation of the Study

The study faced the following challenges and limitations;

1- The biggest dilemma faced during conducting this study was lack of access to the books and articles related to this subject.

2- Inability to cover different things in motivation because of the limited time frame allowed.

3- Majority of the sample includes doctors who are newly employed between the age (20-30). These categories do not have enough experience in their work .Therefore, if the sample had included a larger number of doctors who were between the ages of categories (40-50), the result may have been different.

### 3.7 Findings

This section shows the analysis and interpretations of the data collected through the questionnaire method. It describes the result and finding of the hypothesis. The results have been presented in both tables and figures showing the respondents rate in frequencies and percentages.

#### 3.7.1 Descriptive Statistics:

Table 3.3 consists of the descriptive statistic of the respondent characteristic such as gender, age, education level, title of the job, working experience, monthly income.

**Table 3.3 Descriptive Statistic of the Respondent Characteristics**

	Respondent characteristic		Frequency	Percentage %
1-	Gender	Male	81	68.6
		Female	37	31.4
		Total	118	100%
2-	Age	20 – 30 years	58	49.2
		31 – 40 years	50	42.2
		41 – 50 years	6	5.1



		More than 50 years	4	3.4
		Total	118	100%
3-	Education level	Bachelor	95	80.5
		High diploma	11	9.3
		Master	3	2.5
		Doctorate	9	7.6
		Total	118	100%
4-	Marital status	Single	49	41.5
		Married	69	58.5
		Total	118	100%
5-	Monthly income	1100 000 – 2100 000 dinar	101	85.6
		2100 000 -3100 000 dinar	7	5.9
		More than 3100 000 dinar	10	8.5
		Total	118	100%
7-	Work experience	1 -3 years	41	34.7
		4-6 years	27	22.9
		7-9 years	25	21.2
		More than 10 years	25	21.2
		Total	118	100%
8-	Title of the job	Junior house officer	41	34.7
		General practitioner	7	5.9
		Senior house officer	53	44.9
		Specialist	17	14.4
		Total	118	100%

**1-Gender:** Table (3.3) indicates the percentage and frequency of respondents by gender. For this study, 69% of the samples were male and 31% female.

**2-Age:** The majority of the sample fall under the age categories between (20 – 30) years 49%, and following the categories (31- 40) years 42%.

**3-Marital Status:** The result of the table (3.3) indicate that the majority of the sample was married 59 % (N=69), and the 42 % (N=49) were single.

**4-Education Level:** In the table (3.3) shows that the majority of the respondents have bachelor degree in their education level 81 % ( N=95).

**5-Work Experience:** The result of the descriptive statistic in the table (3.3) shows that most of the employees have experience working between 1-3 years (N=41) represent 35%.

**6-Monthly Income:** According to the results in the table (3.3), the monthly income of the majority of the sample 86% (N=101) is between (1100 000 -2100 000) dinar.

**7-Title of the job:** The majority of the sample 35 % ( N=41); the tittle of their job was junior house officer .This shows that the majority of the respondents are newly employed.

**Table 3.4 Descriptive Statistic of the Study Variables**

<b>Variable</b>	<b>Mean</b>	<b>Standard Deviation</b>
Intrinsic rewards	4.02	.81
Extrinsic rewards	3.86	.85
Intrinsic motivation	3.61	.82
Extrinsic motivation	2.51	.75
Coworker support	2.66	.92
Supervisor support	3.06	.85
Meaning of money	2.87	.57

Table (3.4) represents the mean of intrinsic rewards, extrinsic rewards, intrinsic motivation, extrinsic motivation, coworkers support, supervisor support, and the meaning of money from a lowest mean 2.51 to a highest mean 4.02 . The mean value for extrinsic motivation, coworkers support, and the meaning of money were the lowest it refer to the area that employees are not satisfied and demotivated. In contrast, employees are most likely to be motivated in the area of intrinsic rewards, extrinsic rewards, intrinsic motivation and supervisor support. The appendix 4 shows the whole scale statistic of the respondent (N=118).

### 3.7.2 Correlation Analysis and Hierarchical Regression Analysis

This section includes inferential tables by using Correlation Analysis and Hierarchical Regression Analysis. Firstly, The spearman Product Moment Correlation Coefficient was computed for the purposes of determining the relationships between intrinsic rewards and intrinsic motivation, also to test the relationships between extrinsic rewards and extrinsic motivation.

**Table 3.6 Correlation between Intrinsic Rewards and Intrinsic Motivation**

Correlation	Intrinsic motivation
Intrinsic rewards	-(0.066 )

P value of the study \*0.05

The result of the hypothesis testing shows that there is a negative relationship between intrinsic rewards and intrinsic motivation ( $r = - 0.066 < p 0.05$ ) .They are not statistically significant.

**Table (3.7) Correlation between Extrinsic Rewards and Extrinsic Motivation**

Correlation	Extrinsic motivation
Extrinsic rewards	0.023

P value of the study \*0.05

As indicated in table 3.7, there is no statistical significant relationship between extrinsic rewards and extrinsic motivation ( $r=0.023, < p 0.05$ ).

Secondly analysis, the hierarchical multiple regression analysis was used in order to test the proposed hypothesis.

**Table 3.8 Intrinsic Motivation (dependent variable)**

Independent Variables	Intrinsic Motivation (dependent variable)			
	R Square	F (c)	F (t)	Sig
Intrinsic rewards	0.001	124	3.923	0.726

Supervisor support	0.040	2.367	3.075	0.098
Coworkers support	0.044	1.729	2.684	0.165
Meaning of money	0.083	2.572	2.452	0.042

**H1a: There is a positive relationship between intrinsic rewards and intrinsic motivation.**

The hierarchical multiple regression revealed, based on the Table 3.8 in the first step, intrinsic rewards are not statistically significant with the intrinsic motivation  $F(t) (1,116) = 3.923 > F(c) = 0.124$ . It accounted for the 0.01% which is very weak affects relationship between intrinsic rewards and intrinsic motivation. Therefore, the null hypothesis is rejected and the alternative hypothesis is accepted. It shows that 99% of the employees are motivated by other factors which do not include intrinsic rewards.

**H2a: The support received from supervisor will positively affect the relationship between intrinsic rewards and intrinsic motivation.**

In the second step, when adding moderate variable (supervisor's supports) to see the effect relationship between intrinsic rewards and extrinsic motivation  $F(t) (2,115) = 3.075 > F(c) = 2.367$  it accounted 40% of the variation in intrinsic rewards and intrinsic motivation can be explained by supervisor's support. It still shows the weak relationship between intrinsic rewards and intrinsic motivation; because there are 60% of other factors which affect employees to be intrinsically motivated. Therefore, the alternative hypothesis is accepted and the null hypothesis is rejected.

**H3a: The support received from co-workers will positively affect the relationship between intrinsic rewards and intrinsic motivation.**

In order to test this hypothesis, in the third step, by adding coworkers support as moderate variable to see the effect relationship between intrinsic rewards and intrinsic motivation  $F(t) (3,114) = 2.684 > F(c) = 1.729$  it accounted for 44% of the variation in intrinsic rewards and intrinsic motivation is by coworkers support .It still shows they are not statistically significant. Again the alternative hypothesis is accepted and the null hypothesis is rejected.

**H4a: The meaning of money will positively affect the relationship between intrinsic rewards and intrinsic motivation.**

In the fourth step, by adding the meaning of money or (value) of money as moderate variable to see the affect relationship between intrinsic rewards and intrinsic motivation, it shows that there is a statistical effect relationship between intrinsic rewards and intrinsic motivation by adding the meaning of money  $F(t) (4,113) = 2.452 < F(c) = 2.572$ , which is accounted 83% of the relationship between intrinsic rewards and intrinsic motivation is by money and 27% shows there is other factor they do not belong to this study. Therefore, the alternative hypothesis is rejected and the null hypothesis is accepted.

**Table 3.9 Extrinsic Motivation (dependent variable)**

<b>Extrinsic Motivation (dependent variable)</b>				
Independent Variables	R square	F(t)	F(c)	Sig
Extrinsic rewards	0.007	3.923	0.842	0.361
Supervisor support	0.192	3.075	13.671	0.000
Coworkers support	0.196	2.684	9.281	0.000
Meaning of money	0.283	2.452	11.155	0.000

**P value of the study\* 0.05**

The hypothesis testing based on the result of the table 3.9.

**H1b: There is a positive relationship between extrinsic rewards and extrinsic motivation.**

The result of the table 3.9 shows that there is no statistically significant relationship between extrinsic rewards as independent variable and extrinsic motivation as dependent variable. It shows from the value of  $R^2$  0.007% which variation in extrinsic motivation expressed by extrinsic rewards. But, the rest of the percentage depends on other external factors that not related to this study, The  $F(t)$  (1,116) = 3.923 >  $F(c)$  = 0.842 and the  $P$  value = (0.361) which is less than the significant of the study value (0.05).

**H2b: The support received from supervisor will positively affect the relationship between extrinsic rewards and extrinsic motivation.**

In order to test the hypothesis, by adding (supervisor's support) as moderate variable to see the affect relationship between extrinsic rewards and extrinsic motivation .The result shows that there is a significant effect relationship between extrinsic rewards and extrinsic motivation according to the value of  $F(t)$  (2,115) = 3.075 <  $F(c)$  = 13.671 and  $P$  value = 0.000 which is less than the value of the study significance (0.05). According to this result, the null hypothesis is accepted and the alternative hypothesis is rejected.

**H3b: The support received from co-workers will positively affect the relationship between extrinsic rewards and extrinsic motivation.**

In the third step, by adding the second moderate variables (coworkers support) to the effect relationship between extrinsic motivation and extrinsic rewards .The value of  $R^2$  19.6 % variation between extrinsic motivation and extrinsic rewards by coworkers support.  $F(t)$  (3,115) = 2.684 <  $F(c)$  9.281 = it is significant at the level (0.000 <  $p$  = 0.05) therefore, the null hypothesis is accepted and alternative hypothesis is rejected.

**H4b: The meaning of money will positively affect the relationship between the extrinsic rewards and extrinsic motivation.**

By adding the fourth moderate variables (meaning of money) to the effect relationship between extrinsic motivation and extrinsic rewards,  $R^2 = 0.283$  which shows the variation between extrinsic motivation and extrinsic rewards.  $F(t) (4,113) = 2.452 > F(c) 11.155 =$  at the level  $(0.000 < p = 0.05)$ . They are not statistically significant, therefore, the null hypothesis is accepted and the alternative hypothesis is rejected.

**3.7.3 Analysis of Variance (ANOVA)**

ANOVA test was used for determining the difference between the variables and biographical characteristics of the sample.

**Table 3.10 Independent Sample T Test the difference from Supervisor Support based on Gender**

<b>Gender</b>	<b>N</b>	<b>Mean</b>	<b>F</b>	<b>df</b>	<b>Calculated P value</b>
<b>Male</b>	81	2.5267	0.018	116	0.892
<b>Female</b>	37	2.9640			

(\*  $P < 0.05$ )

The result of the table (3.10) shows that there is no statistical significant difference between male and female employees according to the perception of support from supervisor based on the calculated P value = 0.892 which is more than the P value of the study 0.05, and  $F(t) (1,116) = 3.923 > F(c) 0.018$ . Therefore, there is no need for Scheffe's test, because no difference exists between male and female employees.

**Table 3.11 ScheFfe's (POST HOC TEST) the difference in Extrinsic Motivation based on Gender**

Gender	N	Mean	F	df	Calculated P value	Scheffe's Test
Male	81	2.409	4. 847	116	0.29	Male were less motivated by extrinsic motivation than female.
Female	37	2.761				

**P value of the study \*0.05**

The result of the Scheffe's (POST HOC TEST) in the table (3.11) indicates that there is a statistically significant difference between male and female employees in regards to the perception of extrinsic motivation. Male were less motivated by extrinsic motivation than female. It shows from the mean of female M=2.761 which is higher than the mean of male M=2.409 .Also, the calculated P value =0.029 which is less than the P value of the study =0.05, and (t) (1,116) =3.923 < F(c) = 4.847.

**Table 3.12 Independent Sample T Test the difference from Coworkers Support based on Gender**

Gender	N	Mean	F	Calculated P value
Male	81	3.026	0.050	0.823
Female	37	3.144		

**P value of the study \*0.05**

Based on the result of table (3.12), there is no difference between male and female employees according to the perception of coworkers support. The F (t) (1,116) =3.923 > F(c) =0.050, and the calculated P value =0.823 which is higher than the P value of the study =0.05.

**Table (3.13) Independent Sample T Test the perception of Supervisor Support by Marital Status**

Marital status	N	F	Mean	df	Calculated P value
Single	49	0.156	2.659	116	0.693



<b>Married</b>	69		2.666		
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**P value of the study \*0.05**

According to the result of the table (3.13) there is no significant difference between single and married employees about the perception of supervisor support. The calculated P value =0.693 which more than the P value of the study = 0.05, and  $f(t) (1,116) = 3.923 > f(c) 0.156$ .

**Table (3.14) Scheffe's (POST HOC TEST) The Perception of Money or (value) of Money by Marital Status**

<b>Marital status</b>	<b>N</b>	<b>Mean</b>	<b>F</b>	<b>Calculated P value</b>	<b>Scheffe's test</b>
<b>Single</b>	49	2.890	4.434	0.037	Single employees are highly motivated than married employees.
<b>Married</b>	96	2.860			

**P value of the study \*0.05**

The result of the Scheffe's (POST HOC TEST) in the table (3.14) indicates that single employees are highly motivated by money than married employees. Based on the calculated P value =0.037 which is less than P vale of the study = 0.05, and  $F(t) (1,116) = 3.923 < F(c) = 4.434$ .

**Table 3.15 Difference in Intrinsic Motivation According to the Age of Respondent (One Way ANOVA)**

<b>Age</b>	<b>N</b>	<b>Mean</b>	<b>F</b>	<b>P</b>	<b>Scheffe's test</b>
<b>20 -30 years</b>	58	3.433	7.009	0.000*	Employees in the age group 41-50 years is significantly differs from others group
<b>31-40 years</b>	50	3.682			
<b>41- 50 years</b>	6	4.916			
<b>&gt;50 years</b>	4	3.500			

**P value \*0.05**

According to the result of the Scheffe's test in the table (3.15), it indicates that employees in the age 41-50 years are highly motivated by intrinsic motivation. Based on the mean the age categories between 41-50 years (Mean =4.916) which is higher than the employees of the age 20-30 years (Mean =3.433) and it is higher than the age

categories between 31-40 (Mean =3.682) and also, higher than the age categories > 50 (Mean =3.500). And the  $F(t) (3,114) = 2.684 < F(c) = 7.009$ , the calculated P value = 0.000, which is less than the P value of the study = 0.05.

**Table 3.16 Difference in Extrinsic Rewards According to the Age of Respondent (One Way ANOVA)**

Age	N	Mean	F	Calculated P value
20 -30 years	58	3.866	0.140	0.936
31-40 years	50	4.024		
41- 50 years	6	4.040		
>50 years	4	4.200		

**P value of the study \*0.05**

The result of the table (3.16) shows that there is no significant difference between Employees in different age groups about extrinsic rewards. Based on the calculated P value=0.936 which is higher than P value of the study =0.05, and  $F(t) (3,114) = 2.684 > F(c) 0.140$ .

**Table 3.17 Difference in Intrinsic Motivation by Education Level (One Way ANOVA)**

Education level	N	Mean	F	sig	Scheffes test
Bachelors	95	3.544	5.032	0.003	Doctorate level is differs from other education level
High diploma	11	3.579			
Master	3	3.166			
Doctorate	9	4.569			

**P value of the study =0.05**

According to the result of ScheffesTest there is a significant difference between education level of employees .Employees, who have doctorate degree, are more likely to be motivated by intrinsic motivation (Mean = 4.569), which is higher than the mean of high diploma (Mean =3.579) and it is higher than the mean of bachelor level (Mean =3.544); also it is higher than the mean of master degree (Mean =3.166).Therefore, the  $F(t) (3,114) = 2.684 < F(c) = 5.032$  ,and the calculated P value = 0.003 which is less than the P value of the study =0.05 .

**Table 3.18 Difference in Extrinsic Motivation According to the Employee's Education Level**

Education level	N	Mean	F	Calculated P value
Bachelors	95	2.351	0.298	0.826
High diploma	11	2.454		
Master	3	2.535		
Doctorate	9	2.777		

**P value of the study =0.05**

The result of the table (3.18) shows that there is no significant difference in employee's education level about the perception of extrinsic motivation. The calculated P value = 0.826 which is higher than the P value of the study =0.05, and  $F(t) (3,114) = 2.684 > F(c) = 0.829$ .

**Table 3.19 Difference in Intrinsic Motivation by Work Experience level (One Way ANOVA)**

Work experience	N	Mean	F (c)	Calculated P value
1-3 years	41	3.423	2.610	0.055
4-6 years	27	3.643		
7-9 years	25	3.535		
>10 years	25	3.985		

**P value of the study =0.05**

The result of the table (3.19) shows that there is no significant difference according to the work experience of employee's by intrinsic motivation .The calculated P value =0.055 which is higher than the P value of the study =0.05 ,and the  $F(t) (3,114) = 2.684 > F(c) = 2.610$ .

**Table 3.20 The Difference in Intrinsic Motivation According to the Employee's Tittle of the Job.**

Title of the job	N	Mean	F	Sig
Junior house officer	41	3.460	1.932	0.128
General practitioner	7	3.535		
Senior house officer	53	3.617		
Specialist	17	4.022		

**P value of the study =0.05**

The table (3.20) shows that there is no significant difference in intrinsic motivation according to the title of the job of employees. Dependent on the p value =0.128 which is more than study sig (0.05), and  $F(t) (3,114) = 2.684 > F(c) = 1.923$ . So, there is no need for the Scheffe's Test to analyze the difference.

**Table 3.21 The Difference in the Meaning of Money According to the Tittle of the Job.**

Title of the job	N	Mean	F	Sig
Junior house officer	41	2.624	1.314	0.273
General practitioner	7	2.824		
Senior house officer	53	2.910		
Specialist	17	2.936		

**P value of the study =0.05**

The result of the table (3.21) shows that there is no significant difference in title of the job according to the perception of money by the employees based on the calculated p value =0.273 which is higher than the P value of the study = 0.05, and  $F(t) (3,114) = 2.684 > F(c) = 1.314$ . Therefore, there is no need for Scheffe's test for further analysis.

**Table 3.22 The Difference in Monthly Income and Perception of Employee's about Intrinsic Motivation**

Monthly Income	N	Mean	F	Sig	Scheffe's test
1100 000 -2100 000 dinar	101	3.538	6.698	0.002	Employees who receive 2100 000 - 3100 000 dinar are differs from others monthly income categories.
2100 000 – 3100 000 dinar	7	4.660			
> 4100 000 dinar	10	3.675			

**P value of the study =0.05**

According to the result of the Scheffe's test in the table (3.22), it shows that the employee who receive 2100 000 -3100 000 dinars as monthly income are highly motivated by intrinsic motivation. It shows from their means =4.660 it is higher than the mean of category 1100 000 -2100 000 dinars mean =3.538 and also, higher than the mean =3.675 of the category of > 4100 000 dinars.  $F(t) = (2,115) = 3.075 < F(c) 6.698$ , and the P value =0.002 which is less than (0.05) significant value of the study.

**Table 3.23 The Perception of the Meaning or (value) of the Money According to the Employees Monthly Income**

Monthly income	N	Mean	F	Calculated P value
1100 000 -2100 000 dinar	101	2.888	0.265	0.768
2100 000 -3100 000 dinar	7	2.769		
>4100 000 dinar	10	2.784		

**P value of the study=0.05**

**\*\*\*\* 1 \$ = 1200 Dinar**

The result of the table (3.23) shows that there is no significant difference in the perception of money or the value of money according to the monthly income of employees .It is shows from the calculated p value =0.768 which is higher than the P value of the study =0.05,and  $F(t) (2,115) =3.075 > F(c) = 0.265$ . Therefore, there is no need for Scheffe's Test for describing the difference because there is no difference between them.

## **CHAPTER FOUR**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **4.1 Introduction**

This chapter provides a summary about the study. It contains conclusions and recommendations regarding the problem of the study and recommendations for further research.

#### **4.2 Conclusions drawn from the Literature Review**

It can be concluded from the literature that there is a positive relationship between compensation system and employees motivation. Effective compensation system has to remain and keep qualified employees from leaving (Furnham et al., 1998). However, there is two type of compensation system, extrinsic rewards such as wages and bonuses which influence employees to be extrinsically motivate, and intrinsic rewards such as self-achievement and personal growth which cause employees to be extrinsically motivated (Amabile, 1993). According to Herzberg (1959) managers have to determine hygiene and motivation factors when motivating employees. In addition, some employees are more intrinsically motivated while others are more intrinsically motivated.

The study has shown that the importance of support perceived from supervisors and coworkers. This is because an organization cannot reach its goals unless all employees work together and receive strong support from their supervisors. Therefore, the cooperation among supervisors and coworkers is an essential key to the success of the organization. Coworkers' support has the greatest role in making a pleasing work environment. Researchers have emphasized on the impact of the social relations in the work place because it increase's enthusiasm, encouragement and motivation of employees to do better in their work.

### **4.3 Conclusions about the Statistical Results of the Study**

According to the results of the descriptive statistics the scales (x2-x3-x4-x9-x14) have highest mean indicated that they are much more preferable by respondent. It contains (basic salary, promotion, job security and pension /retirement plan). However, the result of the correlation shows that there is a weak or negative relationship between intrinsic rewards and intrinsic motivation, which is below the accepted value of the study ( $-0.066 < 0.05$ ). Also, there is a weak relationship between extrinsic rewards and extrinsic motivation (0.023). It can be concluded that the level of employees' motivation at Azadi Hospital is very low.

The result of the hierarchical multiple regression analysis revealed that the perception of supervisor's support negatively affects the relationship between intrinsic reward and intrinsic motivation. Therefore, lack of the support perceived from the supervisor has negative affects on intrinsic motivation level of employees; meanwhile the perception of supervisor's support positively affects the relationship between extrinsic rewards and extrinsic motivations. Based on the hierarchical regression analysis, coworker's support negatively affects the relationship between intrinsic rewards and intrinsic motivation while coworkers support positively affects the relationship extrinsic rewards and extrinsic motivation. Additionally, the meaning of money positively affects the relationship between intrinsic rewards and intrinsic motivations. Thus, increasing money can increase intrinsic motivation level of employees but the meaning of money or the value of money negatively affects the relationship between extrinsic rewards and extrinsic motivations.

### **4.4 Results of the Demographical Variables**

Based on the result of the independent sample T test, there is no difference between male and female employees about the perception of supervisor is support and coworkers support. While the result of the Sheffee's (Post Hoc Test) shows that there is a difference between male and female employees about the perception of extrinsic motivation. Hence, male were less motivated than female about extrinsic motivation.

Additionally, the result of the independent sample T test indicates that there is no difference between single and married employees about perception of supervisor support but, the result of the Sheffee's test (Post Hoc Test) shows that there is a difference between single and married employees according to the meaning or (value) of money .Therefore, single employees are highly motivated by money than married employees.

It can be concluded from the result of the one way ANOVA Test that there is a difference between the age group and education level regarding intrinsic motivation. Therefore, employees who are in the age group 41-50 and have doctorate degree as their education level is more motivated by intrinsic motivation than other age groups and educational degrees. Increasing age and higher education level of employees refers to increasing intrinsic motivation while there is no difference between the age groups and education level of employees about extrinsic motivation. The result of the one way ANOVA Test showed that there is no difference between the categories of the working experience level and the employees' titles of jobs regarding the intrinsic motivation, while there is a difference between the categories of title of the job about the employee's perception of the meaning of money. Therefore, employees who have specialist title of their job are more motivated by money.

The result of the one way ANOVA Test revealed that there is difference between the categories of the employee's monthly income according to the perception of intrinsic motivation. Based on the Scheffees (Post Hoc test) employees who receive 2100 000 - 3100 000 dinar are more motivated by intrinsic motivation whereas, there is no difference about the categories of employees monthly income according to the perception of the meaning of money.

#### **4.5 Managerial and Scholarly Implications**

Based on the results, the following recommendations are made:

1- According to the questions of the study there are some factors that have motivated employees while some others demotivate them. It was observed that the factors that motivated employees are mostly extrinsic factors such as salary, promotion, pension



and job security .Therefore, the emphasis on the financial rewards and compensation is the best way of motivating employees at Azadi Hospital. As Herzberg (1987) suggest that poor salary leads to increase dissatisfaction.

2- Supervisors at Azadi Hospital should provide the emotional support to the doctors in order to motivate them psychologically and increase their loyalty when doing their job.

3- Creating a suitable work environment for all doctors by providing the equipment and materials they need for their work. For example, a special room for relaxation after hard working hours would make them feels comfortable.

4- All doctors have to be viewed equally away from the bias. It is better to prevent jealousy among them and to increase cooperation, as well as establish trust among them. If they feel they are treated fair they will be fair with their managers. Therefore, participation all doctors in making decisions will help them to be intrinsically motivated.

5- Extending gratitude such as gratitude expression like “thank you!” Or sending written appreciation letters for the doctors who under took extra responsibility and hard work. This will show them how important their role is in saving lives. This will also make them realize that their efforts have been seriously taken into account.

6- Using the new or recent ways in motivating employees should include both types of monetary and non-monetary.

7- Placing the right person in the right position and opening training programs for the manager or supervisor in order to improve their skills regarding who to treat their employees and how to be flexible with them in different situations.

8- Sometimes, sharing responsibility with other doctors in the same department encourages them in order to know to which extent they can handle hard situations.

9- It is recommended to emphasize on the extrinsic motivation for female because they are highly motivated by extrinsic motivation rather than male. Also, single employees are highly motivated by money than married employees.

10- Appreciating the role of older doctors who have achieved higher educational levels and higher monthly income is highly motivated by intrinsic motivation.

11- It is recommended that in further researches there could be other factors that influence employees' motivation such as culture, religions etc..., which are not included in this study and need to be further studied by other researchers.

12- Comparing motivation level of doctors in private Hospitals to those in public Hospitals.

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## APPENDIX 1

### ACADEMIC SURVEY ON EMPLOYEE MOTIVATION

Dear Respondent,

I request your help with a scientific project in the process of completing my Master's degree in the field of Human Resources Management (HRM). As a part of my larger study to evaluate the determinants of employee motivation, I am conducting this survey to ask about hospital members' employment and working experiences.

The attached document contains questions related to specific aspects of your job so that I can learn your feelings and opinions about them. Given your busy schedule, it will only take 20 minutes of your time to complete. There are no right or wrong answers. Please respond to all questions asked.

Please be sure that your responses will be treated as completely confidential and will not be shared with any other parties. The results of the survey will be reported in a summary format and will be used only for research purposes.

If you have any questions about the administration of the survey, please contact with me by using the information provided below.

Thanks a lot for your time and cooperation.

Sincerely,

**Wafaa Ibrahim**

Master of Business Administration (MBA) Candidate  
Yasar University, Izmir - Turkey

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SECTION I. YOUR WORK

**1. Different people want different things from their work. Here is a list of things a person could have on his or her job. How *important* each of the following to you?**

1-Not important at all

2-Not important

3-Neutral

4-Important

5-Very important

<b>X1.</b> “The general compensation system of the organization”.	1	2	3	4	5
<b>X2.</b> “The amount of basic salary you get”.	1	2	3	4	5
<b>X3.</b> “The amount of job security (work insurance) you have”.	1	2	3	4	5
<b>X4.</b> “Your chances for getting a promotion or getting a better job”.	1	2	3	4	5
<b>X5.</b> ”The pension/ retirement plans you have”.	1	2	3	4	5
<b>X6.</b> “The respect you receive from the people you work with”.	1	2	3	4	5
<b>X7.</b> “The non-financial praise you get from your supervisor”.	1	2	3	4	5
<b>X8.</b> “Your chance for advancement”.	1	2	3	4	5
<b>X9.</b> “The freedom to use your own judgments”.	1	2	3	4	5
<b>X10.</b> “The way your manager provides help on hard problems”.	1	2	3	4	5
<b>X11.</b> “Opportunity to leave (e.g., sickness leave, maternity leave)”.	1	2	3	4	5
<b>X12.</b> “The rewards /recognition for your success from your organization”.	1	2	3	4	5

**2. Below are a number of statements regarding how you feel about your work. Please indicate to what extent you agree with each statement:**

- 1- **Strongly disagree** ( it means you are totally reject the statement).
- 2- **Disagree** ( it means you are not supporting the statement and disagree with it).
- 3- **Neutral** (it means “Neither agree nor disagree”).
- 4- **Agree** (it means you agree with this statement but not strongly).
- 5- **Strongly agree** (it means you agree with this statement strongly).

<b>X13.</b> “The tasks that I do at work are enjoyable”.	1	2	3	4	5
<b>X14.</b> “I really think that my job is meaningful”.	1	2	3	4	5
<b>X15.</b> “I feel lucky being paid to do a job I like this much”.	1	2	3	4	5
<b>X16.</b> “The tasks that I do at work are themselves an important driving force to me”.	1	2	3	4	5
<b>X17.</b> “Usually I’m enthusiastic about my job”.	1	2	3	4	5
<b>X18.</b> “I get much satisfaction from the work I do”.	1	2	3	4	5
<b>X19.</b> “I work because I cherish the feeling of performing a useful service”.	1	2	3	4	5
<b>X20.</b> “I am doing this job for the moments of pleasure it brings to me”.	1	2	3	4	5
<b>X21.</b> “There are enough promotion possibilities to stimulate me to work hard”.	1	2	3	4	5
<b>X22.</b> “I’m satisfied with the way in which my compensation is determined”.	1	2	3	4	5
<b>X23.</b> “I’m enthusiastic about my salary level”.	1	2	3	4	5
<b>X24.</b> “I do this job because I get paid for it”.	1	2	3	4	5
<b>X25.</b> “I do this job because it allows me to make a lot of money”.	1	2	3	4	5
<b>X26.</b> “I do this job because it affords me a certain standard of living”.	1	2	3	4	5

## SECTION II.SUPERVISOR AND COWORKER SUPPORT

**1.Below are a number of statements regarding the support you receive from your supervisor. Please indicate to what extent you agree with each statement:**

- 1- **Strongly disagree** ( it means you are totally reject the statement).
- 2- **Disagree** ( it means you are not supporting the statement and disagree with it).
- 3- **Neutral** (it means “Neither agree nor disagree”).
- 4- **Agree** (it means you agree with this statement but not strongly).
- 5- **Strongly agree** (it means you agree with this statement strongly)

<b>X27.</b> “My supervisor cares about my opinions”.	1	2	3	4	5
<b>X28.</b> “My supervisor strongly considers my goals and values”.	1	2	3	4	5
<b>X29.</b> “My supervisor shows concern for me and my well-being”.	1	2	3	4	5
<b>X30.</b> “My supervisor is very helpful to me in performing my duties”.	1	2	3	4	5
<b>X31.</b> “When performing my duties, I rely heavily on my supervisor”.	1	2	3	4	5
<b>X32.</b> “My supervisor provides me with important work-related information and advice that make performing my job easier”.	1	2	3	4	5

**2.Below are a number of statements regarding the support you receive from your coworkers. Please indicate to what extent you agree with each statement:**

<b>X33.</b> “My coworkers really care about me”.	1	2	3	4	5
<b>X34.</b> “I feel close to my coworkers”.	1	2	3	4	5
<b>X35.</b> “I feel appreciated by my coworkers”.	1	2	3	4	5
<b>X36.</b> “My coworkers are very helpful to me in performing my duties”.	1	2	3	4	5
<b>X37.</b> “When performing my duties, I rely heavily on my coworkers”.	1	2	3	4	5
<b>X38.</b> “My coworkers provide me with important work-related information and advice that make performing my job easier”.	1	2	3	4	5

**1. Below are a number of statements regarding how you feel about money. Please indicate to what extent you agree with each statement:**

- 1- **Strongly disagree** ( it means you are totally reject the statement).
- 2- **Disagree** ( it means you are not supporting the statement and disagree with it).
- 3- **Neutral** (it means “Neither agree nor disagree”).
- 4- **Agree** (it means you agree with this statement but not strongly).
- 5- **Strongly agree** (it means you agree with this statement strongly).

<b>X39.</b> “It is important to have savings; you never know when you may Urgently need the money”.	1	2	3	4	5
<b>X40.</b> “With enough money, you can do whatever you want”.	1	2	3	4	5
<b>X41.</b> “The main point of earning money is to feel free and be free”.	1	2	3	4	5
<b>X42.</b> “There are very few things money can’t buy”.	1	2	3	4	5
<b>X43.</b> “If I had enough money, I would never work again”.	1	2	3	4	5
<b>X44.</b> “The best thing about money is that it gives you the power to Influence others”.	1	2	3	4	5
<b>X45.</b> “Money is important because it shows how successful and powerful you are”.	1	2	3	4	5
<b>X46.</b> “You can never have enough money”.	1	2	3	4	5
<b>X47.</b> “I have always been inspired by powerful tycoons”.	1	2	3	4	5
<b>X48.</b> “I often demonstrate my love to people by buying them things”.	1	2	3	4	5
<b>X49.</b> “I am very generous with the people I love”.	1	2	3	4	5
<b>X50.</b> “The best present you can give to someone is money”.	1	2	3	4	5
<b>X51.</b> “Money can help you be accepted by others”.	1	2	3	4	5

## SECTION IV. BACKGROUND INFORMATION

### 1- What is your gender:

- Male
- Female

### 2. What is your age? \_\_\_\_\_

### 3. What is your educational degree?

- Bachelor (*graduated from Faculty of Medicine* )
- High diploma (*studying one year in special department of medicine*)
- Master (*studying two years in a special department*)
- Doctorate (*studying four years in a special department*)

### 4. What is your marital status:

- Single
- Married
- Other (divorced or widowed)

### 5. How many years have you been working for Azadi Hospital?

Number of years: \_\_\_\_\_

### 6. What is your position in Azadi Hospital?

- Junior house officer (*rotating in all medical department during two years*)



- General practitioner (*finishing two years of junior house officer and at least one year in primary health center in villages and rural areas*)
- Senior house officer (*spending two years in special department*)
- Specialist (*senior*)
- Other. (Please specify: \_\_\_\_\_ )

**7. Which of these categories best describes your total monthly personal income?**

- (1100 000 -2100 000) Dinars
- (2100 000 -3100 000)Dinars
- (> 4100 000 Dinars

**The survey is complete.**

**Thank you.**

## APPENDIX 2

### Internal Consistency of the Questionnaire Dimension

Table 1

#### Internal Consistency of the Extrinsic Rewards

	<b>X1</b>	<b>X2</b>	<b>X3</b>	<b>X4</b>	<b>X5</b>
<b>X1</b>	1				
<b>X2</b>	0.515**	1			
<b>X3</b>	0.451**	0.589**	1		
<b>X4</b>	0.460**	0.424**	0.533**	1	
<b>X5</b>	0.424**	0.391**	0.430**	0.453**	1

Table 2

#### Internal Consistency of the Intrinsic Rewards

	<b>X6</b>	<b>X7</b>	<b>X8</b>	<b>X9</b>	<b>X10</b>	<b>X11</b>	<b>X12</b>
<b>X6</b>	1						
<b>X7</b>	0.715**	1					
<b>X8</b>	0.451**	0.560**	1				
<b>X9</b>	0.484**	0.535**	0.381**	1			
<b>X10</b>	0.329**	0.380**	0.448**	0.298**	1		
<b>X11</b>	0.502**	0.624**	0.674**	0.446**	0.589**	1	
<b>X12</b>	0.610**	0.669**	0.640**	0.511**	0.441**	0.698**	1

**Table 3**

**Internal Consistency of Intrinsic Motivation**

	<b>X13</b>	<b>X14</b>	<b>X15</b>	<b>X16</b>	<b>X17</b>	<b>X18</b>	<b>X19</b>	<b>X20</b>
<b>X13</b>	1							
<b>X14</b>	0.367**	1						
<b>X15</b>	0.356**	0.439**	1					
<b>X16</b>	0.347**	0.187*	0.377**	1				
<b>X17</b>	0.285**	0.327**	0.316**	0.143	1			
<b>X18</b>	0.347**	0.143	0.158	0.361**	0.361**	1		
<b>X19</b>	0.308**	0.203*	0.234*	0.204*	0.300**	0.421**	1	
<b>X20</b>	0.385**	0.193*	0.250**	0.253**	0.403**	0.429**	0.356**	1

**Table 4**

**Internal Consistency of the Extrinsic Motivation**

	<b>X21</b>	<b>X22</b>	<b>X23</b>	<b>X24</b>	<b>X25</b>	<b>X26</b>
<b>X21</b>	1					
<b>X22</b>	0.676**	1				
<b>X23</b>	0.584**	0.595**	1			
<b>X24</b>	0	0	0	0		
<b>X25</b>	0.203*	0.175	0.247**	0	1	
<b>X26</b>	0.219*	0.283**	0.270**	0	0.250**	1

**Table 5**

**Internal Consistency of Supervisor Support**

	<b>X27</b>	<b>X28</b>	<b>X29</b>	<b>X30</b>	<b>X31</b>	<b>X32</b>
<b>X27</b>	1					
<b>X28</b>	0.751**	1				
<b>X29</b>	0.542**	0.702**	1			

<b>X30</b>	0.571**	0.631**	0.677**	1		
<b>X31</b>	0.382**	0.577**	0.530**	0.540**	1	
<b>X32</b>	0.466**	0.604**	0.634**	0.720**	0.632**	1

**Table 6**

**Internal Consistency of Coworkers Support**

	<b>X33</b>	<b>X34</b>	<b>X35</b>	<b>X36</b>	<b>X37</b>	<b>X38</b>
<b>X33</b>	1					
<b>X34</b>	0.664**	1				
<b>X35</b>	0.660**	0.618**	1			
<b>X36</b>	0.569**	0.661**	0.507**	1		
<b>X37</b>	0.444**	0.538**	0.377**	0.597**	1	
<b>X38</b>	0.507**	0.498**	0.468**	0.707**	0.582**	1

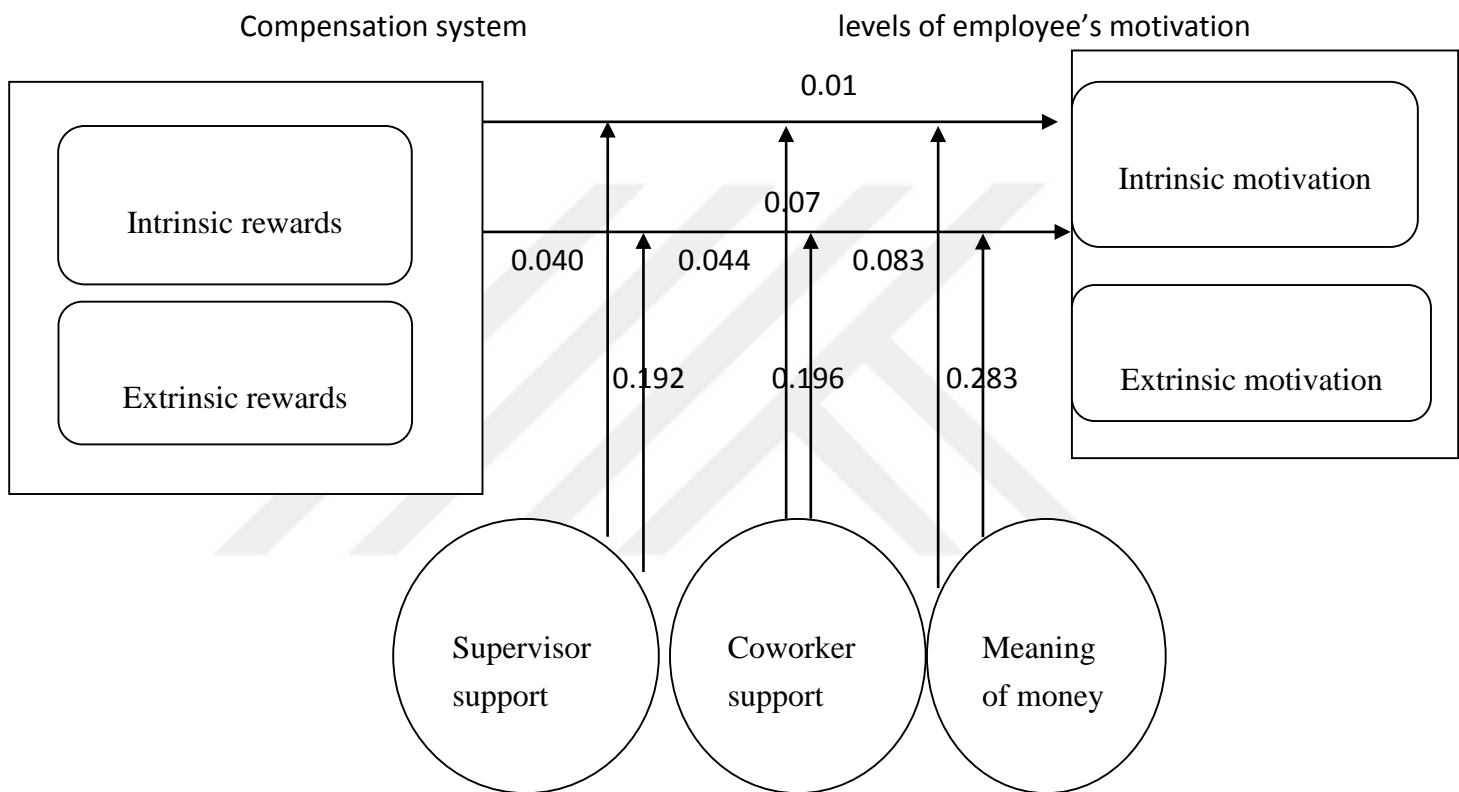
**Table 7**

**Internal Consistency of the Meaning or (value) of Money**

	<b>X39</b>	<b>X40</b>	<b>X41</b>	<b>X42</b>	<b>X43</b>	<b>X44</b>	<b>X45</b>	<b>X46</b>	<b>X47</b>	<b>X48</b>	<b>X49</b>	<b>X50</b>
<b>X41</b>	1											
<b>X42</b>	0.103	1										
<b>X43</b>	0.162	0.280**	1									
<b>X44</b>	0.173	0.271**	0.432**	1								
<b>X45</b>	0.274**	0.209*	0.297**	0.176	1							
<b>X46</b>	0.085	0.-152	0.033	0.034	0.025	1						
<b>X47</b>	0.212*	0.043	0.094	0.229*	0.229*	0.278	1					
<b>X48</b>	0.210	-0.46	0.162	0.194	0.192*	0.270**	0.517**	1				
<b>X49</b>	0.410**	0.024	0.194*	0.169	0.236**	0.253**	0.34**	0.444*	1			
<b>X50</b>	0.154	-0.12	0.206*	0.205*	0.206*	0.387*8	0.271**	0.276*	0.337**	1		
<b>X51</b>	0.195*	-0.99	0.059	0.191*	0.250*	0.414**	0.361**	0.423	0.199	0.283	1	
<b>X52</b>	0.015	-0.12	-0.146	0.61	0.169	0.355**	0.293**	0.256	0.247*	0.132	0.276*	1

### Appendix 3

#### The Hypothetical Model of the Study after Testing



Self-Generated Based on the SPSSData

**Table 3.5 Whole Scales Statistics of Respondent (N=118)**

Component of the questionnaire	Mean	Std. Deviation
Extrinsic Rewards		
X1	3.9068	1.06207
X2	4.1186	1.08738
X3	4.1949	1.05619
X4	4.0593	.98962
X5	3.8644	1.00354
Intrinsic Rewards		
X6	3.8220	1.15197
X7	3.7203	1.10078
X8	3.7119	1.18467
X9	4.4237	.84131
X10	3.7288	1.04318
X11	3.7627	1.27217
X12	3.8644	1.10875
Intrinsic Motivation		
X13	3.3475	.95521
X14	4.1186	.98856
X15	3.9915	3.94513
X16	3.6356	.92140
X17	3.6017	.97086
X18	3.3814	1.10104
X19	3.6525	.95521
X20	3.2034	1.03411
Extrinsic Motivation	2.5339	1.31189
X21		
X22	2.4237	1.07343
X23	2.3983	1.13333
X24	2.4915	1.11513
X25	2.2458	1.12422
X26	3.0254	1.03331
Supervisor support		
X27	2.6356	1.13729
X28	2.5763	1.17238
X29	2.6780	1.08511

X30	2.7797	1.14082
X31	2.6695	1.42658
X32	2.6441	1.16594
Coworker support		
X33	2.9746	.97369
X34	3.2373	1.09917
X35	3.3305	1.07858
X36	3.1780	1.09881
X37	2.8390	1.00401
X38	2.8220	1.12190
Meaning of money		
X39	2.7797	1.19926
X40	3.9322	.93121
X41	3.4492	1.16646
X42	3.4322	.95612
X43	3.1949	1.19299
X44	1.9661	1.19065
X45	2.9322	1.14525
X46	2.8475	1.12187
X47	2.5424	1.12200
X48	2.7203	.93265
X49	2.5254	1.11487
X50	2.2881	1.08684
X51	2.7373	1.13550