



## Human Resource Management

*Elixir Human Res. Mgmt.* 42 (2012) 6323-6331

**Elixir**  
ISSN: 2229-712X

### Measuring job satisfaction: the case of malaysian workers

Khalizani Khalid<sup>1</sup>, Siew-Phaik Loke<sup>1</sup>, Othman Mohd Yunus<sup>1</sup> and Khalisanni Khalid<sup>2</sup>

<sup>1</sup>Universiti Teknologi MARA (Perak), Malaysia

<sup>2</sup>University of Malaya Kuala Lumpur, Malaysia.

#### ARTICLE INFO

##### Article history:

Received: 18 October 2011;

Received in revised form:

5 January 2012;

Accepted: 17 January 2012;

#### Keywords

Rewards,  
Motivation,  
Job satisfaction,  
Public sector,  
Private sector.

#### ABSTRACT

This study aimed to examine the impacts of employee's rewards and employee's motivation on employee's job satisfaction between public and private sectors in Malaysia. A total of 689 employees from both sectors participated in this study. While hierarchical regression analysis was conducted to test the relationship between employee's rewards, employee's motivation and employee's job satisfaction, gap analysis was utilized to determine the significant differences on the levels of employee's rewards, employee's motivation and employee's job satisfaction between both sectors. The result revealed that (1) employee's reward is positively related to motivation; and (2) both employee's rewards and employee's motivation are found to have positive significant influences on employees' job satisfaction. The *t-test* result revealed that employees in public sector scored significantly higher on the levels of employee's rewards, motivation and job satisfaction.

© 2012 Elixir All rights reserved.

#### Introduction

High productivity and organizational performance could not be realized without the employee's support and contribution. This is because these human assets are largely responsible for the achievement of organization's vision, mission and goals. Selecting the right candidates and to effectively develop them is a matter of great consequence for organization (Bagdadli et al., 2003). Therefore management should be concerned on issues and problems encountered by employees in the organization to ensure competitiveness. This study aims to compare the impact of employee's rewards and motivation on job satisfaction amongst public and private sector employees in Malaysia. Privatization of public sector organizations is aspired to increase organizations productivity to cater high demands of public. Productivity of employees is derived from motivation stimulated by rewards offered by organizations to meet their job satisfaction.

The fact is organization performance is the pillar of success. However, success of each organization is supported by employee's job satisfaction towards the organization. According to Bhatnagar (2007), if organization could fulfill employees' satisfaction on job, automatically productivity will increase. To ensure that employees are satisfied with their job, they need to be motivated and compensate with rewards that are valued by the employees (Cappelli and Crocker-Hefner, 1999). This study can help the organizations to understand more on the link between motivation and linked organizational rewards in meeting employees' job satisfaction which then influence the organizational strategic intent.

Employee's motivation levels are influenced by both intangible and tangible rewards. If rewards offered are not valued by the employees, it will affect their motivation. However, the level of employee's motivation is expected to rise if the rewards are valued by the employees to compensate their job performance (Milkovich & Gerhart, 2011). As a result, it is expected that the employee's motivation can drive the job satisfaction.

Organizations required employees to perform in ways that lead to improved organizational performance. To satisfy the employees, tailored rewards packages are required to alter employee behaviour. The managers should be able to identify what is important to a person for job satisfaction and what can be offered in exchange for those desired behaviours. These factors need to be addressed by the organization to ensure rewards offered or provided could elicit employee's motivation and subsequently job satisfaction.

By identifying the link between rewards, motivation and job satisfaction, organizations could align their strategic intent with rewards offers to employees. Alignment between rewards and motivation is necessary as individual employee valued different types of rewards to increase their motivation to meet job satisfaction. Even though studies in the areas are plentiful, these relationships can be varied in specific industries particularly within government department. Thus, the aims of this research are twofold. First, we investigated the relationship between employee's rewards, motivation and job satisfaction in public and private sectors in Malaysia. Secondly, we examined whether there is significant different on the levels of rewards, motivation and job satisfaction between private and public sectors employees.

#### Employee's Rewards

According to Milkovich and Gerhart (2011), traditional reward systems have been dominated by base payments determined by specific jobs, the need to maintain equity among employees and the need to pay salaries and wages that are competitive in the marketplace. The management pays employees according to their skills in the jobs, not for other factors such as flexibility, judgment or team works. Hitt, Esser, and Marriott (1992) argued that the intrinsic rewards are valued as ends in themselves such as feelings of challenge, recognition and responsibility; whereas, extrinsic rewards consist of two types such as organizational (pay, working conditions and security) and social (friendship and dealing with others).

Describing rewards in a broader view, Witt and Nye (1992) said reward is something given in return for goods received which can be involved exchange relationships between organization and employees. As such employees are paid with salary and wages to pay for their labour efforts (Nalini & Daily, 2004). Recently, rewards are essentially given to employees to increase job satisfaction and motivation in performing their work. Employees can be directly motivated by giving monetary rewards rather than non monetary rewards. However, according to McShane and Von Glinow (2008) the choice between monetary and non monetary rewards depends on the organization business orientations. Furham et al. (2009) also argued that the rewards offered by an organization may have a powerful effect on employees' attitudes towards their job and the organization they work for.

Abdullah et al. (2008) suggested that organizations and managers recognized rewards and recognitions as important elements in motivating employees. The use of employee of the month schemes, profit sharing, monetary payment for higher productivity or commission on sales revenue are widely adopted in Malaysia (Zaini et al., 2009). Ramlall (2004) noted that private employees are motivated by the promotion scheme due to higher extrinsic rewards offered by private organization, unlike public employees, even though promotion is important for employees' development. However the desires to be promoted are lesser due to intrinsic motivation they had in current job (Abang et al., 2009). Linda and Walied (1996) as cited again in Lam et al. (2001c, pp.36), intrinsic rewards are valued as ends in themselves such as feelings of challenge, recognition and responsibility; whereas, extrinsic rewards consists of two types such as organizational (pay, working conditions and security) and social (friendship and dealing with others) benefits.

Herzberg (1966) as cited in Nalini and Daily (2004), work rewards refer to the intrinsic and extrinsic benefits that workers receive from their jobs. Rewards can be implemented in several forms such as financial rewards and recognition awards. In this study, the Perceived Amount of Organizational Rewards survey items were used to measure three types' of organizational rewards. The organizational rewards measured were pay, autonomy and co workers relationships were taken from Edwards et al. (2006). The study only limits the measurement to pay, autonomy and co-workers relationship due to theoretical linkages.

### **Employee's Motivation**

Motivation can be in the form of intrinsic or extrinsic. Extrinsic motivation concerns behaviour influenced by obtaining external rewards (Hitt et al., 1992). Praise or positive feedback, money, and the absence of punishment are examples of extrinsic or external rewards (Deci, 1980). Intrinsic motivation is the motivation to do something simply for the pleasure of performing that particular activity (Hagedoom & Van Yperen, 2003) including interesting work, recognition, growth, and achievement. Several studies have found them as having a positive relationship between intrinsic motivation and job performance as well as intrinsic motivation and job satisfaction (Linz, 2003). This is significant to firms in today's highly competitive business environment in that intrinsically motivated employees will perform better and, therefore, be more productive, and also because satisfied employees will remain loyal to their organization and feel no pressure or need to move to a different firm.

Furthermore, from employees' perspectives, job satisfaction is influenced by intrinsic and extrinsic factors. If employees perceived that they received adequate motivation and rewards from their employer, the employees will probably meet their job satisfaction. Thacker and Wayne (1995) found that motivation and rewards play a significant role in affecting employees' job satisfaction. Bagdadli et al. (2003) found that the perception of fairness in work positively influence employees' job satisfaction. Moreover, Work Preferences Inventory (WPI) was developed to measure the individual differences in intrinsic and extrinsic motivational orientations (Amabile et al., 1994).

While discussing the relation to work, intrinsic motivation refers to the causes that stimulate the desire to work primarily for its own value, such as when the task is viewed as interesting, challenging, or personally satisfying (Loo, 2001). Intrinsic motivation is evident through a commitment to a meaningful purpose, the choice of activities to accomplish the task, the personal sense of competence gained through performance and the activity of monitoring progress toward the purpose (Thomas 2000). On the other hand, extrinsic motivation refers to those extra-personal stimuli that affect the desire to work, such as money, rewards, and recognition, or because of some external threat (Loo, 2001).

Osteraker (1999) suggested that motivation constitutes a central element when going through the process of human learning. If the organization does not possess the ability to motivate its employees, the knowledge within the organization is not practically used to the maximum. Therefore, it becomes the aim of every learning organization to find the factors that enable it to motivate its employees to continuous learning and to take advantage of this knowledge to ensure its living. In today a business environment, the future belongs to those managers who can best manage change. To manage change, organizations must have employees committed to the demand of rapid change and as such, committed employees are the source of competitive advantage (Dessler, 1993).

Luthans (1998) asserts that motivation is the process that arouses, energizes, directs, and sustains behaviour and performance. That is, it is the process of stimulating people to action and to achieve a desired task. One way of stimulating people is to employ effective motivation, which makes workers more satisfied with and committed to their jobs. Money is not the only motivator. There are other incentives which can also serve as motivators.

According to Herzberg (1959), motivation factors are the six "job content" factors that include achievement, recognition, work itself, responsibilities, advancement, and possibility of growth. Hygiene factors are "job context" factors, which include company policy, supervision, relationship with supervisors, work condition, relationship with peers, salary, personal life, relationship with subordinates, status, and job security. Besides, Herzbergs' Two Factors Theory (as cited by Locke and Latham, 2004), the two factors theory holds that intrinsic and extrinsic factors relate to employees' job satisfaction. While Deci and Ryan (1985) WPI created the scales based on the underlying assumptions that the extrinsic and intrinsic motivating factors coexist and can function independently.

The theory of motivation had been created by many scholars. Rafikul and Ahmad (2008) agreed that the most popular needs theory is owing to Abraham Maslow and it is known as Maslow's motivation theory of hierarchical needs, should be satisfied consecutively. According to McShane and

Von Glinow (2008, pp. 135-136), every human being will experience five level pyramid needs which are physiological needs (e.g.; food, water, shelter and air); safety needs (e.g.; secure and stable environment and the absence of pain); belongings needs (e.g.; love, affection and interaction with other people); self esteem needs (e.g.; recognition and respect from others), and the upmost self actualization need (e.g.; self fulfilment - a sense that a person's potential has been realized). Lam, et al. (2001b, pp.36), stated that physiological and safety needs were described as lower-order, the others as higher-order. The means of both lower and higher order are significant for satisfaction of employees. The employees in higher-order are satisfied internally which is within the person itself and the lower-order's employees are satisfied externally such as wages, bonus or tenure.

However, Lin (2007) cited that, the Two-factor Theory differentiate between intrinsic and extrinsic aspects of the job. It referred to the intrinsic factors as content or motivators, and they include: achievement, advancement, the work itself, responsibility, and recognition. The extrinsic factors were referred to as hygiene which include: company policy and administration, technical supervision, working conditions, salary, and interpersonal supervision. McShane and Von Glinow (2008) stated that Herzberg's The Motivation to Work proposing two factors influencing motivation at work – hygiene factors that de-motivate when they are inappropriate, and motivators that sustain effort. The motivator's factors may increase employees' motivation although the hygiene factor was imbalance. The Work Preference Inventory (WPI) is a set of scales that measures motivation in people towards work (Amabile, Hill, Hennessey, and Tighe 1994, 1995), and it has been used to evaluate the desire to be creative (Amabile 1996). The WPI was developed originally through research conducted on many different groups, including students, managers, military personnel, railroad workers, hospital workers and secretaries (Amabile 1996).

Besides, Chiu, Luk, and Tang (2002) proposed about David McClelland's Socially Acquired Needs Theory that people are influenced by a need for achievement, power, or affiliation and that the strength of that particular need will vary according to the situation. McShane and Von Glinow (2008) explained briefly on the three learned needs. A person with a strong need for achievement want to accomplish the achievable goals although it's challenging for him or her, through own effort. On the other hand, the need for affiliation is the need to seek approval from others, conform to their wishes and expectations, without being involved in conflict and confrontation. Lastly, the person with a high need for power wants to conquer and control over others besides maintaining his or her power of leadership. The theory of needs almost influences the job satisfaction of employees as long as they can achieve their needs.

#### **Employee's Job Satisfaction**

Job satisfaction has been defined as "...an attitude that individual has about their job. It results from their perception of their job and the degree to which there is good fit between the individual and the organization" (Ivancevich *et al.*, 1997, p.45-50) Job satisfaction is an important motivator to employee's performance. According to O'Leary, Wharton and Quinlan (2008), job satisfaction is also generally conceived as an attitudinal variable that reflects the degree to which people like their jobs, and positively related to employee health and performance.

Lee and Bruvold (2003) proposed that job satisfaction is a result of various factors in the working environment and if these factors are present, job satisfaction will arise, otherwise job dissatisfaction will emerge. Rather than the working conditions that enhance employee motivation, reward's factor also contribute to the job satisfaction. Herzberg et al. (1959) as cited in Lew (n.d) distinguished the factors like work environment, pay and company policies that eliminate job dissatisfaction as the hygiene factors while the factors creating job satisfaction like challenging work, responsibility, recognition and achievement as motivators. Thus, the rewards of work and work values can influence job satisfaction. An employee will be satisfied with his/her job when he or she achieves the levels of needs, e.g. physiological, security, social, self-esteem and self-actualization.

According to O'Driscoll and Randall (1999), job satisfaction is an important attribute which organizations desire of their employees. The job satisfaction by employees can contribute to the success of an organization because employees can give full commitment and motivation to perform their job. Wong and Teoh (2009) insist on the situational occurrences theory of job satisfaction which contends that job satisfaction is determined by two factors as does Herzberg's theory. Herzberg (1959), as cited in Nalini and Daily (2004) constructed a two-dimensional paradigm of factors affecting people's attitudes about work. He concluded that factors such as company policy, supervision, interpersonal relations, working conditions, and salary represent hygiene factors rather than motivators. According to the theory, the absence of hygiene factors can create job dissatisfaction, but their presence does not motivate or create satisfaction. Mosadeghard (2008) argued that job satisfaction is a functional factor relating to situational occurrences and situational characteristics and that any given factor, e.g. pay or recognition, can result in either job satisfaction or dissatisfaction. The equality of pay and recognition for employees' high achievement creates the situation that can enhance job satisfaction.

Employee job satisfaction is influenced by the internal organization environment, which includes organizational climate, leadership types and personnel relationships (Seashore and Taber, 1975). Mosadeghard (2008) gave job satisfaction dimensions like nature of the job, management and supervision, task requirement, co-workers, job security, and recognition and promotion as having more effects on employees' organizational commitment in organizational set up. O'Leary, Wharthon and Quinlan (2008), job satisfaction is also generally conceived as an attitudinal variable that reflects the degree to which people like their jobs, and positively related to employee health and job performance.

The model begins by including the research by Spector (1985) that suggested that job satisfaction is influenced by both intrinsic and extrinsic needs. Therefore, the level of job satisfaction in both organizations is dependent on the linking of individual needs and the rewards offered by the organizations to satisfy those needs. Job satisfaction facet can be concerned with any aspect or part of a job. Facet frequently assessed includes rewards such as pay or fringe benefits, other people such as co-workers or supervisors, the nature of the work itself, and the organization itself. The Job Satisfaction Survey (Spector, 1985) was designed to measure job satisfaction based on nine facets of employee attitudes, including pay, promotion, supervision,

fringe benefits, contingent rewards, operating procedures, co-workers, nature of work, and communication.

According to Hendrie (2004), pay is the basic need of the employee. In addition, the researcher also stated that pay will be the reason for staying in the company and the pay also will be a reason for leaving. Besides that, pay can reduce turnover (Price, 1977) and increase job satisfaction. Milkovich and Gerhart (2011) noted that the definition of employee benefits is that part of the total compensation package, other than pay for time worked, provided to employees in whole or in part by employer payments. Beyond the research literature and studies, job satisfaction is important in everyday life. Organizations have significant effects on the people who work for them and some of those effects are reflected in how people feel about their work (Spector, 1985). This makes job satisfaction an issue of substantial importance for both employer and employees.

### Research Model

Mayer and Greenwood (1980) referred conceptual framework as a casual orientation toward the reflected study. Figure 1 presented the conceptual framework of this study to aid the comprehension and direction of this research. We proposed that the employees' job satisfaction is influenced by the rewards and motivation. And the employees' motivation is influenced by rewards offered by the employers.

Edwards et al. (2006) reported a correlation between rewards and motivation; and rewards and job satisfaction. Amabile et al. (1994) claimed that motivation is influenced by rewards and motivation correlated to job satisfaction. Spector (1985) mentioned that job satisfaction is influenced by rewards and motivation of employees. Milkovich and Gerhart (2011) claimed that theories of motivation involved individual needs, reciprocation and behavior of employees. These elements are influenced by rewards to motivate job satisfaction (Avtgis, 2000). As shown in Figure 1, the level of job satisfaction in public and private sectors are dependent on the linking of employees' level of motivation and the rewards offered by the organizations.

The model begins by including the research by Spector (1985) that suggested that job satisfaction was influenced by both intrinsic and extrinsic needs. Therefore, the level of job satisfaction in both organizations is dependent on the linking of individual needs and the rewards offered by the organizations to satisfy those needs. The theory also suggested that organizations build certain rewards into the jobs of employees. Matching the jobs with the appropriate rewards should result in higher job satisfaction and enhance motivation.

Amabile et al. (1994) developed Work Preferences Inventory (WPI) to assess the individual perception differences in the degree of intrinsically and extrinsically motivated in their workplace. The degrees of intrinsic and extrinsic motivation of employees were used to evaluate the effects of rewards towards job satisfaction. The theory also suggested that intrinsic and extrinsic rewards stimulated intrinsic and extrinsic motivation respectively to increase employees' productivity and performance towards their job. An individual will create a motivation force to meet the outcomes associated with various levels of performance and to generate the greatest reward.

Edwards et al. (2006) suggested that rewards must be existed and met in the environment and job before an individual could be motivated to accomplish work. This match of rewards factors would allow an organization to implement the motivational efforts designed to improve performance. This

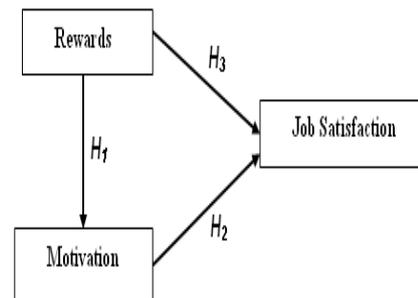
theory assumed that efforts would lead to favourable performance and reward. This theory also used to indicate and predict job satisfaction and also suggested that people valued fair treatment which caused them to be motivated to keep the fairness maintained with the relationships of their co-workers and the organizations. Employees' job satisfaction would be achieved if employees were rewarded based on their contributions.

These elements influenced by rewards to motivate job satisfaction (Edwards et al., 2006). As shown in Figure 1, the level of job satisfaction in both organizations is dependent on the linking of employees' level of motivation and the rewards offered by the organizations. Therefore:

H1: There is a positive relationship between employees' rewards and motivation

H2: There is a positive relationship between employees' motivation and job satisfaction

H3: There is a positive relationship between employees' rewards and job satisfaction



**Figure 1: Research Framework**

This study focuses on the Malaysian public and private sectors organizations since it is consisted of public and private entities. A simple random population of 689 of employees from both sectors was selected. Demographic data such education background, employees' department, gender, length or service, position and age are collected as well. A list wise deletion was performed by SPSS to yield 351 completed and useable surveys. These respondents came from regional offices operated by organization across the states. The sample included 53 percent male, 47 percent female, 37 percent were aged between 25 to 34, 40 percent had upper secondary school certificate and 26 percent has been working for 3 to 4 years.

### Data Analysis and Results

Out of a maximum score of five, rewards, motivation and job satisfaction had a mean value of 3.45, 3.45 and 3.24 respectively. This suggested that public and private sectors employees are moderately rewarded, motivated and satisfy in their jobs. Table 1 presents the means and standard deviations of the study variables.

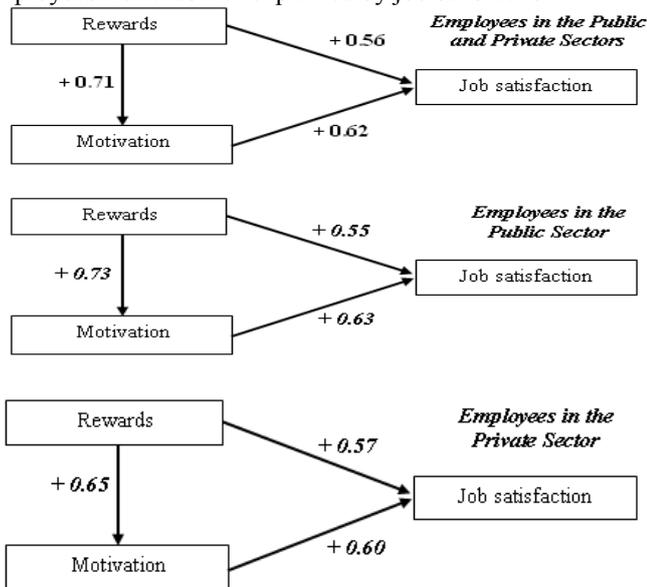
Table 2 suggests that three facets of rewards had a significant correlations ( $p < 0.05$ ) with motivation. All facets of rewards and motivation also had a significant correlations ( $p < 0.05$ ) with all facets of job satisfaction. A hierarchical regression was performed to evaluate the effects of covariates to independent variables via controlling the influence of education background, employees' department, gender, length or service, position and age group.

Hypothesis 1 is accepted since rewards was found to have a significant positive relationship with motivation ( $\beta = 0.71$ ,  $p < 0.05$ ) in both sectors. The addition of education background, employees' department, gender, length or service, position and age group significantly improved on the prediction by rewards,

explaining 49 percent additional variance. The predicted relationship between employees' rewards and motivation was confirmed in this study for H1Public and H1Private in addition of education background, employees' department, gender, length or service, position and age group. Additional variance of 53 percent and 41 percent of employees' rewards was explained by motivation for H1Public ( $\Delta=0.73$ ,  $p<0.05$ ) and H1Private ( $\Delta=0.65$ ,  $p<0.05$ ) respectively. Thus, both hypotheses were supported. The breakdown of the result is tabulated in Table 3.

Table 4 showed that Hypothesis 2 of this study proposed that education background, employees' department, gender, length or service, position and age group were found to be significant predictors of job satisfaction for both public and private sectors organizations ( $\Delta=0.62$ ,  $p<0.05$ ) (Figure 3). Additional variance of 46 percent of employees' motivation was explained by job satisfaction. The predicted relationship between employees' motivation and job satisfaction was found in this study. H2Public ( $\Delta=0.63$ ,  $p<0.05$ ) variance added for 48 percent and H2Private ( $\Delta=0.60$ ,  $p<0.05$ ) added for 36 percent of employees' motivation that explained by job satisfaction. As a result, H2Public and H2Private supported H2 in this analysis.

Table 5 represented that there is a positive significant relationship between employees' rewards and job satisfaction in both public and private sectors organizations ( $\Delta=0.56$ ,  $p<0.05$ ), thus Hypothesis 3 is accepted. The addition of education background, employees' department, gender, length or service, position and age group significantly improved on the prediction by rewards, explaining 38 percent additional variance. The predicted relationship between employees' motivation and job satisfaction was found in this study. After controlling the factors of education background, employees' department, gender, length or service, position and age group, we found that H3Public ( $\Delta=0.55$ ,  $p<0.05$ ) and H3Private ( $\Delta=0.57$ ,  $p < 0.05$ ) were supported with additional variance of 37 percent and 31 percent of employees' rewards that explained by job satisfaction.



**Figure 2: Comparing the Relationships of Reward, Motivation and Job Satisfaction for Employees in the Public and Private Sectors Organizations**

Table 6 provided the means, standard deviation and  $t$  value for the analysis. There were significant differences for public and private sectors organizations in the level of employees' rewards, motivation and job satisfaction. Employees from public sector organizations perceived that their organization emphasized more

on rewards and motivation towards employees' job satisfaction in comparison to private sectors organizations.

### Discussion

Aligned with the literature, the degree of rewards, motivation and job satisfaction of private sector employees was found significantly lower than in public sector. Ramlall (2004) and Chiu (2002) implied that rewards improves employees motivation. According to Srivastava (2004), public employees were offered with pension, security and other welfare policies compared to private employees. This resulted 48 percent of variance in motivation was explained by rewards in public sector employees. If motivation is increased, the incremental variance in employees' rewards for public and private sectors employees were 51 percent and 38 percent respectively.

Spector (1985) suggested that job satisfaction is an important motivator for employee's performance. Zaini et al. (2009) implied job satisfaction will lead to different behaviors that arise from different types of motivation. 39 percent and 35 percent of variance in job satisfaction for public and private employees was explained by motivation. It shows that motivation influenced public employees more than to private employees. This result consistent with study by Luthans and Sommers (2005) that indicated, high motivation was influenced by high rewards offered to the employees by public sector organizations.

Spector (1985) proposed job satisfaction is not linked to the absolute amount of pay. Den Hartog and Verburg (2004) mentioned that experience satisfaction derived from fair and just manner rewards decision making by the organizations. The result showed that 28 percent and 33 percent of variance in job satisfaction was explained by rewards for public and private sectors respectively. This result supported argument by Zaini et al. (2009), Chew(2005), Kiviniemi et al. (2002) and Ramlall (2004) that claimed private sector managers place greater value on economic rewards.

According to Lin (2007), organizations that emphasized on autonomy and co workers relationship will experience high employees job satisfaction. Autonomy received must equal to extrinsic rewards offered to employees. Schuler and Jackson (1987) added that competitive advantage among private sector organization can be increased if employees are motivated extrinsically via providing extrinsic rewards to increase their job satisfaction. Srivastava (2004) noted that public organizations made an effort to offer more extrinsic rewards to increase extrinsic motivation of public employees. This is important as public sector employees are served with different objectives to meet public demands. Thus, rewards must be realigned to strategically fit the organization objectives to boost employees motivation to perform well and satisfy with the jobs. Fey et al. (2009) indicated that linking employee participation results in greater productivity, satisfaction and reduction in turnover. This result signifies that different entity status perceived different level of rewards and motivation towards job satisfaction.

### Conclusions and Recommendation

The findings of the demographic based research questions are consistent with much of the recent academic literature regarding employees' rewards, motivation and job satisfaction. Thus, this demographic information is useable to explore the relationship of age group, gender, level of education and length of service on rewards, motivation and job satisfaction perceived by each demographic variable. The result of this study will facilitate the public and private sectors organizations to establish

or improvise their rewards packages as a motivator to increase their motivation to achieve job satisfaction.

The study provided empirical evidence to better understand the rewards, motivation and job satisfaction factors involved in the study. This study identified the relationship between employees' rewards, motivation and job satisfaction and its significant difference between public and private sectors. As indicated by the result, employees' rewards (pay, autonomy and co workers relationship) and motivation (extrinsic and intrinsic) were not the only factors for job satisfaction in both sectors.

Findings suggested that there are other factors than rewards and motivation involved in job satisfaction. Overall, both sectors employees reported that they accept moderately that rewards stimuli motivation. Moreover, even though employees' rewards and motivation are moderately considered as job satisfaction factors, however, motivation seems to give more impact to job satisfaction as compared to rewards for both organizations. Acceptance level of rewards, motivation and job satisfaction between public sector and private sectors in Malaysia were aligned with earlier findings as both organizations perceived different level of rewards to increase motivation as well as perceived different level of rewards and motivation for job satisfaction.

This result signifies that employees from different entity status perceived levels of rewards and motivation towards job satisfaction differently. This study provides greater understanding to the potential impact of organizational status (public or private organization) on the perceived level of rewards, motivation and job satisfaction and how to better incorporate employees' rewards with motivation while continuing to address the concerns of employees' job satisfaction in public and private sectors.

## References

Abang, A. M., May-Chiun, L., & Maw, K. I. (2009). Human resource practices and organizational performance: Initiatives as moderator. *Journal of Academic Research in Economics* (1) 2, 263-276.

Abdullah, A. (1994). Leading and motivating the Malaysian workforce. *Malaysian Management Review* 29 (3), 24-41.

Amabile, T. M., Hill, K. G., Hennessey, B. A., & Tighe, E. M. (1994). The Work Preferences Inventory: Assessing intrinsic and extrinsic motivational orientations. *Journal of Personal and Social Psychology*, 66 (5), 950-967.

Amah, O. E. (2009). Job satisfaction and turnover intention relationship: The moderating effects of job role centrality and life satisfaction. *Research and Practise in Human Resource Management* 17 (1) , 24-35.

Avtgis, T. (2000). Unwillingness to communicate and satisfaction in organizational relationship. *Psychological Report* 87 (1) , 82-84.

Bagdadli, S., Solari, L., Usai, A., and Grandori, A. (2003). The emergence of career boundaries in unbounded industries: Career odysseys in the Italian new economy. *International Journal of Human Resource Management*, 15, 788-808.

Bhatnagar, J. (2007). Talent management strategy of employee engagement in Indian ITES employee: Key to retention. *Employee Relations* 29, 640-663.

Bjorkman, I., & Budhwar, P. (2007). When in Rome? Human resource management and the performance of foreign firms operating in India. *Employee Relations* 29 (6), 595-610.

Boxall, P., & Purcell, J. (2003). *Strategy and Human Resource Management*. Palgrave: Mcmillan.

Cappelli, P., & Crocker-Hefner, A. (1999). Distinctive human resources are firms core competencies. *Organizational Dynamics*, 7-22.

Chew, Y. T. (2005). Achieving organizational prosperity through employee motivation and retention: A comparative study of strategic HRM practices in Malaysian institutions. *Research and Practice in Human Resource Management* 13 (2) , 87-104.

Chiu, R. K., Luk, V. W., & Tang, T. L. (2002). Retaining and motivating employee: Compensation preferences in Hong Kong and China. *Personnel Review* 31 (4), 402-431.

Deci, E. L., and Ryan, R. M. (1985). *Intrinsic motivation and self determination in human behaviour*. New York: Plenum Back.

Den Hartog, D. N., & Verburg, R. M. (2004). High performance work systems, organizational culture and firm effectiveness. *Human Resource Management Journal* 14 (1), 55-78.

Dessler, G. (1993). *Winning commitment - How to build and keep a competitive workforce*. New York: McGraw Hill.

Devanna, M. A., Fombrun, C. J., & Tichy, N. M. (1984). A framework for strategic human resource management. In M. A. Devanna, C. J. Fombrun, & N. M. Tichy, *Strategic Human Resource Management* (pp. 33-51). New York: Wiley.

Edwards, J., Cable, D. M., Williamson, I. O., Lambert, L. S., & Shipp, A. J. (2006). The phenomenology of fit: Linking person and environment to the subjective experience of person environment fit. *Journal of Applied Psychology* 91 (4), 802-827.

Fey, C. F., Morgulis-Yakushev, S., Park, H. J., & Bjorkman, I. (2009). Opening the black box of the relationship between HRM practices and firm performance: A comparison of MNE subsidiaries in the USA, Finland and Russia. *Journal of International Studies* 40 (4), 690-712.

Furham, A., Eracleous, A., & Chamorro-Premusiz, T. (2009). Personality, motivation and job satisfaction: Herzberg meets the Big Five. *Journal of Managerial Psychology* 24 (8) , 765-779.

Hagedoom, M., and Van Yperen, N. (2003). Do high job demands increase intrinsic motivation or fatigue or both? The role on job control and job social support. *Academy of Management Journal* 46 (3), 339-349.

Hendrie, J. (2004). A review of a multiple retailer's labour turnover. *International Journal of Retail and Distribution on Management* 32 (9), 36-53

Hitt, D., Esser, J., and Marriot, R. (1992). Effects of delayed rewards and task interest on intrinsic motivation. *Basic and Applied Social Psychology* 13 (4), 405-415.

Ivencevich, J. M., Ollelens, M., and Matterson, M. (1997). Organizational Behavior and Management. *International Journal of Management* 60, 45-50.

Kiviniemi, M. T., Snyder, M., & Omoto, A. M. (2002). Too many good thing? The effect of multiple motivations on stress. *Personality and Social Psychology Bulletin* 28, 732-743.

Lam, T., Baum, T., and Pine, R. (2001). Study of managerial job satisfaction in Hong Kong's Chinese restaurants. *International Journal of Contemporary Hospitality Management* 13 (1), 35-42.

Lee, C. H., and Bruvold, N. T. (2003). Creating value for employees: Investment in employee development. *International Journal of Human Resource Management* 14 (6), 981-1000.

Leete, L. (2000). Wage equity and employee motivation in non profit and for profit organizations. *Journal of Economic Behavior & Organization* 43 (4), 423-446.

- Lepak, D. P., & Snell, S. A. (1999). The human resource architecture: Toward a theory of human capital allocation and development. *Academy of Management Review* 24 (1), 31-48.
- Lin, H. F. (2007). Effects of extrinsic and intrinsic motivation on employee knowledge sharing intentions. *Journal of Information Science* 33 (2), 135-149.
- Linz, S. J. (2003). Job satisfaction among Russian workers. *International Journal of Manpower* 24 (6), 626-652.
- Locke, E. A., and Latham, G. P. (2004). What should we do about Motivation Theory? Six Recommendations for the twenty first century. *Academy of Management Review*, 29, 388-403.
- Loo, R. (2001). Motivational orientations towards work: An evaluation of the work preferences inventory. *Measurement & Evaluation in Counselling Development* 33 (4), 222-234.
- Luthans, K. W., & Sommers, S. M. (2005). The impact of high performance work on industry level outcomes. *Journal of Managerial Issues* 17 (3), 327-345.
- Maurer, T. J., & Lippsteu, M. (2006). Who will be committed to an organization that provides support for employee development? *Journal of Management Development* 27 (3), 328-347.
- Mayer, R. R., and Greenwood, E. (1980). *The Design of Social Policy Research*. New Jersey: Prentize-Hall.
- McShane, L. S., & Von Glinow, A. M. (2008). *Organizational Behavior 4th Ed.* New York: McGraw Hill.
- Milkovich, G. T., & Gerhart, J. M. (2011). *Compensation Management 10th Ed.* Singapore: McGraw Hill.
- Milne, P. (2007). Motivation, incentives and organizational culture. *Journal of Knowledge Management* 11 (6), 28-38.
- Mosadeghard. (2008). A study of the relationship between job satisfaction, organizational commitment and turnover intention among hospital employees. *Health Services Management Research* 21, 211-217.
- Nalini, G., and Daily, F.B. (2004). Motivating employees for environmental improvement. *Industrial Management and Data System*, 104 (4), 364-372.
- O'Driscoll, P. M., and Randall, M. D. (1999). Perceived organizational support, satisfaction with rewards and employees job involvement and organizational commitment. *An International Review* 48 (2), 197-209.
- O'Leary, P., Wharton, N., and Quinlan, T. (2009). Job satisfaction of physicians in Russia. *International Journal of Health Care Quality Assurance* 22 (3), 221-231.
- Osteraker, M. C. (1999). Measuring motivation in learning organization. *Journal of Workplace Learning* 11, 73-77.
- Pare, G., & Trembley, M. (2007). The influence of high involvement human resource practices, procedural justice, organizational commitment and citizenship behavior on information technology professionals turnover intentions. *Group & Organization Management* 32, 326-357.
- Price, J. L. (1977). *The study of turnover 1st Ed.* Iowa: Iowa State University Press.
- Rafikul, I., & Ahmad, Z. I. (2008). Employee motivation: A Malaysian Perspective. *International Journal of Commerce and Management* 18 (4), 344-362.
- Ramlall, S. (2004). A review of employee motivation theories and their implications for employee retention within organizations. *Journal of American Academy of Business* 5 (1/2), 52-64.
- Rusbult, C. E., & Farrel, D. (1983). A longitudinal test of the investment model: The impact on job satisfaction, job commitment and turnover of variation in rewards, costs, alternatives and investment. *Journal of Applied Psychology* 68, 429-438.
- Schuler, R., & Jackson, S. (1987). Linking competitive strategies and human resource management practices. *Academy of Management Executive*, 1 (3), 207-219.
- Sheashore, S. E., and Taber, T. D. (1975). Job satisfaction indicators and their correlates. *American Behaviour Scientist*, 18 (3), 333-368.
- Snell, S. A., Shadur, M. A., & Wright, P. M. (2001). The era of our ways. In M. A. Hitt, R. E. Freeman, & J. S. Harrison, *Handbook of Strategic Management* (pp. 627-629). Oxford: Blackwell Publishing
- Spector, P. E. (1985). *Job satisfaction: Application, assessment, causes and consequences*. Thousand Oaks: SAGE Publications.
- Srivastava, D. (2004). Sectorial comparison of factors influencing job satisfaction in Indian banking sector. *Singapore Management Review*, 50-55.
- Thacker, R. A., and Wayne, S. J. (1995). An examination of the relationship between upward influence tactics and assessments of promotability. *Journal of Management*, 21, 739-756.
- Thomas, K. W. (2000). *Intrinsic motivation at work*. San Francisco: Berrett-Koehler
- Vandenberghe, C., & Trembley, M. (2008). The role of pay satisfaction and organizational commitment in turnover intention: A two sample study. *Journal of Business and Psychology* 22, 275-286.
- Witt, L., and Nye, L. (1992). Gender and the Relationship between Perceived Fairness of Pay or Promotion and Job Satisfaction. *Journal of Applied Psychology*, 910-917.
- Zaini, A., Nilufar, A., & Syed, S. A. (2009). The effect of human resource management practices on business performance among private companies in Malaysia. *International Journal of Business and Management* 4 (6), 65-72.

**Table 1: Means scores and standard deviations of study variables**

Variables	Mean	Standard Deviation
Rewards	3.45	0.58
Motivation	3.45	0.50
Job Satisfaction	3.24	0.45

**Table 2: The Pearson's correlation coefficients for the studied variables**

Variables	1	2	3	4	5	6	7	8	9	10	11	12
1 JS_Pay												
2 JS_Promotion	0.60*											
3 JS_Supervision	0.56*	0.42*										
4 JS_Benefits	0.67*	0.64*	0.46*									
5 JS_Rewards	0.68*	0.37*	0.60*	0.48*								
6 JS_Coworkers	0.47*	0.31*	0.59*	0.47*	0.46*							
7 JS_Nature	0.62*	0.53*	0.66*	0.52*	0.45*	0.50*						
8 JS_Communication	0.37*	0.43*	0.41*	0.37*	0.27*	0.33*	0.48*					
9 Rew_Pay	0.47*	0.52*	0.28*	0.48*	0.27*	0.22*	0.43*	0.56*				
10 Rew_Autonomy	0.50*	0.58*	0.39*	0.45*	0.30*	0.33*	0.52*	0.59*	0.75*			
11 Rew_Coworkers	0.37*	0.43*	0.41*	0.37*	0.27*	0.33*	0.48*	1.00*	0.56*	0.59*		
12 Mot_Intrinsic	0.44*	0.42*	0.46*	0.45*	0.34*	0.36*	0.47*	0.58*	0.50*	0.52*	0.58*	
13 Mot_Extrinsic	0.44*	0.42*	0.46*	0.45*	0.34*	0.36*	0.47*	0.58*	0.50*	0.52*	0.58*	1.00*

Notes: N=351, \* Correlation is significant at the 0.05 level (2 tailed)

**Table 3: Hierarchical regression analysis between rewards and motivation**

Table 3: Hierarchical regression analysis between rewards and motivation	Table 3: Hierarchical regression analysis between rewards and motivation	Table 3: Hierarchical regression analysis between rewards and motivation	Table 3: Hierarchical regression analysis between rewards and motivation
Table 3: Hierarchical regression analysis between rewards and motivation	Table 3: Hierarchical regression analysis between rewards and motivation	Table 3: Hierarchical regression analysis between rewards and motivation	Table 3: Hierarchical regression analysis between rewards and motivation
Table 3: Hierarchical regression analysis between rewards and motivation	Table 3: Hierarchical regression analysis between rewards and motivation	Table 3: Hierarchical regression analysis between rewards and motivation	Table 3: Hierarchical regression analysis between rewards and motivation
Table 3: Hierarchical regression analysis between rewards and motivation	Table 3: Hierarchical regression analysis between rewards and motivation	Table 3: Hierarchical regression analysis between rewards and motivation	Table 3: Hierarchical regression analysis between rewards and motivation
Table 3: Hierarchical regression analysis between rewards and motivation	Table 3: Hierarchical regression analysis between rewards and motivation	Table 3: Hierarchical regression analysis between rewards and motivation	Table 3: Hierarchical regression analysis between rewards and motivation
Table 3: Hierarchical regression analysis between rewards and motivation	Table 3: Hierarchical regression analysis between rewards and motivation	Table 3: Hierarchical regression analysis between rewards and motivation	Table 3: Hierarchical regression analysis between rewards and motivation
Table 3: Hierarchical regression analysis between rewards and motivation	Table 3: Hierarchical regression analysis between rewards and motivation	Table 3: Hierarchical regression analysis between rewards and motivation	Table 3: Hierarchical regression analysis between rewards and motivation

**Table 4: Hierarchical regression analysis between motivation and job satisfaction**

Variables	H <sub>2</sub>	H <sub>2Public</sub>	H <sub>2Private</sub>
Motivation	0.000**	0.000**	0.000**
Model 1 R <sup>2</sup>	0.09	0.11	0.01
Model 2 R <sup>2</sup>	0.46	0.48	0.36
β Motivation	62.0	63.0	60.0

Note: \*\* Significant at  $p < 0.05$

**Table 5: Hierarchical regression analysis between rewards and job satisfaction**

Variables	H <sub>2</sub>	H <sub>2Public</sub>	H <sub>2Private</sub>
Rewards	0.000**	0.000**	0.000**
Model 1 R <sup>2</sup>	0.09	0.11	0.01
Model 2 R <sup>2</sup>	0.38	0.37	0.31
β Rewards	56.0	55.0	57.0

Note: \*\* Significant at  $p < 0.05$

**Table 6: Comparison between public and private sectors organizations**

Variables	Sectors	Means	Standard Deviations	<i>t</i>
Rew_Pay	Public	3.44	0.65	3.56*
	Private	3.20	0.62	
Rew_Autonomy	Public	3.65	0.62	5.55*
	Private	3.29	0.57	
Rew_Coworkers	Public	3.70	0.72	3.90*
	Private	3.40	0.75	
Mot_Intrinsic	Public	3.51	0.54	3.51*
	Private	3.31	0.52	
Mot_Extrinsic	Public	3.51	0.54	3.51*
	Private	3.31	0.52	
JS_Pay	Public	3.45	0.60	8.43*
	Private	2.93	0.54	
JS_Promotion	Public	3.21	0.64	4.03*
	Private	2.96	0.51	
JS_Supervision	Public	3.63	0.57	9.04*
	Private	3.13	0.46	
JS_Benefits	Public	3.25	0.66	5.93*
	Private	2.88	0.48	
JS_Rewards	Public	3.30	0.65	6.64*
	Private	2.89	0.51	
JS_Coworkers	Public	3.61	0.52	9.46*
	Private	3.11	0.46	
JS_Nature	Public	3.68	0.54	7.81*
	Private	3.26	0.45	
JS_Communication	Public	3.70	0.72	3.90*
	Private	3.40	0.75	

Note: \*Significant at  $p < 0.05$