The Relationship of Reward System with Staff Motivation to Participate in Target Setting

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Abstract

This study aimed to identify the relationship between remuneration and incentive systems for the personnel employee involvement in organizational objectives; The next target is the applied research; In terms of running a descriptive correlational research and in terms of data collection survey; To gather information in the library and field research methods were used; Department of Natural Resources Qom province consisted of all personnel that a total of 128 people; The population of the type is limited; The results essential element of the bonus structures is always a cash reward. Reviews and experiences have emphasized that a cash reward is a higher power that motivated employees and excellent performance makes. There is a close relationship and by rewards (material and immaterial) followed by employee motivation can be pushed employees to participate in financing the organization’s objectives. The goal of an organization is recommended that try the difficult and challenging goals while their employees have considerable ability to have it. Authentication is based on the merits of Balatrmvrd real increase.

Keywords: Reward systems, employee motivation, employee involvement in organizational goals
Introduction:
Human beings need to cooperate and collaborate with each other in all affairs. In our country, the
issue of participating in the field of management has currently been taken into serious
consideration due to the progress of management science and deployment of modern
management system at organizations and institutions. Participatory management is one of the
basic and fundamental methods of improving administration system. Nowadays, participation of
staff and personnel is considered as one of the most miraculous approaches of developing human
resources for organizational development and prosperity. Therefore, studying factors that can
lead to evermore participation of staff in organization is of paramount importance. Compensation
system is one of the important factors of organizational culture, because, it can encourage and/or
disappoint staff in fulfilling their activities. The compensation system can be paid in the forms of
wage and/or long-term fixed and varied salary conditionally including storage options
(Rushmoor, 2002). Organizations may correlate incentives and motivations to the quantitative
criteria of performance and/or consider the qualitative criteria. According to Boon (2005), he
stated that reward/bonus system, which contains long-term and qualitative aspects of executive
performance, can be considered as a key factor in materializing strategic objectives of the
organization according to its effect on behavior of executive manager. Using participatory
management system is the most common method for removing problems and correcting
administrative system. In the same direction, participatory management method is led to the
development of individual capacity of staff as well as creation of self-credence spirit,
accountability and commitment among them.
However, reward system includes qualitative and long-term aspects of executive performance
that can be regarded as key factor in attaining strategic objectives of the organization. The most
common way to remove problems and correct administrative system is the application of
participatory management method. In other words, participatory management method is the most
common way to resolve problem and correct administrative system which is led to the
development of individual capacity of staff and creation of self-credence, accountability and
commitments in them. Participatory management consists of creation of space and a system by
the management, provided that all staff, customers and contractors of an organization should
establish cooperation and collaboration with one another in decision-making trend in line with
resolving problems facing the organization. Given the above issue, a giant stride will be taken in
line with improvement and development. Participatory management is a management-based
process which is executable based on various systems. Proposals and criticism system is one of
powerful systems in this respect (Salajeqeh and Honaramouz, 2010).
With due observance to the said issue, staff and personnel can have motivation intrinsically
(Internally and externally) for participating in line with meeting objectives of the organization.
The internal motivation for participating in targeting objectives of the company originates from
the very employee, the issue of which is regarded as an objective for him or her. On the other
hand, external motivation of employee for participating in targeting is considered as a means to
attain objectives of the organization (Chang &Roopnarain, 2014).
Several studies have thus far been conducted in this field by many researchers and intellectuals
Roshanavand and Khoshbakhti, 2014, Imam Gholi, et al. 2009), the most important of which are follows:
- Chang & Ketoy (2014) studied a research activity entitled “Effect of Financial and Nonfinancial Criteria on Motivation of Staff for Participating to Materialize Objectives of Organization” In their studies, they came to this conclusion that both financial and nonfinancial criteria are correlative relationship among staff (internally and externally). Eventually, internal and external motivations are correlated with each other for materialization of most objectives of the company, details of which can have significant impact on job performance.
- Lock & Latem (2005) in their studies showed that A: If objectives of problems are accepted, the result will be easier than the result of objectives. An interpretation of hardness impact of the objective is this that difficult objectives will lead to increased perseverance and persistence than acceptance of easy objectives similarly,
- Wheet et al. (2000) in another study, entitled “Role of Participation of Staff in Organization and Its Relationship with Job Satisfaction” came to this conclusion that participating in decision making of organization has positive and significant effect on job satisfaction of staff.
- Nadi and Mo’eini (2013) in a study entitled “Studying and Presenting Solutions for Increasing Participation of Staff in All-Out Development of Isfahan Steel Company, they came to this conclusion that solutions for increasing participation of staff using proposals and complaints system, quality cycles, autonomous teams, teamwork, working council, staff ownership, industrial freedom, and collective talks, are above average level. From among solutions proposed, the maximum average is related to the ownership of staff while the minimum average is related to self-run team.
- Roshanavand and Khoshbakhti (2014) in a research entitled “Relationship of Participation of Staff, Resistant against Change and Staff Job Burnout”, they came to this conclusion that there is significant and reverse relationship between participation of staff with resistance against change and each of its three dimensions as well as with job burnout and each of its three dimensions.
- In another study conducted by Imam-Gholi et al. (2009), entitled “Study of Relationship between Participation of Staff in Organizational Decision Makings and Empowering Them in Telecommunications Company of Mazandaran Province, they came to this conclusion that all hypotheses based on significant relationship between staff and personnel confirm their empowerment and decision makings.
Figure 1. Participating in Organization Targeting (Chang & Roopnarain, 2014)

Research Method (Methodology)
The present study is of descriptive and correlative type. All staff and personnel working in Qom Province Natural Resources Department General are considered as subject of this study. Totally, 128 persons included the study. Accordingly, subject of study is of limited type, so that sample size stood at 96 persons using Cochrane Formula. Library studies and review of literature was used in order to collect data. In addition, the following items were used in order to collect data: review of research, comments and viewpoints, taking note from books and relevant articles, and also studying reports, documentations, executive methods as well as documents in order to measure variables of reward system (material and nonmaterial) and participation of staff in organizational targeting according to researcher-made questionnaire. It should be noted that standard questionnaire belonged to (Chang & Roopnarain, 2014) was used for measuring variable of motivation of staff for participation.

Research Findings

1st Hypothesis: There is significant relationship between material rewards with motivation of staff and personnel.
To test this hypothesis, Single-Variable Linear Regression Model was used. Table 1 indicates this issue that motivation of staff is clarified based on their material rewards as size as 3 percent (3%).
Given the 95% confidence level, it can be concluded that the desired regression model is a significant model. In other words, material rewards of staff indicate prediction power of staff for...
participation and cooperation. However, material rewards will boost motivation among employees and staff to participate in materialization of most objectives of the company. Likewise, given the results obtained from application of regression model, it is observed that significant level of hypothesis testing inert material rewards and motivation of employees is equal to 0.046 and less than 5% error. In other words, moreover confirming significant level of regression model, this table indicates that material rewards allocated to staff and employees has significant effect on their motivation for more cooperation and participation.

Table 1: Correlation Coefficient and Intensity of Relationship in 1st Hypothesis

<table>
<thead>
<tr>
<th>Correlation Coefficient</th>
<th>Coefficient of Determination</th>
<th>Adjusted Coefficient of Determination</th>
<th>Standard deviation</th>
<th>Durbin Watson statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.2</td>
<td>0.04</td>
<td>0.03</td>
<td>1.07</td>
<td>1.89</td>
</tr>
</tbody>
</table>

Table 2: Standard and Nonstandard Beta- Coefficient in 1st Hypothesis

<table>
<thead>
<tr>
<th></th>
<th>Nonstandard Coefficients</th>
<th>Standard Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>F sig</td>
<td>B Standard Error β t sig</td>
<td></td>
</tr>
<tr>
<td>Constant Value</td>
<td>4.08 0.046</td>
<td>2.61 0.295 - 8.86 0.0001</td>
</tr>
<tr>
<td>Material Rewards</td>
<td>0.32 0.156 0.2</td>
<td>2.02 0.046</td>
</tr>
</tbody>
</table>

2nd Hypothesis Test: There is a significant relationship between nonmaterial rewards and motivation of staff in organizational goals.

In this model, regression model has been analyzed. The value of this coefficient is equal to 0.103 and indicates that motivation of staff and employee according to their nonmaterial rewards is clarified as much as 10.3 percent (10.3%)(Table 3). With 95% confidence level, it can be stated that the desired nonmaterial regression model is a significant model. In other words, rewards given to staff and employees can be predicted that they have high motivation to participate. Also, considering the results obtained from application of regression model it is observed that significant level of hypothesis test of ineffectiveness of nonmaterial rewards on motivation of staff is equal to 0.001 and less than 5% error. In other words, nonmaterial rewards allocated to staff has significant impact on their motivation to participate.
Table 3: Correlation Coefficient and Intensity of Relationship in 2\textsuperscript{nd} Hypothesis

<table>
<thead>
<tr>
<th>Durbin – Watson Statistics</th>
<th>Standard Error</th>
<th>Adjusted coefficient of determination</th>
<th>coefficient of determination</th>
<th>correlation coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.95</td>
<td>1.03</td>
<td>0.103</td>
<td>0.112</td>
<td>0.334</td>
</tr>
</tbody>
</table>

Table 4: Standardized and Non-standardized Beta- Coefficient in 2\textsuperscript{nd} Hypothesis

<table>
<thead>
<tr>
<th></th>
<th>Non-standardized coefficients</th>
<th>standardized coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>F</td>
<td>sig</td>
<td>B</td>
</tr>
<tr>
<td>Fixed value</td>
<td>12.31</td>
<td>0.001</td>
</tr>
<tr>
<td>Nonmaterial rewards</td>
<td>12.31</td>
<td>0.001</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3\textsuperscript{rd} Hypothesis Test: There is a significant relationship between motivation of staff and participation of staff in organizational goals. In this hypothesis, regression model has been analyzed.

The value of this coefficient is equal to 0.073 and indicates this issue that participation of staff and employees is clarified as much as 7.3% according to their motivation (Table 5). With 95% confidence level, it can be stated that the desired regression model is a significant model. In other words, rewards given to staff and employees can be predicted that they have high motivation to participate. Also, considering the results obtained from application of regression model it is observed that significant level of hypothesis test of ineffectiveness of nonmaterial rewards on motivation of staff is equal to 0.04 and less than 5\% error. In other words, nonmaterial rewards allocated to staff has significant impact on their motivation to participate. There is a significant relationship between motivation of staff and participation of staff in organizational goals.

Considering that studying relationship between two indicators of participation of staff and motivation of staff in this hypothesis, it is calculated that coefficient of correlation is not enough alone, but for better analysis of results and measurement of value of effectiveness, moreover calculating correlation coefficient, regression model has been analyzed. Therefore, researcher has used single variable linear regression method.
Table 5: Correlation Coefficient and Intensity of Relationship in 3rd Hypothesis

<table>
<thead>
<tr>
<th>Durbin-Watson Statistics</th>
<th>Standard Error</th>
<th>Adjusted Coefficient of Determination</th>
<th>Coefficient of Determination</th>
<th>Correlation Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.57</td>
<td>0.62</td>
<td>0.073</td>
<td>0.083</td>
<td>0.288</td>
</tr>
</tbody>
</table>

Table 6: Standardized and Non-Standardized Beta Coefficients in 3rd Hypothesis

<table>
<thead>
<tr>
<th></th>
<th>Non-standardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>Sig</td>
</tr>
<tr>
<td>Fixed value</td>
<td>8.84</td>
<td>0.004</td>
</tr>
<tr>
<td>Motivation of staff and employees</td>
<td>0.172</td>
<td>0.058</td>
</tr>
</tbody>
</table>

Table 7 indicates that correlation coefficient between motivation and participation of staff is equal to 0.288. In the table, the value of clarified variance reports the intensity of relationship between these variables. Given the lack of considering the degrees of freedom in calculation of coefficient of determination, the adjusted coefficient of determination is used to increase precision and accuracy.

It should be noted that the value of this coefficient is equal to 0.073, indicating that staff and employee involvement for participation is explained as much as 7.3 percent according to their motivation. The value of Durbin – Watson Statistics in this test is equal to 1.57. Therefore, it is in the range of desirability between 1.5 and 2.5, so that there is the possibility of using linear regression model.

Considering the Table 8, it is observe that significant level of the test is equal to 0.004 which is less than 5% (SIG= 0.004 <α = 5%).

With 95% confidence level, it can be stated that the desired regression model is a significant model. In other words, rewards given to staff and employees can be predicted that they have high motivation to participate.

Also, considering the results obtained from the application of Regression Model, it is observed that significant level of hypothesis test on ineffectiveness of motivation of employees for participation is equal to 0.004, which is less than 5%.

Moreover significant approval of regression model, this table indicates that there is a significant relationship among employees involvement for participation.
Table 7 – Correlation Coefficient and Intensity of Relationship in 3rd Hypothesis

<table>
<thead>
<tr>
<th>Durbin – Watson Statistics</th>
<th>Standard error</th>
<th>Adjusted coefficient of determination</th>
<th>Coefficient of determination</th>
<th>Correlation coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.57</td>
<td>0.62</td>
<td>0.073</td>
<td>0.083</td>
<td>0.288</td>
</tr>
</tbody>
</table>

Table 8 – Standardized and Non-Standardized Beta Coefficients in 3rd Hypothesis

<table>
<thead>
<tr>
<th></th>
<th>Non-Standardized Coefficients</th>
<th>Standardized Coefficients</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>sig</td>
<td>B</td>
<td>Standard Error</td>
<td>β</td>
</tr>
<tr>
<td>Fixed Value</td>
<td>8.84</td>
<td>0.004</td>
<td>3.23</td>
<td>0.193</td>
<td>-</td>
</tr>
<tr>
<td>Motivation of Staff and Employees</td>
<td>8.84</td>
<td>0.004</td>
<td>0.172</td>
<td>0.058</td>
<td>0.288</td>
</tr>
</tbody>
</table>

**Discussion and Conclusion**

The results obtained in the present study are discussed and interpreted as follows in comparison with background presented according to each question respectively:

**1st Hypothesis**: There is a significant relationship between financial rewards and motivation of staff for participation. Moreover approving significance of Regression Model, the material rewards allocated to staff have significant effects on their motivation for participation. The basis and fundamental element in structures of rewards is “cash award” only. Studies and experiences have emphasized that cash rewards has superior power, based on which, staff and employees can show excellent performance from themselves. In motivational structure, material aspects are cornerstone predominantly. However, cash reward plays an important role in boosting motivation of staff for participation.

The result of this hypothesis is consistent with the results obtained in studies made by (Chang &Roopnarain, 2014)&Mokhtari&Yazdani (2013).

**2nd Hypothesis**: there is a significant relationship between non-material rewards and motivation of staff and employees. Moreover approving regression model, nonmaterial rewards allocated to staff will have significant impact on their motivation for participation. The staff and employees, who may have not satisfied with cash awards, may be encouraged through thanks- based rewards.
The result of this hypothesis is consistent with the results obtained in studies made by (Chang & Roopnarain, 2014) & Mokhtari & Yazdani (2013).

**3rd Hypothesis:** There is a significant relationship between motivation of staff and participation of staff in organizational goals.
Considering the significant level of hypothesis test and ineffectiveness with participation of staff, significant relationship is confirmed in organizational goals.
In the same direction, employees can be encouraged to materialize organizational goals using motivation of staff and instigation of internal and external motivation.
The result of this hypothesis is consistent with the results obtained by (Chang & Roopnarain, 2014) & Hamidi et al. (2009) and Divandaru (2014).

**Suggestions**
1- Based on result of 1st hypothesis, managers are recommended to pay due attention to salary and wage premium rate of staff and employees in order to encourage them to do their job better. However, salary and wage belonging to staff should be taken into serious consideration. Staff and employees should be ensured of salary increase once they show high competency.
2- Policymakers and managers in organization are recommended to make their utmost efforts for boosting motivation among employees in order to materialize objectives of organization. Despite difficulty of objectives of organization, managers should assure them [staff and employee] that they can overcome difficulties in line with realizing objectives of organization. Objectives should be defined explicitly.
3- According to the result of second hypothesis of the study, moreover high influence of financial rewards to boost motivation of staff, managers are recommended to pay due attention on the accurate implementation of nonfinancial rewards. Appreciation and praising should be conducted immediately. In other words, the way staff and employees are appreciated should be done immediately. Appreciation must be done in person. Appreciation should be valuable. Appreciation should be in tandem with favorable behavior directly.
4- According to the result of 3rd hypothesis, mechanisms such as participation in organizational goals and creation of challenging goals should be used in determination of objective in order to add motivation of staff to materialize the objective.
References