

**ATILIM UNIVERSITY**  
**GRADUATE SCHOOL OF SOCIAL SCIENCES**  
**DEPARTMENT OF BUSINESS ADMINISTRATION**  
**BUSINESS ADMINISTRATION MASTER'S PROGRAMME**

**APPROACH OF BANK MANAGERS TOWARDS REWARD SYSTEM: CASE OF LIBYA**

**Master's Thesis**

**Nagah Gidar**

**Ankara, 2017**

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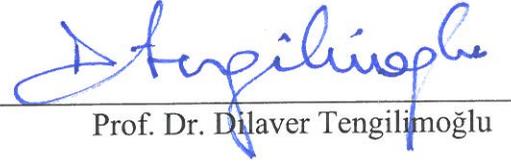
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## ACCEPTANCE AND APPROVAL

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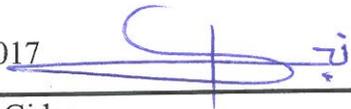
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- I prepared this thesis in accordance with Atilim University Graduate School of Social Sciences Thesis Writing Directive,
- I prepared this thesis within the framework of academic and ethics rules,
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- I cited all sources to which I made reference in my thesis,
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12/7/2017



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Nagah Gidar

## ÖZ

[Gidar, Nagah]. [Ödüllendirme Sistemine Yönelik Banka Yöneticilerinin Yaklaşımı: Libya Örneği],[Yüksek Lisans Tezi, Ankara, [2017].

Motivasyonla ilgili bir dizi tartışma ve teori; çalışanların performans, başarı ve ilgili çıktıklarına ve bunların örgütün geneline etkisine ışık tutmaktadır. Bu araştırmada motivasyon ve ödüllendirme sisteminin mülkiyetteki farklılık çerçevesinde iki örgütteki karşılaştırmalı analizini yapmak amaçlanmaktadır. Çalışmada, Libya'daki özel sektör ve kamu sektörü bankalarındaki yöneticilerin motivasyonel ödüllendirmeye dair bakış açılarını açığa çıkarmak üzere veri toplanmıştır. Nitel araştırma strateji çerçevesinde (derinlemesine mülakalarla) toplanan verilerin analizi, Libya'daki kamu bankalarının maddi ödülleri özel sektör bankaları kadar etkili olmadığını ortaya koymaktadır. Bununla beraber, veriler, çalışma performansına göre verilen manevi ödüllerin hem kamu sektöründeki hem özel sektördeki bankalarda çalışanları motive etme konusunda yeterli olduğunu açığa çıkarmıştır. Ayrıca, toplanan verilerin analizi çerçevesinde, Libya'daki özel sektör ve kamu sektörü bankalarında maddi ödüllere kıyasla manevi ödüllerin çalışanları motive etmede daha etkili olduğu ve performanslarını geliştirmeye daha çok ittiği sonucuna varılmıştır.

### **Anahtar kelimeler**

Motivasyon, Maddi Ödüller, Manevi Ödüller, Çalışma Performansı, Libya

## ABSTRACT

[Gidar, Nagah]. [Approach of Bank Managers Towards Reward System: Case of Libya], [M.A. Thesis, Ankara, [2017].

A number of discussions and theories regarding motivation highlight importance of an employee's job performance, accomplishment and its related outcome, in relevance to the overall impact of these on the organization. In this research, the aim is to study the motivation and reward system as a comparative analysis of two organizations with a difference in ownership. In this study, a viewpoint of managers of private as well as public banks of Libya has been collected to identify the motivational rewards in their opinion pertaining to impact on job performance. The analysis of collected data of the qualitative research (interview) indicates that material rewards that are mostly offered by public banks in Libya are not effective in comparison to material rewards offered by private banks to motivate employees. However, as per collected data, the moral rewards pertaining to a job performance of employees that are offered by private as well as public banks are sufficient enough to motivate employees of both types of banks. Moreover, it has been concluded through analysis of collected data that moral rewards in comparison to material rewards are considerably more effective to motivate employees and instigate them to strive for improved performances in public as well as private banks in Libya.

### **Keywords**

Motivation, Material Rewards, Moral Rewards, Job Performance, Libya, Bank

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Special thanks go to Dr. Mekdad Amin who for his encouraging advice and his unlimited assistance that highly contribute in the success of my study before his soul passed away.

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## INTRODUCTION

In the contemporary world, motivation has emerged as a significant element which helps a business environment to be productive. In some of the theories such as ERG (Existence, Relatedness and Growth), Herzberg's two-factor theory, Maslow's hierarchy of needs, McClelland's acquired-needs theory, the theorists have emphasized on the significance of motivation and its relationship with organizational behavior. It can be concluded from these aforementioned theories that organizational behavior is majorly defined by the motivational factors of the business (Taormina and Gao, 2013).

Motivation at a work can be considered as a set of energetic forces, which are reflected through work-related behavior of an individual to identify a purpose, direction, formation, intensity and an ability to move forward (Taormina and Gao, 2013). Most of the times, the motivation is identified as a psychological process, which is initiated with the interaction between the environment and an individual.

In every business organization, there is a set of goals or aims that an organization intends to achieve, for that the employees play a critical role; it is argued that human element is subjected to changes that are affected by factors which can increase their output. Therefore, as much as motivation plays a critical role in a business, there is a need of motivating employees of the company, which can be effectively managed only if there is a leader to guide them accordingly, a leader in an organization can be in a form of manager. One of the significant functions of a manager in an organization is to encourage or inspire its employees to achieve identified goals with effectively utilizing their capabilities (Healy, 2016).

A number of researchers have identified common concepts that explain phenomena of effectively motivating employees for the successful accomplishment of goals and enhanced output under the supervision of managers. However, managers usually do not have a collective or universal model that can help to identify a pattern to motivate employees. Also, there is a possibility that all managers do not have the required capability to estimate the factors or patterns that can enable them to effectively and efficiently motivate their employees to achieve favorable outcomes.

The overall actions and perceptions of humans is one of the important factors that enable a business organization to achieve their aims or identified goals. The fact that for them their individualistic needs or purposes will be on priority rather than the goals and aims of their organization; keeping in view this perspective, managers must be aware of factors that can motivate their employees accordingly.

In that way, it also promotes research and studies that can help to investigate issues pertaining to reward system or motivation in an organization. Therefore, in this research the motivation in a broad perspective, as well as the viewpoints of managers and employees of private and public sector organization have been collected; these viewpoints are regarding the role of material and moral rewards for the purpose of motivation and how these rewards affect the outcomes in general in both sectors. In this research study, the theoretical elements of motivation have been covered, with the help of theories regarding reward and motivation systems such as ERG (Existence, Relatedness and Growth), Herzberg's two-factor theory, Maslow's hierarchy of needs, McClelland's acquired-needs theory, stated in the literature review that are based on material or moral motivators (Shpektorenko, 2013). Moreover, these identified problems and issues are then studied with the help of a case study regarding public and private own financial / banking sector in Libya.

## **Preface**

The purpose of conducting this study is to assess the relationship between motivational factors and reward systems as comparative analysis of private and public sectors in Libya. With the help collected data from managers private and public banks of Libya, the motivational rewards have been identified that may affect the job performance of the employees working in both sectors. This study will help to form a foundation in this domain, as previously, not any relevant research or study has been conducted to analyze the motivational factors or reward systems in Libya.

According to previous research conducted in this regard, motivational factors such as acknowledgement and appreciation of hard work, monetary and non-monetary benefits as a reward system have positively influenced an employee's job performance, working capabilities and capacities as well as majorly influence the outcome of overall activities for a business (Taylor, 2010).

In order to conduct this study, an analysis of collected qualitative data from both private and public sectors have been tested and assessed thoroughly, accordingly to the processed data, the comparatively analysis of material rewards that are frequently offered to employees by the public and private banks in Libya shows that the public banks offer comparatively lesser effective material rewards to motivate employees. Furthermore, it can be concluded from the collected data that moral rewards are considerably more effective to motivate employees in general in comparison to material rewards offered by both private and public sectors.

## **Research Problem**

The research problem that will be discussed in this study is recent as well as it can be related with an organization in general; the employees in any organization are the key resource and hence, any rewards regarding motivation have a direct and immediate effect on them.

Usually, the reward system is designed by a top administration. The problem here is that probably they design the reward system without consulting with the worker and thus the designed may not be able to fulfill employees need and anticipation. So, we can say this if reward system is not well structured then it cannot completely motivate the employee. In case, the reward is something that employees do not find useful then it may not be adequate to motivate the employees. As a result, the rendering of the organization will be impacted due to this problem. In Libya, the concept of reward system is lacking behind, a lot of organizations do not focus on the aspects of offering reward system to motivate employees, and hence, there is a limited literature available in Libya regarding the concept of reward system.

The lack of appropriate material and moral rewards for employees can negatively affect rendering and contributes to weak accomplishment, thus reduce the probability of achieving the objectives of the organization. Perhaps this aspect highlights the importance of rewards system in general to improve the level of output. Usually, the material and moral rewards play a big part in changing employee accomplishment negatively or positively, and however, it requires allocation of such rewards in a fair and objective manner.

This research aims to study and compare the reward system of public and private sector banks to identify the impact of the material and moral rewards and their impact on motivation of employees of both private and public banks. In order to achieve the identified research aims, the following key research questions need to be answered:

1. Which moral and material rewards motivated bank employees in private and public sectors?
2. Is there any difference between private and public bank employees in terms of material and moral rewards offered to them and their respective impacts on motivation?

## **Research Methods**

This research study is a comparative analysis of two financial sector institutions i.e. private and public banking sector in terms of ownership, and if these two types of institutions use different reward systems to motivate their employees. The qualitative research based on interviews is employed to collect primary data to find qualitative perspective of different employees in an organization regarding the incentives or rewards that are given in order to build or enhance motivational level of employees.

This study has been divided into four different chapters: the foremost chapter in this study is introduction chapter, after that there is a literature chapter which focuses on the various issues and aspects of the study in light of previously conducted studies and gray literature. One of the important theoretical aspects has been covered and that is about motivation, its definition, conceptual framework, and various theories such as Maslow's hierarchies of needs, Herzberg's hygiene theory, and ERG theory. Also, there is a different set of theories of motivation have been discussed in detail in this chapter that includes goal setting theory, equity theory, expectancy theory and the important theory of McGregor's X and Y. This chapter follows the review of literature pertaining to motivation in private as well as public sectors.

After discussion regarding the theories, there is a computation of two kinds of motivation: material and moral rewards. The main aspect of this chapter is to discuss the two reward systems and their respective differences; moreover, the theories related to these reward systems has been identified and discussed.

The third chapter in this paper focuses on the background, which further subdivided into three sections. In the first section of this chapter, the issues pertaining to human resource management in Libya, in legal, cultural and political context have been discussed. In the second section, the issues and current situation of the banking sector of Libya have been discussed. Lastly, the final section discusses the issues regarding the structure and human resource of case organizations i.e. national commercial bank and AMAN bank.

The chapter four in the paper focuses on the methodology of the research study; it discusses the various methods of surveying, data collection techniques and applied tests in detail. In chapter five, a critical analysis of findings of the research study with the help of qualitative data (interviews) has been conducted and discussed in detail. The last chapter of the research study focuses on the conclusions and summary of the dissertation, as well as it gives conclusion and recommendations for the future research studies.

## CHAPTER ONE

### INTRODUCTION AND BACKGROUND INTRODUCTION

Libya is one of most flourished land in the aspect of natural gas and petroleum producing countries, but simultaneously, it has comparatively least varied economies in oil producing countries. The central economic management of the country is massively dependent on the public sector until the end of the 1990s, in the year 2002, it turned into a market economy after the decade of internationally imposed economic sanctions on the country after Lockerbie bombing in the year 1988. After that, Libya has progressively adopted measures and efforts to liberalize its foreign business and economy to preserve macroeconomic stability in the country.

Currently, the country's financial and economic situation is an ideal platform for structural reforms and efforts that can help to transition of the country into a market economy. Presently, Libya's social indexes are appropriate by MENA – Middle East and North Africa (IMF, 2007).

#### 1.1. HRM Context and Libya HRM Context

The Human Resource Management practices that majorly influence the organizational performance of a business is mainly identified as compensation, recruitment, reward system, and HR planning. One of the most significant factors that influence employees' motivation is reward system that eventually affects the satisfaction level, commitment and motivation for an employee, which ultimately influence the organization's performance (Ahmed et al, 2016).

Usually, the objective of HRM includes management of employees and measuring work performances to gauge the productivity and giving motivational rewards to enhance the motivation level of employees, even through the practice of incorporating the contemporary HRM tools in order to augment productivity has massively increased in both public and private sectors across the world, but there is still a huge literature gap among the HRM practices in developing countries of Middle East including Libya ( AL-Damoe et al, 2015).

Currently, there is a lack of empirical literature in the country regarding the mediating role of HRM and its practices such as Employee Satisfaction, HR planning, Recruitment and Selection and most importantly there isn't any reliable literature regarding Reward and Compensation in

an organization as a motivational factor. Thus, there is a need of development of a conceptual model in order to identify the appropriate practices that can be helpful to Human Resource Management in Libya (AL-Damoe et al, 2015). Also, there is a critical need to have adequate and relevant information about HRM practices and system in the country that can effectively guide the HRM practitioners to practice in the best way.

## **1.2. Political and Legal Context**

The president of Libya is both head of the state and government under the system of country which is Jamahiriya; with that all the political and non-political matters in the country are supervised and controlled by the family of president.

## **1.3. Labor Market Context**

The economic, political and community development of Libya in the recent times have been largely based on the principles of 'Libyanization' of the private sector. The majority of the jobs offered in the tenure of 1995 to 2000 for both skilled and non-skilled labor were majorly in the private sector. Although, considering the massive change in the work scenario, the Libyan government enforced a law on the private sector to give priority to Libyan nationals while hiring a workforce, however, there was no significant change in the action plan of a private sector in this regard while hiring new employees (Bondarouk and Brewster, 2016). The author also identified the reason for not preferring local Libyan employees while hiring a human resource for private sector companies: the foremost reason of preferring non-Libyan employees over local individuals is cost or higher wages expectancy of the local employees, the non-Libyan employees can work on less salary despite being skilled in the field. As a result, the private sector employers preferred hiring non-Libyans as a workforce for their companies.

Tripoli newspaper (2010) reported that in the year 2010, the private sector of the Libya had fired more than hundred thousand of Libyan employees and hired non-Libyan in greater force. Furthermore, private sector payment in Libya is comparatively too low, hence the employers prefer to hire non-Libyans because a majority of the natives are not willing to work in the private sector. Also, it is noticed that non-Libyan employees are easily manageable and it is easier to discipline them in comparison to Libyan employees. Lastly, there is one more reason and that is a failure to manage various cultures at a single workplace. As in Libya, a lot of

companies hire employees from various backgrounds, which has significant impact needs, behavior, and attitudes.

#### **1.4. Cultural Context**

Varma (2013) states that religious and cultural standards have a major impact on the day to day lives of Libyan citizens; these standards range from equity, ability, mastering, determination, and discipline. These identified standards are based on the teaching of Prophet Mohammad (Sunnah) and the Holy Quran. In comparison to other Arab nations and countries, the cultural consistency and collectivism are higher in the Libyan nation. As per studies, the Libyan natives are anxious in nature and keen in building powerful societal structures and mass relationship in the society than individualistic or personal interest. The culture in the country is more of a collectivistic, where there is a strong loyalty to the teaching of Islam and Islamic learning is largely governing the collective behavior of the community in the country. As per the teaching of Quran and Islam, the person in command need to be respected and accepted as a leader, until and unless the rules and regulation of the authority are against the teaching of Quran or Sunnah (Prophet Mohammad's teachings) (Morone, 2017).

#### **1.5. Financial Sector**

The financial sector in the country has significantly improved its structure and has been able to achieve success and superiority, moreover, the system has a capability to take advantage of the state of liquidity (Foreign Affairs, 2008). The focus of this research study is in the banking sector of the Libya; this sector is by far the strongest, biggest and most rapidly developed the sector in the region of the Middle East (Tripoli, 2010). As per the research conducted by Market Monitor (2010), after the UAE, the banking sector of the Libya is by far the most profitable and strong in terms of estates. Although, this sector had to face a lot of financial crisis in the recent times, as per Global (2009), the Libyan banking and financial sector is still one of the most attractive financial organizations across the globe; where the majority of the banks are privately owned.

As per Banker Middle East (McNamara, 2005), the financial sector of the country is booming and currently in the ideal phase; comparative to any situation, there can be advantages or

disadvantages in various forms, but still in general, the banking sector in the country is prospering, where banks are having more than 1000 branches in Libya.

### **1.6. Organization**

In this research study, the case that has been discussed will be focusing on the two major banks with a difference in ownership: AMAN bank as a private bank and NCB (National Commercial Bank, 2010) as a governmental owned body. NCB is the largest bank in the country; it has started its operation in the year 1970 with a capital of 20 million Libyan dinars (approximately 45 million dollars). Although, in the initiation, the bank was co-partnership but later transformed into a joint stock company in the year 1997, and offered public shares.

NCB has received the title of the best local bank services from Euro money to private banking facilities in the country in the year 2009. Moreover, the bank has been ranked as the top 50 in the financial category of global banking. Currently, the bank is one the largest bank in the Arab region, with 9.6 billion dinars (14.4 billion dollars) as a capital. Currently, the total numbers of branches operating in the Libya are 64 in number that are offering Islamic banking services and there are 4300 employees with a majority of them as natives (EMIS, 2017)

Furthermore, to increase the number of Libyan working in NCB, a program was established in the labor market in the late 90s, the program focused on the appointment of fresh graduates with capabilities and talent to excel in this sector. The program extensively focused on providing opportunities as well as comprehensive and advanced training for fresh graduates as per the requirement of the bank (Panorama Reports, 2017).

The other case bank is AMAN bank, which had been established in the year 2003 as a joint-stock company with a capital of 10 million LYD. The AMAN bank aimed to become one of the most prestigious providers of financial solutions in the country since the development of the bank, where the base was established on the foundation of Islamic law; the main focus of the bank is to target all shareholders, customers and bank employees in order to achieve their respective goals. Aman Bank has now 40% of Portuguese due to strategic alliance with the company Banco Espirito Santo, and the rest of the 60% are Libyan owned by the private sector of Libya. Furthermore, the bank considers its employees as strength or a resource and believes

in delivering ideal services and commitment by utilizing their employees' capabilities and experiences, Aman Bank is now a part of the international BES Group (AMAN bank, 2017).

### **1.7. Conclusion**

It can be concluded that there a number of factors that influence HRM in Libya, it can be macro-conditions. As well as there is a significant aspect of political context, where the president is the head of the state and have major control of the political system in the country.

Moreover, in the labor market context, the preference is given to non-Libyan employees, especially in the private sector; the reason for that is cheap labor cost of non-Libyan natives in comparison to natives of the country. Cultural and religious aspects also play a significant role in the country. Furthermore, it can be concluded that the financial sector of the country is booming currently, where a majority of the banks are privately owned.

The two banks that have been selected for the research study are AMAN Bank which is a privately-owned bank, and NCB which currently the largest bank in the country and governmentally operated.

## CHPTAR TWO

### REVIEW OF RELATED LITERATURE

#### **2.1. Motivation: Classical and Contemporary Theories**

This part of the research paper has been subdivided into two sections: section one of these chapters focuses on the definition and concepts of motivation as well as discusses various theories on motivation from the gray literature. Afterward, the literature related to the motivation issues in the private and public sector is included. Section two is related to the rewards system and covers; the moral rewards, material rewards, the total of rewards and the relationship between rewards system and motivation.

#### **2.2. Motivation**

Motivation is a complex concept, which has been defined differently: it can be linked with achievements and goals, where an individual focus on the attainment of the goals to achieve desired outcome (Miksza et al, 2016). It can be defined as a desire or as inspiration to attain goals, success or aims beyond the expectations, they further add that the driven force behind the motivation is based more on internal factors rather than external that instigate them to strive for improvement. It has been used as a force for individuals to engage through psychological activities to motivate them (Froiland and Worrell, 2016).

The concept of using motivation as a psychological process that can be used to develop a healthy interaction between the work environment and the worker, has been supported by many organizations (Kashio, 2012). They believe that due to this motivational force, the employees are willing to develop the respective capabilities and skills in order to attain specific goals or aims with their own willingness.

However, motivation is also considered as a set of processes that urge, forthright, and maintain human behavior towards reaching some target (Kanfer and Chen, 2016). The types of motivation can be sub divided on the basis of two factors, where one set of factors focuses on the individualistic characteristics and their respective needs or targets, and the other set of

factors focuses on the working environment of the organization. Motivation refers to “the reasons underlying behavior” (Guay, 2010).

The motivation idiomatically: the phenomena of motivation is quite interesting that leads towards a positive behavioural change in an individual with a stimulus from an external force, in this case the external and exciting force can be human environment in an organization and the community where he/she belongs, as well as the personal ability that instigates a human for a particular behaviour (Baek et al., 2015).

### **2.3. Overview of Conventional Theories on Employee Motivation**

#### **2.3.1. Maslow’s Theory**

It is a human psychology that they aren’t satisfied with the available resources, opportunities or materialistic things, hence strive to have more. Maslow describes the behavior of human psychology in different levels and has given importance of different levels over the other (Healy, 2016). Maslow states that there are five different levels of human needs, where physiological and safety needs are at the bottom, and esteem and self-attainment needs are at the top. Individuals work and are motivated according to their needs on different levels (Taormina and Gao, 2013). However, it cannot be standardized that an individual may strive as per the levels of needs identified by the Maslow; an individual may prefer a self-esteem level over others. It indicates that there can be exceptions in the demands of levels of needs. But, a percentage of gratification in a certain level is higher than the next level despite not reaching there. Hence, it can be stated that it is the human nature to constantly seek new needs after one is achieved this leads to continuous motivation and desire to keep working (Healy, 2016).

Maslow’s hierarchy theory has received a lot of criticism due to no empirical base. But, Maslow’s need theory has been tested by Lawyer and Settle and they came up with a little bit of variation in the model, where two biological needs i.e. physiological and safety needs were added to the bottom level and other needs (love/belonging, esteem and self-actualization) at the top of a pyramid (Taormina and Gao, 2013).

Maslow's ideas regarding the hierarchy of needs states that it is the responsibility of the employers to offer a working environment to its employees, which encourages and helps them to attain their unique and individual potential (self-actualization). Maslow refers to the needs of employees as Aesthetic, Cognitive and Transcendence as additional aspects of motivations rather than distinct levels in the hierarchical needs (Taormina and Gao, 2013).

A number of theorists and researchers have extended the work through interpretation of Maslow's work. This model was also tested by Mitchell and Mougill in Muchinsky (1993) on a number of models of accountants and engineers in Canada. The findings of the study supported the special segment of safety needs whereas other was added in a group. Although, the findings of their study did not support Maslow's paradigm but did not prove it wrong either. Betz has also conducted study in this regard, and discovered proof that level of conviction need can be related to life conviction. Adding to that Wanus & Zwany (Muchinsky, 1993) supported the Maslow's need model; Wahba and Bridwell (Muchinsky, 1993) analyzed the Maslow hierarchy model, although they did not find support for the higher-level categories but they have given empirical support to the lower levels of the model.

There is a significant aspect of the Maslow's model and that is the fact that Maslow's theory is based on the human behavior, which is one of the most unpredictable aspects, hence it is impossible to gauge something like that with accuracy. A behavior can vary in various situations, an individual can move up or down with motivation or lack of motivation depending on the circumstances of his/her life, however, the behavior is highly dependent on various factors including motivation (Taormina and Gao, 2013). The needs identified in the Maslow's model is diverse and he suggests an order of need inquiry, although it has been argued in this regard; as per his research all needs must be fulfilled at the same time and irregularly (Gherman, 2012).

### **2.3.2. Herzberg's Theory**

According to Herzberg's theory of motivation, there is a significant difference in the factors that create motivation and job satisfaction in comparison to the factors that may lead to displeasure in a job. Herzberg identified two different sets of factors, where the first set of motivation factors are based on the job fundamental, such as responsibility, work, achievement, recognition of accomplishment and succession. However, these kinds of factors majorly

concern with the issues pertaining to the job. The major factors that can work as motivators are the ones that give the self-actualization opportunities to the employees, as this is the ultimate aim of an individual (Shpektorenko,2013). The second set of factors includes ‘hygiene factors’, these are the factors that may cause displeasure in a job for an individual. Conversely, these factors that pertain to the working environment are not essentially linked to the job. This set of factors may include, company policies, rules and regulation, supervision, interpersonal relationships, safety, rewards, and may include the situation of work (Wilson, 2013).

The Herzberg theory is based on accountants and engineers, and it has received a lot of criticism from various authors and researchers, for application of this theory to only white-collar employees. According to findings of King (as cited in Taormina and Gao, 2013) the Herzberg theory is inaccurate, as he has applied the concept to another group of workers and the outcomes of the study did not support the findings of Herzberg (Miksza et al, 2016). Also, it has been argued that cleaving of the different factors is not enough to support the theory, as both of the categories in the study had proved to increase rendering. Whereas, various other critics have the general formalization of the concepts, where there are agreement and disagreement regarding the motivating factors (Luthans et al, 2015).

### **2.3.3. Expectancy Theory**

The expectancy theory states that individuals get motivation to select a specific behavior rather than other behavior because of their expectancy of the desired result in response to the selected behavior (Luthans et al, 2015). As per this theory, when people behave in a required way, they will be able to receive the ultimate rewards. But this desired behavior or course of actions can be only achieved with the help of motivation; also, it can be concluded from this theory that the individual tends to strive in order to receive attainable rewards if the given or offered rewards are what an individual is looking for (Nimri et al, 2015). Kontoghiorghes (2016) was a pioneer to identify a relationship between motivation and this theory. As per him, there are three main factors in this theory and these are valance, instrumentality, and expectancy. He had also created an equation:  $M = \sum (E * V)$ , in this equation M is identified as the motivational power that can be achieved with the help of factors of Valance (V) which is the specific results for an individual and the Expectancy (E) is the assessment of the expectancy which may be caused due to efforts (Nimri et al, 2015).

A number of extensive studies and research have been conducted to test expectancy theory (Baumann and Bonner, 2016). According to study conducted by Mitchell, the findings of the study has supported the reliability of the expectancy theory. Whereas various other studies have disapproved the reliability for this theory, but the author agrees with the expectancy theory and considered it as a reliable one. Empirical findings of other studies show that it is one of the most applicable and practical motivational theory, however, denying the negative outcomes in this regard.

Adding to that, as per findings of the studies, there are two major issues in this theory: one is consequences of the data and second prominence of reliable measures. It can be although concluded that the expectancy theory is highly rational and logical, and identifies the attitudes and attributes of individuals that what drives them to achieve high outcomes (Baumann and Bonner, 2016). Furthermore, as per research the expectancy theory is applicable for those people who believe in changing their own fortune.

#### **2.3.4. ERG Theory**

This theory of ERG is referred to Alderfer (1972) and it can be related to three different kinds of needs of individuals: growth needs, relatedness, and existence (Ondabu, 2014). Where growth needs or matter can be related to the physiological or security needs identified by Maslow, existence needs can be related to the survival or insistence needs of human life. And relatedness needs can be based on the human desire to coexist within a community and a certain environment, which also indicates the need to be appreciated and value sharing in an organization (Yang, 2011).

Similarly, a number of empirical testing has been done on ERG theory; a study conduct on Maslow's theory supports ERG theory as the findings were obvious. As per study conducted Hall and Nougaim, it is argued that the level of zest or desire to attain something or a need may depend on an individual's personal feel for that specific need. Wanus & Zwany strongly support ERG theory specifically the aspect that a number of groups may have dissimilar needs in comparison to each other. On the contrary to the Maslow's theory, Wanus & Zwany argues that a motivator can still be a motivator after accomplishment of a need.

In comparison to Maslow's theory, the ERG theory has received a lot of support from authors and researchers. There can still be shortcomings in the need, as it is difficult to define that what the basis of accomplishing a need is and how it can be formulated in a human mind and persuade an individual to achieve something.

### **2.3.5. Equity Theory**

The theory of Equity is presented by Adams (1963), as per this theory discusses the people's opinions and viewpoints regarding the equity and justice in regard to what they receive or what they deserve. As per the equity theory, it is a human nature to desire for equity in their respective environments, ideally it is an inner desire to work in a fair situation. Therefore, if there are a number of individuals working in an organization, they will compare their capabilities, education, skills, efforts and training in respective to the reward they intend to receive in return. The reward can be in different forms ranging from monetary benefits, training and development opportunities, promotions and incentives, as well as equal accountability of efforts and actions (Luthans et al, 2015). Also, it has been observed that individuals working in an environment tend to compare their salaries, payments or other monetary benefits. In that way, if an employee is being paid less in comparison to his /her counterparts tend to get demotivated due to lower wage issue. Hence, they attempt to make the cognitive adjustment to desire to work and look for various opportunities to reach for better outcomes. The lower wage issue can decrease the zest of workers to achieve anything and it may reflect in their behavior too (Wilson, 2013).

There have been a number of studies conducted in order to test the Equity theory; Healy (2016) conducted a study based on the payment system. A comparative analysis was conducted between two groups, where one group was paid higher for performing the same task while another group was underpaid for the same task, and some were paid in between to feel justice (Healy, 2016).

Most of the research conducted regarding the equity theory has been done in accordance to the rewards in the form of monetary benefits; it can be considered as a problem as monetary benefits are only of the many outcomes of the system. As per results, it has been noticed that the joy of being over paid does not last for long and it diminish with time. Although, many researchers argue that different individuals have different perspective or ways of measuring

equity in this regard, hence, there is a great possibility that they may react differently in different cases.

### **2.3.6. Goal Setting Theory**

Employees can be easily motivated if there is accurate information regarding goal setting and acknowledgment exercise. Aims or goals for individuals give them a direction as well as morale to achieve that target. But, it is recommended that goals should be specific and attainable (Miksza, 2016). Morone (2017) identifies that motivational theory can be seen specifically as a process rather than a theory, where an appropriate set of techniques should be identified that can help to increase motivation. The techniques can be based on the expectation and nature of the job of an individual.

According to Arnold et al, (Taormina and Gao, 2013), the goal setting theory is one of the most relevant and supported theories in accordance with the concept of motivation. There are a lot of other authors that argued about this theory being effective for the managers in reality. On the contrary, there are researchers that believe that goal setting theory is highly effective as well as usable for both groups and individuals in an organization. But, at the same time, there can be problem in this theory, if an individual has a number of goals to work on; it has been tested regarding a goal, which was focused on decreasing accidents, as a result of that after 16 weeks, the analysis shows that there was 20% reduction in the accidents (Foster, 2000). Adding to that goal setting theory has indeed a strong empirical foundation.

### **2.3.7. Theory X and Theory Y**

According to a study conducted by Morone (2017), a majority of the population has the in-built capability to be creative and innovative. This supports the argument given by the theory Y, that suppositions contribute affirmatively towards decision-making, which helps an organization to achieve its targets (Russ, 2011).

A number of researchers such as Gherman (2012) and various others emphasize it is effective for the managers and individuals in leading positions to be more flexible in order to improve and build trust in their employees. It was also tested by Jenab and Staub (2012), where according to findings there is evidence of similarities between most of the managers with the

Theory Y managers. Whereas there are a lot of researchers Gherman (2012) agree that Theory X can be used as a requisite accession to management, and it may have positive effects on the organizations. However, in the contemporary world, this approach is considered as outdated in accordance to the competitive business needs of today's developed organization.

There are a number of research conducted and studies taken place on the concept of motivation, which can be the leading factor of assiduity in work. The theories provided by these researchers in this regard, give peculiar details about the various aspect and nature of motivation, as well as describes the behaviors of motivated individuals in particular timeframes. These theories have helped a lot of leaders and managers of organizations to motivate their workers that may be considered as complex phenomena before. Due to complexities in the concept of motivations and difficulties related to the process, there is not any specific or defined solution to motivate employees effectively. Similarly, the theories related to motivation are split into two segments: Content theories, which focus on specific issues and problems pertaining to the needs of the individuals or the Purpose theories, which can be related to the behavioral motivation.

There is a belief as per research and studies that there are similarities between the level of happiness among employees of both public as well as private sector employees. Although there be a number of motivational types, the major motivations include material and moral motivation; where material motivation pertains to monetary or tangible benefits, it can be in form of bonuses, increments in salaries and bonuses. Usually, a lot of top management has this perception that only money is an efficient means to motivate employees, which can't be true. There can be a lot of shortcomings in respect to material rewards (Bondarouk and Brewster, 2016).

It can be concluded that in an organization's structure, material benefits can play a major role in determining variations in pay for different individuals. Another type of motivation is moral rewards, moral rewards are more than just monetary benefits; in moral rewards, employees are encouraged, appreciated and trained for the betterment of being and organization.

It is of great significance as it is considered as an organizational strategy that may motivate employees to acquire the job immanent, non-monetary benefits and rewards; which motivates them to achieve more, eventually helping an organization to achieve its targets and aims.

#### **2.4. Overview of Contemporary Theories of Motivation**

The author reached to a conclusion that the significance of the motivation in the contemporary world can't be denied, he further stated that if one needs to create a highly valid theory which will be useful in practical, the best solution will be to focus on the motivational theories with appropriate model, he added while comparing the theories of organizational behavior in this regard. The contemporary theories of motivation focus on the relation between the goals, values, and beliefs with actions (Cook and Artino, 2016).

In the mid 80s, Brown and Ryan (2015) proposed a theory as cognitive evaluation theory or self-determination theory, which states that when organizations use extrinsic rewards as payoffs for exceeding performance of employees, the intrinsic rewards derived from the innate ability to do what they like are reduced (Brown and Ryan, 2015). It can be further explained on the basis that an individual experience losing control over her/his behavior in order to reduce the intrinsic motivation. Moreover, the elimination of the extrinsic rewards can cause a shift in an individual where he/she questions his/her reasons of working on a task (Riley, 2016). Therefore, it is stated in the theory that extrinsic rewards should be subjective to a performance of an individual. In reality, this theory has limited applicability in organizations as the lower staff isn't inherently fostering higher intrinsic interest, whereas on the higher level (managerial and professional positions) the organizations usually offers intrinsic as well as extrinsic rewards (Brown and Ryan, 2015). Many theorists stated in the contemporary theories that majorly individuals are intrinsically motivated, they partake in any activity due to their personal interests or the fact that they enjoy participating in that activity. Whereas, on the contrary, when an individual is extrinsically motivated, the objective of participating in activities is instrumental or other related reasons, most importantly, expecting a reward (Wang and Eccles, 2013).

Later in early 90s, Welsh and Ordonez (2014) came up with goal-setting theory; according to them, challenging goals are capable of producing a higher level of outcome in comparison to the generalized goals set for the employees. They stated that the higher the level of difficulty

and complexity in goals, there will be a higher level of performance from the employees (Locke and Latham, 2013). Adding to that, they stated that individuals tend to do better when they get feedback on their progress from the management towards their goals and efforts to achieve them. According to this theory, the goal serves as a motivator for the people, because the goal helps them too identify the required abilities that are required to perform in order to get successful in achieving the goal. There are four contingencies in goal-setting theory: Goal Commitment, Adequate self-efficacy, National Culture and Task Characteristics (Welsh and Ordonez, 2014). Employees can be easily motivated if there is accurate information regarding goal setting and acknowledgment exercise. Aims or goals for individuals give them a direction as well as morale to achieve that target. But, it is recommended that goals should be specific and attainable (Dhanabhakym and Umadevi, 2012). Brown and Ryan (2015) identifies that motivational theory can be seen specifically as a process rather than a theory, where an appropriate set of techniques should be identified that can help to increase motivation. The techniques can be based on the expectation and nature of the job of an individual.

According to Reinforcement theory (Bryman, 2015), reinforcement conditions the human behavior to the great extent. As per this theory, behavior is a function of the consequences that occurs or enforced on an individual. Also, it is the environment around the people that motivates them to do certain things, and furthermore, their behavior can be modified (reinforced) by offering (controlling) motivational rewards or consequences of the events (Bryman, 2015). Also, in the year 2000, Brown and Latham found while studying about unionized telecommunication employees that there us higher job satisfaction and higher performance with their performance appraisal process when the higher goals were set for them to achieve. In that way, motivation played a critical role to achieve the desired or defined result (Tyler, 2016).

There are some theorists, who have linked the motivation and cognitive abilities of the individuals, Pintrich and his colleagues (2000) developed a model of relation between cognition and motivation. There were several components of the model, including achievement levels of individuals, social aspects of learning abilities, goal setting theories and expectancy-value and various cognitive construct. These constructs are interdependent; the focus of the model was majorly students. He also stated the conventional psychological models of the conceptual change that influence the motivation and contextual factors. The focus on the goal

construct, values and belief has led to significant development in the field of motivational theories (Wang and Eccles, 2013).

## CHAPTER THREE

### THE IMPACT OF REWARD SYSTEM ON MOTIVATION

In the literature, a lot of research has been conducted that define the difference between the public and private sector, specifically in relation to motivation. It is observed that most of the time the individuals working in a public sector usually do not get any kind of material rewards (Hvidman and Andersen, 2013). As far as similarities in the two sectors are concerned, the motivation levels, as well as gratification levels among the workers of both sectors are suitably similar or equal.

According to a study, individuals working in a public sector have a different set of characteristics of motivation in comparison to the private sector. They choose a set of five factors to carry out study between the two sectors; out of these five factors mainly three matched between the public and private sector, these are job safety, a level of pay and opportunities for improvement (Taylor, 2010).

However, in the private sector, the demand is higher for the high pay/wage, whereas for the public sector's workers work security is the main motivation. In comparison to that, the motivational factors that these individuals receive in both sectors are different, the highest want for individuals working in a public sector is finding out a new thing, whereas for the employees of the private sector it is the opportunity to practice leadership in the organization. Currently, the high pay as a motivational factor is at fourteen for a public sector's employee whereas it is at number 10 for a private sector's employee. Hence, there are two significant factors in motivation for both the sectors and these are practice and pay (Taylor, 2010).

#### 3.1. Reward Systems

One of the most significant functions of the human resource management is reward; it is given as an appreciation or acknowledge of the efforts, services or achievements to individuals. Reward system and management can also be defined as employees' involvement in the input and output of the system. Input involvement can be referred to the offering ideas and suggestions in development of the reward system to achieve major goals and strategies.

Whereas, output involvement can be considered as suggestions in resources, methods and goals of the organizations, this allows employees to share rewards and achievements in productivity of the business, which ultimately helps the organizations to achieve the identified goals. These participations in reward system and management encourages the employees to be honest while contributing efforts and supporting the reward management efforts at workplace (Ismail et al, 2016).

A reward system is a great way to start off the working environment which is less suitable. Cooperation with individuals who are slow and undeveloped can cause your manager to disfavor you. Reward systems could be the only ways to motivate the workers in being more successful and fruitful. Improve a reward system might take some to think outside of the box and innovativeness, but a little time spent on the delineation board could get a big return when it comes to output.

According to Khan (2013) rewards can be considered the assortment of different indemnifications of both moral and material. However, Guay (2016) defines the reward systems as “returns that employees receive as a result of the employment by their organization, financial and non-financial” (McDonald and Thompson, 2016). On the other hand, Brewster and Hegewisch (2017) in his definition integrates the element of “effective reward management” for the interest of individuals as well as the organization.

According to Khan (2013) reward systems have different objectives, where motivate the employee is the main aim which helps in better achievement. The corroborators of the theory of expectations and behavioral sciences believe that the workers will work harder if the rewards are linked to output and performance (Armstrong and Taylor, 2014). However, Taylor (2010) argued that incentives system makes individuals less enthusiastic, subsequently, less committed to excellence to their job.

Nowadays the rewards play an important role in organizations. They impact a wide range of work- related behavior and as well as employee motivation (Ismail et al, 2016). According to Markova and Ford (2011), the real accomplishment of a company comes from the readiness of the workers to use their creativity, knowledge, and capability to the company and it is the obligation of the organization to promote and boost to positive individual inputs by putting efficient reward practices in place. Employees in an organization can be effectively and

instantly motivated with the help of reward system while participating to augment the efficiency of their organizations. For example, a salesperson of a company may want to give extra efforts and giving overtime to increase his/her monthly sales quota as well as to get rewarded for the extra efforts. This kind of reward system has been always considered successful for motivating the employees of any organization (Bengtsson and Hedberg, 2012).

Each individual regardless of his/her organization has a different set of needs and wants, for which that individual work harder to fulfill these needs. Although an employee may not be convinced merely with material aspects, there are a lot of individuals who prefer or want to fulfill both the aspects. Material aspects may include job security, pay/salary, allowances, bonuses and other related facilities whereas non-material aspects may include effective interpersonal relationship among the team, good working conditions and environment, leaves or effective communication with the top management, all of the aforementioned elements can motivate the employees to great extent.

Although monetary or non-monetary benefits or incentives make an effective relationship between an organization and its employee, still money is considered as a most frequent motivator among all; most of the time, employees make an effort to complete a task effectively to fulfill the requirement to receive monetary benefits or other incentives packages.

Incentive offers may vary from industry to industry; a lot of organization offers a medical allowance, increase pay, bonuses, yearly holidays, promotional offers and many other incentives as per needs and wants of their employees. Hence, these incentives and rewards stimulate the individuals working in an organization to give enhanced output in order to receive a reward.

The major reason of offering attractive incentive plans and offers is to build an environment where employees are highly compatible, trained and motivated that will ultimately lead towards gaining a competitive edge over the rivals. Employees working in an organization desire to receive appreciation and other monetary and non-monetary benefits in exchange for their hard work. Employees need motivation or something that keep them in their respective working environment regardless of the sector. Usually, it is the salary or pays for an employee that work as an impulse; but to keep the individuals/employees in any organization for a longer period needs a lot of other incentives and programs to keep them engaged.

It is imperative that an employee working in an organization is motivated enough to come to work in a routine as if he/she is not motivated, then this will directly impact the performance and quality of work.

### **3.3.1. Material Rewards**

According to Ismail et al (2016), the monetary rewards are temporary, as most of the times an employee will be motivated till the raise in pay, after that he/she will look to get another raise in pay; it may be referred as a short-sighted value to get an employee motivated. He adds that offering a reward to an unmotivated individual is similar to offering salt water to an individual who is thirsty.

Material rewards can be defined as work-related rewards that have monetary value, for example, salary, an increment in pay and job condition. According to research conducted by Bengtsson and Hedberg (2012), financial or monetary incentives can be effective and efficient. They added that ideally all works or jobs are not motivating or challenging in nature, if that was the case, intrinsically everyone was motivated and rewarded in their jobs, but this is not the reality.

When a worker is offered monetary benefits in exchange for good performance may lead towards wrong gesture towards the individual working in an environment; a drive through monetary rewards may lead towards ineffective competition within a team and decreases overall teamwork.

According to Brewster and Hegewisch (2017) short-term solutions or monetary benefits offered to create a reward management schemes may lead towards issues and concerns in a long run, while indicating towards the monetary benefits offered to motivate employees.

### **3.3.2. Moral Rewards**

A majority of the researchers believes that moral rewards are more effective in comparison to material rewards; although, they do not deny the importance of material rewards in the organizational context. According to Ondabu, (2014), the monetary or financial rewards may

work in a background for an individual but mainly it is the moral reward that defines the organizational behavior of an individual.

Moral rewards are usually non-monetary rewards that are intangible in nature; it can be inclusive in the work itself such as interesting job opportunities, challenging tasks or any competitive task offered to the employees in an organization. According to Ondabu (2014), appreciation and compliment are two of the most effective moral rewards that can boost the morale of an employee, as employees always want to feel encouraged and want to get acknowledged for their contribution at a workplace. Nelson adds recognition and appreciation in front of fellow workers send positive vibes to the worker, and also encourages other workers to perform according to desires and preferences of the management.

Taylor (2010) state that intangible rewards that make an organization valuable among the prospective employees, hence, it is largely dependent on the intangible rewards which encourage an employee to prefer one organization over other.

### **Difference between Material and Moral Rewards**

<b>Material Rewards</b>	<b>Moral Rewards</b>
<ul style="list-style-type: none"> <li>▪ Financial rewards/Monetary</li> <li>▪ Tangible in nature</li> <li>▪ Short-term benefits</li> <li>▪ Short-sighted value for employees</li> <li>▪ Less effective</li> <li>▪ May create unhealthy competition</li> <li>▪ Comprises of increments in pay, monetary benefits</li> </ul>	<ul style="list-style-type: none"> <li>▪ Non-financial rewards</li> <li>▪ Intangible in nature</li> <li>▪ Long-term benefits</li> <li>▪ Long-sighted value for employees</li> <li>▪ More effective</li> <li>▪ Create healthy competition</li> <li>▪ Appreciation and recognition</li> </ul>

### **3.3.3. Total Reward**

The contemporary literature emphasis on the importance of a total reward approach rather than focusing on a single reward system i.e. monetary or moral reward; According to Ondabu, (2014), the concept of total reward systems is not a new concept. Furthermore, Brewster and Hegewisch (2017) highlight that Adam Smith (2015) called for some identification in this regard where there is a total net advantage aside from pay, which can be work safety, responsibility or other related aspects.

A total reward is an amalgamation of non-financial (intrinsic) rewards and financial (extrinsic) rewards that an individual receives in any organization (Brewster and Hegewisch, 2017). He further adds that about this concept of total reward, it is more about offering employees in form of rewards besides throwing monetary rewards at them. However, a reward system or worker's comprehension may differ for employee to employee, which a manager might think as a reward to motivate its employees.

As per Brewster and Hegewisch (2017), the best practice that a manager can adopt is to ask directly its employees what they expect and what they want. Hence, the impact of the interest in the job may lead towards detachment from work, higher possibilities of resigning from the company and many other related issues. On the basis of literature review, an employee may not inform about his/her intentions regarding the reward practices in an organization. The best practice pertaining to the best reward systems is the one that best suits your organization and its working environment.

### **3.4. Integration of Reward/Motivation**

According to a survey conducted by Ondabu (2014) in order to identify the pay and wages related schemes in recruitment and motivation among employees; they concluded that wages system adopted by majority of employers cannot be taken as strategies based on recruitment, salary, pay or encouragement as a reward management system. Furthermore, Nimri et al (2015) investigated the influences of rewards on monetary and material motivation and they concluded that any raise in a reward can be perceived as self-determination and simultaneously how it affects the intrinsic motivational rewards, also they concluded that rewards procedures with less fulfilment depicts the dullness and routine tasks that also diminish the intrinsic motivation.

Furthermore, Brewster and Hegewisch (2017) also analysed and discussed the preferences of middle level managers regarding the rewards, as per results of conducted survey, there is a significant impact on reward preferences on motivation, they also noticed that the highly-valued ones are material rewards, whereas an amalgamation of both moral and material rewards were preferred and taken positively for encouragement in case of some managers.

According to a study conducted by Taylor (2010) in order to set context for progress in organized reorganization and rewards, he found that there was not any pre-defined or written strategy for rewards and recognition that can help in building a trustable relationship, rather than that they offered contractual benefits and terms that may not help to build a healthy workforce or working environment. He also found that there was no methodical approach to establish a value for money in comparison to benefits. Furthermore, Hwang (2015) concluded after their work on studying the effects of reward management programme that if the given recognition or reward to employees is altered as per the expectations or requirements of employees, there will be an instant change in work motivation and satisfaction level of the employees, they further added that employees were less motivated when there was difference in dimensions of work satisfaction and motivation in comparison to rewards and recognition.

In order to explore the relationship between reward and motivation, a number of studies have been conducted and a direct relationship between the employee's motivation and extrinsic rewards were found (Olafsen, Halvari, Forest and Deci, 2015). Similarly, a study was conducted by Hwang (2015), where he investigated extrinsic rewards as a motivational tool and they concluded that besides monetary benefits and rewards, the job and working environment also motivated employees.

Furthermore, according to a study, employee recognition program in terms of rewards and recognition can satisfy and motivate employees, these rewards and recognition programs require a bit of commitment and it may also promote teamwork, employee satisfaction and better experience for the employees and help the organization to achieve its target and goals (Baskar and Rajkumar, 2015).

It can be concluded from the analysis that a well-defined and functional reward system is an effective and efficient way of increasing work motivation among employees. The advocates of the expectancy theory believe that an employee will put an extra effort in a work by prioritizing

his/her actions, if he/she is well-aware that his/her efforts will be highly rewarded by the management of organization. Thus, incentives are a major reward system that can motivate an employee to perform well. If the rewards are given in response to contribution of employees in achievement of the organizations' goals, it will motivate the employee to work better in future, eventually enhancing the productivity and effectiveness of the business, ultimately generating positivity for both employee and employer (Ismail, Anuar and Abdullah, 2016).

## CHAPTER FOUR

### RESEARCH METHODOLOGY

The explanation regarding the research design, data collection method and process, the respondents, data analysis method, and ethical consideration is provided in this chapter.

#### 4.1. Research Design and Method

According to Alagaraja (2013), selecting an appropriate research methodology will lead towards an effective result output. Besides, it will contribute in achieving the aims and objectives of the research study. Moreover, to identify the most suitable approach and to get genuine results for this research, different kind of research methods have been applied. As such, the most effective methodology for this research work was to use a mixture of both primary and secondary data analysis. Therefore, for obtaining the primary data, interviews have been performed with the managers of the two-selected private and public banks in Tripoli, Libya. Moving onwards to secondary data, focused was given to the literature review section whereby data was gathered based on the research topic. The secondary data had benefited the researcher in obtaining authentic information related to the reward system and its impact on motivation of employees. In addition, this research has adopted a qualitative approach which includes both inductive research design and interpretivism philosophy (Cohen, Manion & Morrison, 2013).

Fisher (2010) came up with the argument that there were probably three types of research philosophies that could have been used in implementing this research methodology. They were classified in terms of realism, positivism and interpretivism. The positivism was defined as research philosophy which tends to develop hypothesis and statistically test them. In short, the use of statistical analysis and quantitative data such as questionnaires are used in positivism (Bryman & Bell, 2011). On the other hand, interpretivism research philosophy focuses on interpreting the world based on researchers' own interpretation and understanding. As such, in order to understand a particular context or situation, it is important to adopt certain kind of knowledge that will lead towards finding a conclusion. Thus, interpretivism tends to make use of qualitative research approach such as interview. However, when both positivism and interpretivism are combined and used together it gives rise to realism. (Saunders et al., 2012).

For this particular research, it was found that interpretivism should be implemented because the research necessitated collection and analysis of qualitative data based on in-depth views. Snell, Morris and Bohlander (2015) suggests that qualitative data approach goes in depth while analyzing the real-time situation. As a result, by selecting this strategy it was possible to use interview to collect qualitative data based on in-depth views (Cohen et al., 2013).

## **4.2. Data Collection**

The data for the research study has been conducted in the form of primary and secondary data. The primary data was collected mainly through one-to-one interviews with the respondents and secondary data has been collected through available online articles and previous research studies.

### **4.2.1. Primary data**

In order to perform this research study, the researcher has preferred to adopt open ended interviews to collect primary qualitative data. The interview had allowed the researcher to obtain the information regarding the reward systems used in the private and public banks their impact on motivation of both types of bank employees. Moreover, it will also offer in-depth information which would not get obtained if other methods of research are used (Bryman & Bell, 2011).

Therefore, interview was used for gathering an important insight, related to the moral and material rewards offered and their respective impact on motivation of both types of bank employees. To obtain primary data 10 interviews were conducted, where 5 interviews were conducted with the 5 managers of NCB which is a private sector bank in Tripoli, Libya, and 5 interviews were conducted with the 5 managers of AMAN Bank which is a public-sector bank in Tripoli, Libya. Before proceeding with the interview, the researcher had obtained formal approval from banks and respective managers. This process was start by sending an e-mail. As a result, a pre-agreed time for the interview was fixed and it was carried over the telephone. Before carrying out the actual interview, the participants were emailed the questions of interview in order to have an idea about the information which this study was demanding.

#### **4.2.2. Interview**

This study required to carry out 10 half-structured interviews. The benefit of using semi-structured interview was that it allowed the researcher to write the questions before conducting the research and use same standardized format for all the interviews (Bryman and Bell, 2011). There were total of 8 questions in the interview, which were developed to identify the moral and material rewards offered and their respective impact on motivation of both types of bank employees. Some of the open-ended questions were employed to design the interview. Before conducting the interviews, it was necessary to obtain a formal permission as well as appointment from the banks and respective managers. The interview which was used to collect qualitative data is provided in the Appendix.

#### **4.2.3. Secondary data**

According to Saunders et al., (2012) while processing a study it is significant to consider the theory of that research; considering the importance of secondary data, the relevant secondary data was accessed and utilized in the study. The previous empirical literature was studied thoroughly to recognize the established literature which is linked to this study. The past literature was also used as a guide while designing the interview questions, to ensure that the questions are supported by existing literature. As a result, to these particular issues, it was meant to gather only reliable materials and up-to-date information especially when being related to the news articles. Therefore, secondary data was collected from various sources such as books, articles, news and journals. Additionally, even the internet was used in terms of Google search engine to locate and explore reliable materials and information.

#### **4.3. Methodology**

As per Cohen et al. (2013) the qualitative data can be analyzed using interpretivism method, therefore in this study the interpretivism was applied to analyze the qualitative data and to interpret results from the in-depth views of the respondents. In order to find out similarities and differences between the participants, the feedbacks received from the interviews were compared and analyzed. Additionally, secondary data was examined under the exploratory research (Hwang, 2015). Moreover, the qualitative results based on interpretation of interview

responses were compared and contrasted with the past literature to identify if the past literature supports the findings of this study.

It is very essential to identify certain important factors and aspects before carrying out a research methodology. Furthermore, in order to have a convincing research it is necessary to understand the concept of ethical consideration. Thus, to proceed with this concept, it is important to have a broad idea about the ethical principles and general guidelines such as academic writing, plagiarism and issues in primary data collection. Before processing with the interviews, it was very important to have the consent of the respondents whereby all the detailed information such as the purpose of this research was communicated to them (Lewis, 2015). Besides, during the course of the interviews, confidentiality was one of the most essential factors to be maintained. Therefore, before proceeding with the primary data collection, formal permission was obtained from the participants. Moreover, the responses received from the interviewees were treated with great confidentiality, where it was ensured that neither their responses nor their identity shall be revealed.

Moving onwards, under academic research, it is obligatory to avoid any sort of plagiarism. The definition of plagiarism was brought forward by Random House Compact Unabridged Dictionary where it was described as copying exactly or close imitation of the language and thoughts of other researchers whereby they even treat the work as their own (Maher, 2014). Subsequently, it is very important to paraphrase well in order to avoid plagiarism especially while writing the literature review. Sonfield (2014) argued how proper utilization of quotation and in-text citations should be used to address an exact quotation. Therefore, the use of appropriate in-text citations and references were used to indicate that the work was taken from another source.

#### **4.4. Resources Employed**

Moreover, both electronic and non-electronic resources were used as resources for the development of this study. Therefore, non-electronic resources involved publishing books, university library, paper and pen. In contrast, electronic resources comprised; computer, MS word, internet, online books, journals articles, web browsing software, 'Google' search engine and literature available on the internet.

#### **4.5. Limitations**

The limitations of employing interview method are discussed here. The primary limitation of applying interview method in this study was that the feedbacks received via interviews are based on the views and opinions of respondents and need interpretation to deduct meaning from them. Therefore, it was subjected to researchers' biases which can influence the interpretation process and the researcher may deduct meanings according to his understanding or perceptions (Bryman and Bell, 2011).

Thus, this can have an adverse impact upon the validity of the study. Besides, the study lacks statistical analysis due to not using quantitative responses and analysis such as descriptive statistics. Moreover, another limitation of using the interviews was that there is a possibility that the participants may not provide or disclose full information if they do not find it appropriate.

## CHAPTER FIVE

### RESULTS AND DISCUSSION

#### 5.1 Results

In this chapter, the qualitative responses of the interviews were analyzed and discussed to identify the results and findings. Interpretative technique was used to infer meanings from the detailed responses provided by the interviewees. The answers of all the interviewees for the same question was holistically analyzed to deduce meaningful summarized result in relation to that particular question. The interview questions were related with reward system and their respective impact on motivation of employees in the private and public banks in Tripoli, Libya. Five of the respondents were from NCB, represented a private sector bank, and five respondents were from AMAN Bank, represented a public-sector bank in Tripoli, Libya. There were eight questions in the questionnaires.

In first question of the interview the respondents were requested to state if they are satisfied with the present reward system of their respective banks. Based on the answers of the managers of NCB bank it was identified that all of the respondents from private bank were found to be satisfied with the bank's reward system. It was because according to them their bank reward system offers market competitive salaries, bonuses, incentives, good work environment, promotion and growth prospects, and recognition on good performance. These factors make the employees of private bank satisfied with the reward system. However, on the other hand, based on the answers of the managers of AMAN bank all of the respondents from public bank were also found to be satisfied with the bank's reward system. The employees of the public bank were satisfied with the bank's reward system because similar to the private bank, the public bank also found to be providing good salaries, job security, bonuses, incentives, promotion and growth prospects. This highlights that there was a difference between the public and private bank reward system because public bank jobs have more security however better and more non-financial rewards are offered by the public bank's reward system which was not offered by the public bank.

In second question the respondents were asked about the role which can be played by the reward system of an organization in motivating employees. In view of the responses of the

participants from NCB bank it was identified that according to them reward system of an organization can play a significant role in motivating employees. However, from the responses of the participants from AMAN Bank it was identified that they were of the same opinion too because they have also stated that the reward system of an organization can play a significant role in motivating employees. It was commented by respondent number (3) from NCB bank that:

“it is because if a reward system of an organization offers more rewards to the employees then it is likely that the employees will get satisfaction and put more efforts to his/her job”.

In this connection, the respondent number (5) from NCB bank stated that:

“Good reward system prevents the employee from getting discontented and resigning from the job”.

The respondent (2) from AMAN Bank while stressing upon the importance of reward system in motivating employees, commented that:

“Through reward system organization can develop employee motivation because a good reward system enable an employee to understand that their hard work and good performance will be rewarded accordingly. For, instance if their productivity increases then they are likely to get higher rewards and so to achieve higher rewards they get motivated to achieve higher level of performance”.

The subsequent question was asked to identify if the respondents believed the reward system of their respective bank is sufficient to motivate the employees and if yes then why. Based on the answers of the respondents (1), (2), (3), (4) and (5) from NCB bank it was found that all of the respondents were of the opinion that the reward system of their bank is sufficient to motivate the employees. It was because good financial and non-financial rewards are offered by the reward system of NCB bank to the employees. According to respondent (1) from NCB bank;

“The reward system of NCB bank is sufficient to develop motivation in employees because the financial and non-financial rewards which are offered meet their expectations. The offered salary, performance based incentives, bonuses, promotion prospects, and training and development provided under the reward system of NCB bank are attractive and induce employees to strive to perform better.”

Similarly, the respondent (5) from NCB bank also commented;

“The NCB bank is a leading bank in Libya and it knows the importance of maintaining and retaining good human resource, therefore it focuses on ensuring employees’ commitment and motivation by offering good compensation and benefits so that employees can show good performance and behave in the manner necessary for the success of the bank.”

Moreover, based on the answers provided by the respondents (1), (2), (3), (4) and (5) from AMAN Bank it was evident that they were also of the similar opinion like that of the respondents of NCB bank. They were also found to be of the opinion that the reward system of AMAN bank is sufficient to motivate the employees. This indicates that both banks, namely; NCB bank and AMAN bank were found to have reward system which is sufficient to motivate the employees. Based on these results it can be inferred that reward system of private and public banks in Tripoli, Libya are sufficient to keep employees motivated.

The next question was focused to identify the financial or material rewards which are offered by the two types of banks. In this regards in question 4 the respondents from both the banks were requested to discuss what financial or material rewards are offered by their respective banks. Based on the answers of all the respondents from both banks it was found that the financial or material rewards which are offered to employees are more or less the same. The financial rewards which are offered by both banks comprise; salaries, bonuses, pay raises, paid leaves, annual holidays, medical allowance or facilities, travelling or fuel allowance, pension scheme, promotion and growth prospects, and easy loans which are offered to the employees on lower interest rates than the market. However, it was found that some of the financial rewards were given irrespective of the performance of the employees, such as; salaries, paid leaves, annual holidays, medical facilities, pension scheme, promotion and growth prospects, easy loans. While bonuses and pay, raises were based on the performance of employees,

however some of the bonuses like 'Eid bonus' are not related with performance and given to all of the employees irrespective of their performances. Moreover, most of the financial rewards are not related with the performance of employees in private and public banks therefore it is questionable if the financial rewards help in developing motivation in employees towards better performance. From this result, it can be inferred that same type of financial rewards are offered in the banking industry of Tripoli, Libya.

The subsequent question was focused to identify the non-financial or moral rewards which are offered by the two types of banks. The respondents from both the banks were requested to specify what non-financial or moral rewards are offered by their respective banks. Based on the answers of the respondents it was found that non-financial or moral rewards which are offered by NCB bank are; appreciation on good performance from higher management, recognition (such as employee of the month certificate), job security, special training and development courses (Bryman and Bell, 2011). However, based on the answers of the respondents from AMAN bank it was found that in addition to; appreciation on good performance from higher management, recognition, job security, special training and development courses, the AMAN bank offers other non-financial or moral rewards to its employees, which are; chance to go on official tours, attend a foreign conference, special work assignments, job autonomy, leadership roles are offered. This result is evident that more non-financial or moral rewards are offered by the AMAN bank (which is a private bank) as compared to the non-financial rewards offered by the NCB bank (which is a public bank) to motivate employees. From this result, it can be inferred that the public banks in Tripoli, offers more non-financial rewards to its employees than the private banks in Tripoli, Libya.

In the next question the respondents were asked to express their opinion if they think that material or financial rewards which are offered by their respective banks are sufficient to motivate employees, and if yes then why they think so. Based on the answers it was found that most of the respondents from NCB and AMAN banks were of the opinion that the material or financial rewards which are offered by the bank are sufficient to motivate employees. In their opinion the material or financial rewards which are offered, such as; salaries, paid leaves, annual holidays, medical facilities, pension scheme, promotion and growth prospects, and easy loans are fulfilling for them and make them satisfied and contented. Moreover, as per their answers the bonuses and pay raises are based on performance of employees, therefore these

rewards motivate employees to achieve high performance because they know the only way they can achieve performance based bonuses and pay raises is by achieving high performance. On the contrary two of the respondents from NCB bank were not of this opinion and considered the financial rewards to be insufficient to motivate employees. In their opinion the material or financial rewards such as salaries, paid leaves, annual holidays, medical facilities, pension scheme, promotion and growth prospects, and easy loans are provided to all of the employees irrespective of their performance therefore it is not likely to create intrinsic motivation in employees because they will get these rewards no matter how they perform their work. This result indicates that the financial rewards offered by the NCB bank in comparison with the financial rewards offered by the AMAN banks are less sufficient to motivate employees. From this result, it can be inferred that the financial rewards which are offered by the public banks in Tripoli, Libya are not that sufficient to motivate employees.

In question 7 of the interview the respondents were requested to express their in-depth views if they think that the moral or non-financial rewards which are offered by their respective banks are sufficient to motivate employees, and if yes then why it is so. Based on the answers of all the respondents from both the banks were of the view that the moral or non-financial rewards which are offered by their respective banks are sufficient to motivate employees. It is due to the reason that the non-financial rewards which are offered to the employees are related to their performance. It was evident from the respondent's answers that those employees who are unable to achieve high performance will not be entitled to get the non-financial rewards such as; appreciation on good performance from higher management, recognition, job security, special training and development courses.

To be able to achieve these moral rewards it would be necessary for the employees to work hard and achieve higher performance. Therefore, to attain these moral rewards the employees tend to work hard and strive to improve their performance or behave in the manner desired by their bank. While explaining the reason due to which the non-financial rewards are considered sufficient to motivate employees, it was stated by the respondent (1) from AMAN bank;

“The non-financial rewards such as job security is an important motivator for employees to perform better, it is because employees would know that if they performance is not satisfactory then it may not have job security. In view of this

they would get motivation to work hard and achieve high performance to ensure job security.”

According to the respondent (3) from AMAN bank;

“The non-financial rewards such as chance to go on official tours or attend a foreign conference develop high motivation in bank employees as these non-financial rewards are found highly appealing and fulfilling for the employees.”

It was stated by the respondent (5) from AMAN bank;

“The moral rewards like recognition and appreciation on good performance are sufficient to motivate employee towards better performance. Individuals have need for recognition and by receiving employee of the month certificate or personal appreciation from higher management they get recognition, in response to which intrinsic motivation is developed in them which induce them to work hard.”

The subsequent question was focused to identify which of the two rewards namely; financial or non-financial rewards have more impact on the motivation of employees and why. Based on the answers of all of the respondents from NCB bank it was evident that all of them considered non-financial rewards to have more impact on motivation of employees. It was because according to them the financial rewards which are offered by the bank are insufficient in developing motivation. It is because most of the financial rewards which are offered to the employees are not related with the work performance such as salary, annual bonuses, paid leave, pension scheme, annual holidays, medical or other allowances, due to which the financial rewards fail to create extra motivation in employees to work harder. In contrast the non-financial rewards are related with the performance of employees and so have more impact on motivation of employees. Similarly, all of the respondents from AMAN bank also considered non-financial rewards to have more impact on motivation of employees. It is because the most of the non-financial rewards are related with the performance of employees, such as; appreciation, recognition, job security, special training courses, chance to go on official tours, attend a foreign conference, special work assignments, job autonomy, and leadership roles (Brewster and Hegewisch, 2017). Unlike the financial rewards most of which

are not related with the performance of employees, the non-financial rewards are related with the performance of employees and hence non-financial reward is achieved only when an employee show high performance. Therefore, to achieve non-financial rewards employees work hard and it creates intrinsic motivation in them and so non-financial rewards have more impact on motivation of employees than the financial rewards. From this result, it can be inferred that the non-financial rewards offered by the private and public banks in Tripoli, Libya have more impact on motivation of employees than the financial rewards.

## **5.2. Discussion**

The results of this research are discussed here to identify the difference between the reward systems of private and public banks in Tripoli, Libya and which of the two reward types (material or moral) have more impact on motivation of employees. While discussing the results were also compared with the past literature.

Based on the results it was identified that reward system of public banks in Libya is different from the private banks because public bank has more job security however more and better moral rewards are offered by the public bank. This result supports the findings of Knies et al (2015) who have also found that the different reward systems are offered by private and public sector organization.

The results also suggested that reward system of the private and the public banks can play a significant role in motivating employees in Libya. It is because performance based reward system induces employees to put more efforts to get the reward. These results correspond with Expectancy theory which propagates that employees put more efforts when they expect to receive more rewards.

Moreover, the reward systems of private and public banks in Libya were found to be sufficient to motivate the employees. It was because good material and moral rewards are offered by the reward systems of both types of banks and these rewards induce employees to strive to perform better. From this result, it may appear that the reward systems of both types of banks are same however from the subsequent results the difference between the reward systems of private and public banks in Libya can be identified.

The results were evident that the financial or material rewards which are offered by private and public banks in Libya are more or less the same. Both types of banks offer; bonuses, pay raises, paid leaves, annual holidays, medical allowance or facilities, travelling or fuel allowance, pension scheme, promotion and growth prospects, and easy loans. Moreover, many of the non-financial or moral rewards which were offered by the private banks were same which were also offered by the public banks, namely; appreciation on good performance from higher management, recognition (such as employee of the month certificate), job security, special training and development courses. In addition to these moral rewards some other moral rewards were also offered by the private banks in Libya, namely; chance to go on official tours, attend a foreign conference, special work assignments, job autonomy, and leadership roles. Therefore, it was evident that private banks in Libya offer more moral rewards to its employees than the public banks.

It was further identified that material rewards which are offered by public banks in Libya are less sufficient to motivate employees as compared to the material rewards which are offered by private banks. However, the moral rewards which are offered by both types of banks were found sufficient to motivate employees because they are related with the performance of the employees. Moral rewards such as recognition or chance to go on official tours or attend a foreign conference develop intrinsic motivation in bank employees.

The subsequent question was focused to identify which of the two rewards namely; financial or non-financial rewards have more impact on the motivation of employees and why. Based on the answers of all of the respondents from NCB bank it was evident that all of them considered non-financial rewards to have more impact on motivation of employees. It was because according to them the financial rewards which are offered by the bank are insufficient in developing motivation.

Lastly regarding the reward system which can have more impact on motivation of employees it was identified that moral rewards which are offered by the private and public banks in Tripoli, Libya have more impact on motivation of employees than the material rewards. It is because unlike the material rewards most of which are not related with the performance of employees, the moral rewards are related with the performance of employees and hence they have more impact on motivation. Therefore, it was evident that moral rewards

are more effective in developing motivation in employees to achieve high performance. These results support the findings of Brewster and Hegewisch (2017) who also suggested that moral rewards are more effective and have more impact on motivation of employees.

## CHAPTER SIX

### CONCLUSION AND RECOMMENDATIONS

#### 6.1. Conclusion

Upon completion of this study the research aim and the objectives are addressed successfully. The aim of this research was to study and compare the reward system of public and private sector banks to identify the impact of the material and moral rewards and their impact on motivation of employees of both types of banks (Bondarouk and Brewster, 2016). To achieve this aim, two research questions were addressed. The first research question was focused to identify which moral and material rewards motivated bank employees in private and public sectors. The second research question was focused to find if there is any difference between private and public bank employees in terms of material and moral rewards offered to them and their respective impacts on motivation. To address the aim and to answer these two research questions, primary research based on qualitative method was carried out, where open ended interviews were conducted with 5 managers in the public bank (NCB bank) and 5 managers in the private bank Tripoli, Libya.

The results related with the first research question indicates that the material rewards which are offered by private and public banks in Tripoli, Libya are more or less the same. Both types of banks offer; salaries, bonuses, pay raises, paid leaves, annual holidays, medical allowance or facilities, travelling or fuel allowance, pension scheme, promotion and growth prospects, and easy loans. Moreover, many of the moral rewards which were offered by the private banks are same which were also offered by the public banks, namely; appreciation on good performance from higher management, recognition (such as employee of the month certificate), job security, special training and development courses (Brewster and Hegewisch, 2017). However, in addition to these moral rewards some other moral rewards are also offered by the private banks to motivate employees, such as; chance to go on official tours, attend a foreign conference, special work assignments, job autonomy, and leadership roles. This indicated that private banks in Tripoli, Libya offer more moral rewards to its employees than the public banks, while both types of banks offer similar material rewards to their employees.

The results related with the second research question indicates that there was a difference found between the material and moral rewards offered to the private and public bank employees to motivate them. The material rewards which were offered by public banks in Tripoli, Libya are less sufficient to motivate employees as compared to the material rewards which are offered by private banks. However, the moral rewards which are offered by both types of banks were found sufficient to motivate employees because they are related with the performance of the employees. Moral rewards such as recognition or chance to go on official tours or attend a foreign conference develop intrinsic motivation in private bank employees. However, the moral rewards like chance to go on official tours or attend a foreign conference are not offered to the public banks in Tripoli.

Moreover, the comparison of the impact of moral and material rewards on motivation of employees it was found that moral rewards which are offered by the private and public banks in Libya have more impact on motivation of employees than the material rewards. It was due to the fact that most of the material rewards which are offered by both types of banks are not related with the performance of employees. While, on the other hand the moral rewards which are offered by both the banks are related with the performance of employees. As moral rewards are related with the performance of employees and so moral rewards have more impact on motivation than the material rewards. Therefore, it was concluded that moral rewards are more effective in motivating employees and induce them to achieve better performance.

Additionally, in this research it was found that reward system of public banks in Tripoli, Libya is different from the private banks because public bank has more job security however more and better moral rewards are offered by the public bank. Besides, it was evident that performance based reward system of the private and the public banks can play a significant role in motivating employees in Libya as induces employees to put more efforts to be able to get the reward, if they fail to achieve higher performance then they will not be entitled to the moral reward, such as recognition from a senior management.

Moreover, it was evident that material rewards which are offered by public banks in Tripoli, Libya are less sufficient to motivate employees as compared to the material rewards which are offered by private banks. However, the moral rewards which are offered by both types of banks

were found sufficient to motivate employees because they are related with the performance of the employees.

While comparing the results of this study with the reviewed literature it was identified that the results of this study supports the findings of Knies et al (2015) as they have also found that the different reward systems are offered by private and public sector organization. Moreover, the results of this study also correspond with Expectancy theory which propagates that employees put more efforts when they expect to receive more rewards. This was the case when moral rewards are offered by the employees by both the banks as moral rewards are related with the work performance of employees. Furthermore, the results of this study support the findings of Brewster and Hegewisch (2017) who also suggested that moral rewards are more effective and have more impact on motivation of employees.

## **6.2. Recommendations**

The recommendation regarding motivation of employees in public and private banks in Libya and suggestions for the future research are provided in this section. This research concluded that moral rewards which are offered by the public and private banks in Tripoli, Libya have more impact on employee motivation than the material rewards offered. It was due to the reason that the moral rewards were related with the performance of employees, while most of the material rewards were not related with the performance of employees. Therefore, it is recommended that the material rewards are also linked with the performance of employees so that the banks in Tripoli, Libya can use the material rewards to motivate employees to do more efforts to improve work performance.

Besides as this study was based on qualitative research therefore it lacks statistical analysis due to absence of quantitative research such as descriptive statistics. Therefore, regarding the future research, it is recommended to use a quantitative research method such as questionnaire to collect quantitative data so that the relationship between the material and moral rewards with the motivation of employees of public and private banks in Tripoli, Libya can be identified based on statistical analysis.

It is recommended to use Correlation Analysis and Multiple Regression Analysis to find the correlation and causal relationship of material and moral rewards with the motivation of

employees of public and private banks in Libya. Moreover, hypothesis could be developed to statistically test if moral rewards which are offered by the public and private banks have more impact on employee motivation than the material rewards offered.

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**ANNEXES**

**Annexes I – Interview**

This interview is aimed to identify the impact of the rewards system on motivation of employee in Private and Public Banks. Please answer the following questions with reference to the factors of rewards system which can impact the motivation of employees.

1. Please tell us if your personal are satisfied with the present reward system of your bank and why?

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2. What role can be played by the reward system of an organization in employee motivation?

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3. Do you think the reward system of your bank is sufficient to motivate the employees? If yes then why?

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4. Tell us what material or financial rewards are offered by your bank?

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5. Tell us what moral or non-financial rewards are offered by your bank?

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6. Do you think the material or financial rewards offered by my bank are sufficient to motivate the employees? If yes then why?

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7. Do you think the moral or non-financial rewards offered by my bank are sufficient to motivate the employees? If yes then why?

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8. Which of the two rewards namely; financial or non-financial rewards have more impact on the motivation of employees and why?

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