

**THE EFFECTS OF MONETARY REWARD, NON MONETARY REWARD AND
DISTRIBUTIVE FAIRNESS ON EMPLOYEE PERFORMANCE: A STUDY OF
THE PHOSPHATE MINES CO. JORDAN**

By

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Management (MHRM)**

DECLARATION

I declare that the substance of this project paper has never been submitted for any degree or post graduate program and qualifications.

I certify that all the support and assistance received in preparing this project paper and the entire source abstracted have been acknowledged in this stated project paper.

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ABSTRACT

Employee performance had directly influenced the productivity and outcomes of the organization. With the current business environment, many organizations are worry on whether their employees are in the right directions in doing their works or tasks. Therefore, this study aims to examine the relationship between monetary reward, non-monetary reward, distributive fairness and employee performance among 3,800 workers in Phosphate Mines Co, Jordan. The cross sectional surveys through questionnaire were used to fulfill the objectives of this research. Data were generated from 246 employees who were selected by simple random sampling. Descriptive, correlation and regression analysis were used to analyze data and to test the hypotheses. The overall finding indicated that monetary, non-monetary and distributive fairness had a significant correlation with employee performance. However, only distributive fairness had influence the employee performance in Phosphate Mines Co, Jordan. The findings suggest that to increase the employees performance in this organization, the management should re-evaluate the justices of the employment policies related to the employees' rights. This will enhance the employee performance and can be one of the competitive advantages for Phosphate Mines Co, Jordan.

Keywords: monetary reward, non-monetary reward, distributive fairness, employee performance.

ABSTRAK

Prestasi pekerja mempunyai pengaruh langsung terhadap produktiviti dan hasil sesebuah organisasi. Dengan keadaan persekitaran perniagaan sekarang, kebanyakan organisasi bimbang sama ada pekerja-pekerja mereka berada dalam landasan yang betul dalam melaksanakan kerja atau tugas mereka. Oleh itu, matlamat kajian ini ialah mengkaji hubungan antara ganjaran kewangan, bukan kewangan dan keadilan dalam agihan ke atas prestasi pekerja dalam kalangan 3,800 pekerja di Phosphate Mines Co, Jordan. Survei secara *cross sectional* menerusi pengedaran soal selidik diguna bagi mencapai objektive kajian. Data diperolehi daripada 246 pekerja yang dipilih secara rawak mudah. Analisis deskriptif, korelasi dan regresi digunakan untuk menganalisis data dan menguji hipotesis. Dapatan secara keseluruhan menunjukkan bahawa ganjaran kewangan, bukan kewangan dan keadilan dalam agihan mempunyai hubungan yang signifikan ke atas prestasi pekerja. Walau bagaimanapun, hanya keadilan dalam agihan sahaja mempengaruhi prestasi pekerja di Phosphate Mines Co, Jordan. This will enhance the employee performance and can be one of the competitive advantages for Phosphate Mines Co, Jordan. Hasil kajian mencadangkan bahawa untuk meningkatkan prestasi pekerja, pihak pengurusan perlu menilai semula keadilan dalam plosi-polisi pekerjaan yang berkaitan dengan hak-hak pekerja. Ini akan dapat memperkasakan prestasi pekerja dan menjadi salah satu kelebihan bersaing bagi Phosphate Mines Co, Jordan.

Kata kunci: ganjaran kewangan, ganjaran bukan kewangan, keadilan dalam agihan, prestasi pekerja.

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter being the introductory part of this study discussed the study's background, the problem statement, objectives of the study, the scope of which this study covers and it's significant.

1.2 Background of the Study

Undoubtedly, employee has been the important element of any of organization whereby success or otherwise of a given organization depends largely on the performance of its employee. Therefore, organizations committed large part of its resources on developing its employee (Hameed & Waheed, 2011).

Employee performance has become a source of worry for most organizations and so with the construction industry. Evidently, employee performance's challenge without mincing words has caused a serious setback to many such as construction sector. This has consequently affected the quality of work, organizational performance, time taken to complete project and profits earned by the organisation is equally affected (Abdullahi, Bilau, Enegbuma, Ajagbe & Ali, 2011). A lot of collapsed buildings and system failure have been recorded in this sector whereby poor employee performance has been noticed to be factor responsible for this (Ayedun, Durodola & Akinjare, 2012).

In addition; in simpler term, employee performance means the output or level of productivity of employee which is a determined by employee development in place by their organisation. Most importantly, employee performance will directly affect

organizational effectiveness. So also, enhance the relationship between employee development and performance. When adequate attention is given to employee development; thereafter, employee would be satisfied with their job. As a result, it will enable them display more commitment to their job, therefore their performance would be generally boosted. When this is achieved, organizational effectiveness is certain (Champathes, 2006).

At present, people are very crucial to the performance in the organization. Organizational planning and strategy cannot become a reality without employees` input. Thus, success of an organisation is the function of people (employee) and the system. Human capital possesses the required knowledge, competencies and skills required to execute the plans and strategies formulated in the organization. Therefore, it is required by these organizations well acquainted with the employee and ensures that they are encouraged to achieve their full potentials (Lawler, 2003).

Past studies have indicated that poor reward and application of old-fashioned retention strategies are associated with performance-related challenges (Adebayo, 2001; Ayagi, 2001); absence of employee participation in decision making (Jike, 2003); faulty strategies of engaging employee (Amadasu, 2003); poor working environment (McOliver, 2005); organizational failure to employ and create rational decisions (Iyayi, 2002).

Furthermore, as a result of defective employee recruitment strategies employee performance could be hindered (Amadasu, 2003). Employee performance can also be suffered through application of traditional retention strategies and poor remuneration (Adebayo, 2001; Ayagi, 2001). Unsatisfactory working environment does not encourage

the enhancement of employee performance (McOliver, 2005). Failure to allow given employees having say in decision making in the organization, can as well hinder their performance (Jike, 2003). In the same vein, failure on the part of organization (management) to implement and formulate rational decisions on issue related to organisation (Iyayi, 2002).

Compensation such as real services, financial proceeds and other benefits that workers receive as part of an employment relationship. Direct payment in form of compensation which is in kind of cash such as incentives, wages, merit increases and cost of living adjustments. Pay may also be received indirectly through services and benefits such as health insurance, pension, off-time payments. Compensation programs can be designed in various ways, whereby an employer can make use of more than one program in the organisation (Milkovich & Newman, 2008). Significance of any reward program that deals with the vision of both the company and the individual employee cannot be overemphasized. Continuous assessment should be carried out on personalized incentive programs for its assessment, adjustment, analysis and adaptation to ensure that top-level employees have their eyes on the same price as the business owners (Baeten, 2010).

1.3 Brief Information About Phosphate Mines Company Co.

Phosphate Mines Company is a public shareholding limited company, it was established in 1949. Its capital currently is JOD 75 million. It aims at processing mining, phosphate ore in Jordan. Sic decades back, Phosphate Mines Company has attained pioneering position among the international companies in the fields of producing and mining of fertilizers.

The Jordan Phosphate Mines Company`s activities can be grouped under two complementary sectors, namely: phosphate fertilizer manufacturing sector and mining sector. Through the integration of these two sectors, Phosphate Mines and Company has firmly proven its capabilities in the international markets.

Its headquarters is located in Amman, the capital of Jordan. The Company owns four mines which are located in the center and south Kingdom, They are namely: Russaifa, Al-Hassa, Wadi Al-Abiad and Eshidiya mines. Furthermore, the company`s Department of Research and Quality is situated at Russaifa with its Industrial Complex in the city of Aqaba, the company`s core aim is to be transforming the phosphate raw material into other value added products. The Jordan Phosphate Mines Company`s industrial complex is considered as one of the largest phosphate fertilizer complex in the Middle East.

The Jordan Phosphate Mines Company operates its production activities being carried out in the Hashemite Kingdom of Jordan, which has the fifth largest reserve of phosphate in the world, with total capacity of 3.7 billion tons whereby 1.25 billion tons are the reserves of the company`s mines. In view of that, Jordan Phosphate Mines Company is made to be the second largest exporter, and sixth largest producer of phosphate in the entire world, with annual production capacity which exceed 7 million tons of phosphate. In addition, the Phosphate Port is being constructed by the Company and sited in Aqaba, which is especially used for the exportation of phosphate. The presence of facilities in this phosphate port is enhancing the operations related to exportation of phosphate to various international markets.

At the moment, the Company is working tirelessly on developing and expanding its Industrial Port, and adding certain modifications to adhering to environmental issues.

The Jordan Phosphate Mines Company business strength is being derived from in its seven values. These values are considered to be the foundation of all of Jordan Phosphate Mines Company businesses, for which they are assist in recording success and maintaining its leading position among the highly valued international companies. Among these values is recruitment of national workforce, train, develop and promote. Also instil in them the spirit of innovation and competition.

In Phosphate, monetary reward was adopted to compensate the workers. Apart from the salaries that are given to the workers at the end of each month, bonuses are given based on the performance of each employee. However, Phosphate does not offer allowances, short and long term incentives and other benefits. Also, non-monetary reward is not entrenched in Phosphate. In fact, the employees of the company are dissatisfied when they compared the type of rewards (both monetary and non-monetary) being earned by their counterparts in the competitors' companies.

In addition, there have been a number of incessant strike by the employees of this company which had on many times affected the overall organizational performance. Most of these strikes were embarked to seek for raise in pay. The employees feel injustice in the pay system of the company since the employees that belonged to the competitors are earning bigger pay than them. This has created dissatisfaction for the employees and thus, this research is required. It is expected that this research will give insights to how the employees of Phosphate Mines Co. will be motivated and then improve their performance.

1.4 Problem Statement

In Phosphate Mines Co., there have been a number of incessant strike by the employees which had, on many occasions, affected the overall organizational performance. Once the employee performance is poor, definitely organizational performance would be affected. Most of these strikes were embarked upon to press for raise in pay. The employees feel injustice in the pay system of the company since the Phosphate's employees were aware that their counterparts in other competing organizations such as Arab Potash Company are earning bigger pay than them. This has created dissatisfaction for the employees. Thus, this research is required.

Past studies have shown that for employee performance to be related to a number of factors. Career development plan, freedom, feedback to employees, evaluation of employees, good supervisory relations and learning programs, comfortable and open work environment are those factors which constitute non-monetary rewards and they have positive impact on employee performance and attitude in the workplace (Bari, Arif & Shoaib, 2013). In support of that, a study conducted by Ajila and Abiola (2004) indicated that there existed a relationship between employees performance and extrinsic reward, while no relationship existed between employees performance and intrinsic rewards. Monetary incentives alone are insufficient to motivate employees, added that a maximum of both non-monetary and monetary incentive should be applied and like the saying goes "variety is the spice of life" Non-monetary and monetary incentives played different roles, effectiveness and appropriateness. A balance between non-monetary and monetary incentives should be used to satisfy the diverse interest and employees' needs.

According to Milkovich, Newman and Gerrard (2010), Monetary reward refers to tangible returns which include cash compensation, such as bonus, increment, short term incentives, long term incentives and other benefits such as income protection, allowances and others. It is certainly not the only form of reward and it is not necessarily always the best one, but its use is so common that it deserves special mention (Merchant, 2007). However, non-monetary rewards refers to praise, recognition and benefits (Luthans, 2008). It also includes paid vacation, training programs, praise and promotion (Jeffrey, 2003).

Good package for employee reward has been established by various past scholars to be an important factor in the organization which enhances workers' performance and thus bring about improvement to organization's productivity (Fieldwork, 2006; Gberevbie, 2010; Bamigboye & Aderibigbe, 2004; Jerez-Gomez et al., 2005). Most employers have now realized that existing global economic trend has made their organizations witness competitive advantage, their employees performance is an important factor that determines the success of the organization. Employee performance not solely benefiting the organization alone, but it is as well benefits the workers themselves when it comes to their growth matters.

Recent study conducted by Ismail, Abdul-Halim and Joarder (2014) shows that through a career incentive system, employee performance could be enhanced to a better level. This study emphasizes on the fact that if an employee is given the best opportunity to aspire to a higher position and to grow within the same capacity, such employee would be motivated, and in consequence enhances his or her performance. Besides, Agwu (2013) highlighted and recommended some options, among which are regular meeting between

the management and employees, promotion of industrial democracy, regular review of personnel policies and strict implementation of collective agreements in order to improve employee performance.

Several past literature have established that exists a significant relationship between employee performance and rewards (Agwu, 2013; Jalaini, Latiff, Yunus, Jasney, Ali, Fadzil, Said, & Hassan, 2013; Sajuyigbe, Bosedede, & Adeyemi, 2013; Ajila & Abiola, 2004; Mensah & Dogbe, 2011;), between organizational justice (one of which is distributive fairness) and performance of employees at work (Alder & Tompkins, 1997; Philips et al., 2001), between organizational justice and job satisfaction (Cropanzano et al., 2001), between performance, commitment to work and organizational justice (Folger & Konovsky, 1989), between employee behaviour and organizational justice (Moorman, 1991). However, lower levels of organizational justice lead to employee dissatisfaction, bitterness and even cynicism against the organization (Rae & Subramaniam, 2008). This can give rise to social hatred and enmity which lead to deterioration and loss of confidence in the organization which as a result lead to deviance in workplace (Dietz et al., 2003). Any injustice perceived by the employees can also cause poor quality of work (Cowherd & Levine, 1992) and cause weakness of the solidarity among the employees (Pfeffer & Langton, 1993).

Suggestions made by Perry, Engbers and Jun (2009); Heckman, Heinrich, and Smith, (1997); Heinrich (2007) indicate that there are several researches already conducted on the factors that can stimulate employees in improving their performances. In addition, there is need to motivate human capital through the use of effective reward system

because it is the one that possesses the required knowledge, skill and competencies to execute the planning and strategies in the organization (Lawler, 2003).

Moreover, another study was conducted by Maina, Kibet and Njagi (2013) which focused on the effect of reward on employee performance recommended that further researchers should concentrate their efforts on the effect of other kinds of rewards on employees' performance. It also suggested that future studies should focus on ways to identify other factors that affect employees' performance. Ajila and Abiola (2004) in their own study suggested that more researches should be conducted on the influence and relationship of rewards on employee performance using many private and public organizations.

Most importantly, review of past studies has shown that there is a dearth of studies on the effects of rewards on employee performance in the context of Jordan. However, there is no single study among the past studies which has established the relationship between the combination of monetary reward, non-monetary reward, distributive fairness and employee performance in the context of Jordan.

Based on the above reasons, it is suffice to examine the effects of monetary, non-monetary reward and distributive fairness on employee performance of Phosphate Mines Company.

1.5 Research Questions

This study was poised to answer the following research questions:

1. Is there relationship between monetary reward and employee performance in Phosphate Mines Company?
2. Is there relationship between non-monetary reward and employee performance in Phosphate Mines Company?
3. Is there relationship between distributive fairness and employee performance in Phosphate Mines Company?

1.6 Research Objectives

The objectives of this study were derived from the research questions of this study.

Hence, its objectives go as thus:

1. To examine the relationship between monetary reward and employee performance in Phosphate Mines Company.
2. To investigate the relationship between non-monetary reward and employee performance in Phosphate Mines Company.
3. To find out the relationship between distributive fairness and employee performance in Phosphate Mines Company.

1.7 Significance of the Study

This study contributed to knowledge by investigating the effects of combination of monetary reward, non-monetary reward and distributive fairness on employee performance in the context of a Jordanian company; Phosphate Mines Company. In fact, it would play an important role in unraveling the secrets behind the enhancement of employee performance in the organization.

Its contribution to the existing body of knowledge would be on how fair reward system can drive overall performance and ensure worthwhile employee performance. It could also be used as existing scientific evidence continuing studies as well as for future studies which will create more future research directions for the future researchers. The findings of this study are expected to give the organization concerned some insights on how to effectively manage their reward system based with respect to monetary and non-monetary approaches. Specifically, this study will suggest to the company (Phosphate Mines Co.) developing a good reward system based on organizational justice for the employees of a large number of people and varying goals, habits, and skills and inducing a cohesive pattern of behavior from them is a challenge of considerable enormousness.

In similar vein, this study could be an integral part of the academic writing as well as an existing policy paper for policy makers in Jordan and would-be users in the entire world.

Summarily, this study finding can be a useful guide to the policy and decision making as well as for academic resources.

1.8 Scope of the Study

Researcher proposes the employees of the Phosphate Mines Company as the target population of this study. However, the sample may not be enough for generalization of the study's findings due to the fact that this study is focusing on a company but it can relatively still be generalized.

This study is conducted to assess the influence of monetary reward, non-monetary reward and distributive fairness on employee performance in Phosphate Mines Co. There are a number of 3800 employees in the company which cut across all the level of employees.

1.9 Organization of the Study

The arrangements of this study were be in the following format:

Chapter One: This chapter focused on overview of the study, the problem statements; the objectives of the study and its significance.

Chapter Two: This chapter synchronized and synthesized the past studies on the subject-matter of the study. Researches were also detected using a critical review of the literatures.

Chapter Three: The third chapter of this study explained the method used in the collection of data, the study population, the sampling technique adopted in selecting samples of the population, unit of analysis and the tool used in eliciting information from the respondents.

Chapter Four: This chapter focused on the analysis of collected data using statistical tools. As far as this study is concerned, Statistical Package for Social Sciences (SPSS) was used in the analysis of data.

Chapter Five: This chapter discusses the summary of the whole study; it presents the conclusion, suggestions and provides recommendations. Also in this chapter, the limitations and suggestions for future researches were highlighted.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the reviewed of good number of literature on the following subject matters: performance based pay, career incentives and organizational benefits in relation to performance are it on organizational performance or individual. It also examined previous researches on the mediating role of distributive fairness.

2.2 Employees Performance

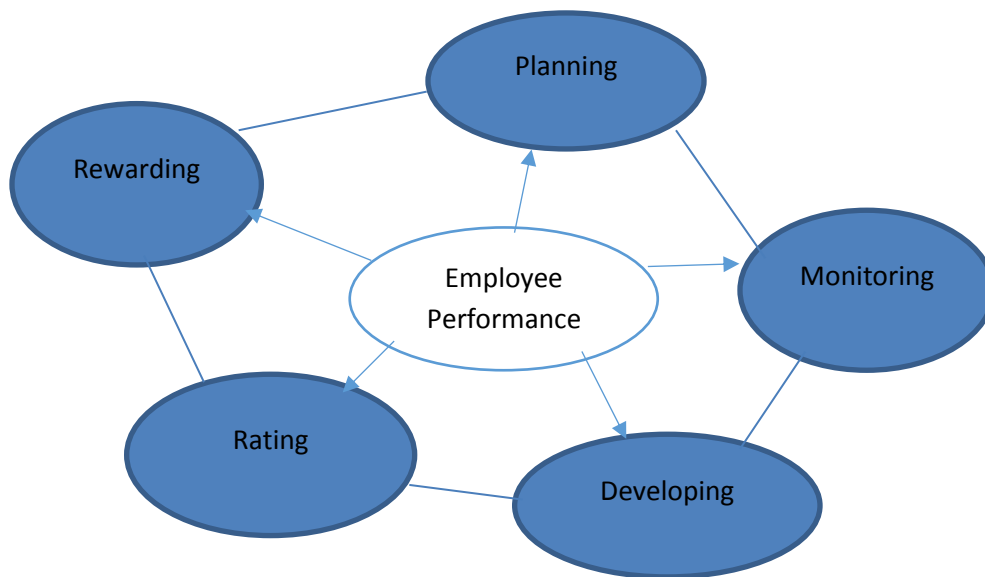
2.2.1 Definition

According to Viswesvaran and Ones (2000), employee performance refers to the behavior, accessible actions and outcomes that employees engage in or bring about that are contribute and linked to organizational goals. Boyne, Farrell, Law, Powell and Walker (2003) observed that it is important for the organizations to have information on its employee performance. This will enable such organization to realize whether they are deteriorating, stagnant or making improvement. Also, it enables them adjust quickly with a view of bringing improvement to their goods and services for organizational growth and survival (Boyne, Farrell, Law, Powell, & Walker, 2003).

Basically, employee performance is the accomplishments made and outcomes achieved at work. Performance indicates that employee keeping up plans while aiming for the results. Although, performance evaluation is the heart of performance management, (Cardy, 2004), the performance of an organization or individual largely depends on all the organizational, practices, policies and design features of an organization. This integrative perspective represents a configurationally approach to strategic human resources

management which argues that patterns of human resource activities, as opposed to single activities, are very important in the achievement of organizational objectives (Delery & Doty, 1996). According to Anitha (2013), opined that employee performance refers to employee's financial or non-financial result which is absolutely connected with the success and performance and the enhancement of employee performance can be achieved through employee engagement (Anitha 2013).

Employee job performance has two characteristics; employee's motivation and employee skill be it one acquired (learned) or natural. Researchers have indicated that employee's, competency, innovation and abilities enhance organizational success (Smith, 2002).



- ❖ **Planning** work and setting expectations
- ❖ **Monitoring** employees performance continually
- ❖ **Developing** the capacity to perform
- ❖ **Rating** performance periodically in a summary fashion and;
- ❖ **Rewarding** excellent performance.

Figure 2.1

Employee Performance Model

Source: Noe, Hollenbeck, Gerhart and Wright (2000).

2.2.2 The Measurement of Employee Performance

Measuring performance is of great significance to an incentive plan because it links the significance of recognized organizational goals. Something that can be measured and rewarded should get attention too (Bohlander Snell, & Sherman, 2001). In the field of human resource management, various researchers have recommended some pointers for measuring employee performance among which is a quality that can be measured by percentage of work output that must be redone or rejected; customer satisfaction that can be measured by the customer feedback and number of loyal customers. Also, timeliness evaluated based on how quick the work is performed by the worker when assigned with a certain task; truancy observed when employees absent themselves from work; and achievement of objectives evaluated when an employee has exceeded set targets, such an employee is considered to have performed well to achieve the objectives (Hakala, 2008; Armstrong, 2006).

Traditionally, performance assessment embedded five dimensions of performance, they are namely as thus; effectiveness, economy, efficiency, compliance and service quality. Performance is a virtual concept and therefore it is often assessed against some benchmark by emphasizing on what has been achieved in the organizations, comparing it to the budget or compliance (Good & Carin, 2004).

Managing individual performance within organizations has been traditionally been centralized on performance measurement and allocation of remuneration. Good performance is perceived to be the outcome of the collaboration between motivation and individual ability. Gradually it is being recognized that an enabling environment and effective planning affect individual performance, with standards and performance goal, guidance and support from the managers and appropriate resources are all being at the central (Torrington, Hall & Stephen, 2008).

Individual and organizational performance can be affected by human resources practices and policies. For example, for a very long time ago, job satisfaction has been considered a key to affecting commitment as well as business commitment.

2.2.3 The Past Study About Employee Performance

Several authors have believed that employees can help to improve business performance through their ability to generate ideas and use these as building blocks for better and new services, products and work processes. However, a lot of academics and practitioners are of opinions that employees' innovation assist in the attainment of organizational success (Axtell et al., 2000; Smith, 2002).

Employee Performance plays a vital role in the Organizational growth. High employees Performance depends on what kind of reward policies an organization has in stock for its workforce (Bari, Arif & Shoaib (2013). Employee is an inseparable and important part of organization. Mostly employee productivity largely depends on competent, skilled and qualified workforce. To boost employee behavior it means improving employee

performance which ultimately benefits the organization as well as the employees concerned as well (Rounok, & Parvin, 2011).

Several factors have been linked to the performance in various studies. A study conducted by Ismail (2014) found the existence of relationships between performance-based pay, career incentives, organizational benefits and employee performance. He observed that organizations thrive through the instrumentality of people because they possess the required skills, competencies and knowledge needed for the execution of organizational planning and strategy. Hence, organizations should entrench a competitive total remuneration package that comprises of properly-handled performance-based pay system, career incentives and various organizational benefits (Ismail, 2014). Another studies conducted by Agwu (2013); Jalaini, Latiff, Yunus, Jasney, Ali, Fadzil, Said and Hassan (2013); Sajuyigbe, Bosede and Adeyemi (2013); Ajila and Abiola (2004); Mensah and Dogbe (2011) performance based pay relates to employee performance and other kinds of reward packages, they stated that there will be improvement in employee performance if employee perceive fairness in the conduct of organizational especially on the activities (Alder & Tompkins, 1997; Philips et al., 2001). However, several other researchers found positive relationship between employee performance, job satisfaction and organizational justice (Cropanzano et al., 2001), between employee performance and religiosity and spirituality (Osman-Gani, Hashim & Ismail, 2012). Research conducted recently by Anitha (2013) on employee engagement and employee performance found that there is a strong significant relationship between employee engagement and employee performance.

2.2.4 Employee Performance Model In An Organization

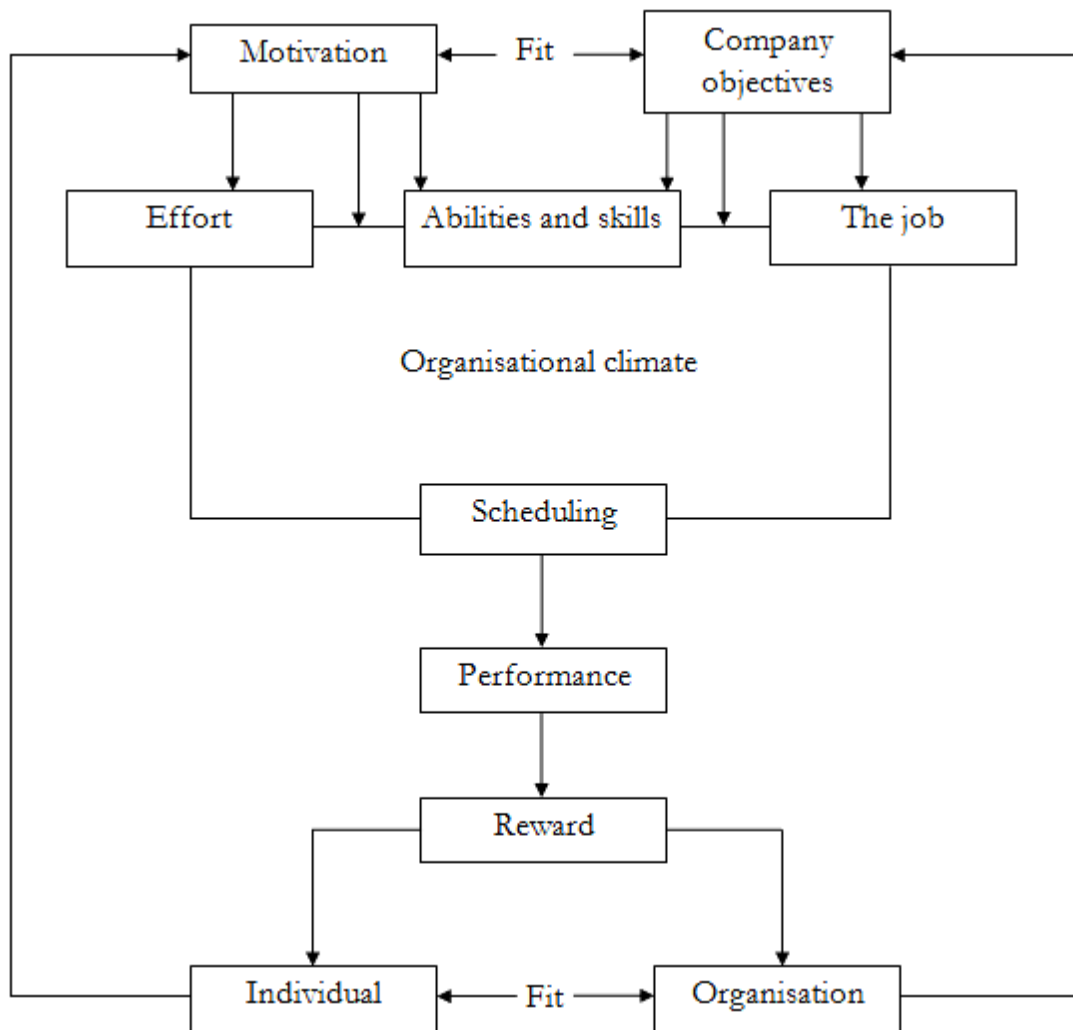


Figure 2.2

Employee Performance Model

Source: Jones and Lockwood (2002).

Considering the above model which starts from the very beginning of the performance process by highlighted the importance of fitting the company's objectives with employee's inspirational values. It is about fitting the expectations between the company and the employee. It starts from setting the organizational values and goals thus, the

result is the expectations for the employees. The company tries ensures that the employee meets their expectations and that they can meet the employee's expectations already during the process of recruiting. There are different methods open to the company to get the employees motivated when applying for the job and to keep them motivated to stay with the company for a longer period. (Jones & Lockwood, 2002).

Once the employee's has been engaged, the effort that such employee puts into work depends largely on the organizational climate. This depends on whether the employee's expectations have been achieved and whether employee is motivated to work for the company or not. Employee has to undergo training for the specific job in order to have possesses the required abilities and skill for execution of the jobs assigned. The methods of training depend mainly on the organization and on the tasks involved. (Jones & Lockwood, 2002) When the employee has been trained and motivated to do the job, the next things needs to be considered in order to get the best performance results from such employee is the job itself. There are many job-related factors that can affect employee's work performance such as salary, hours of work, physical environment, condition attached to the work, the nature of the job tasks, co-workers and others. All these factors need to be considered adequately in employee performance improvement. (Jones & Lock-wood, 2002).

The next phase is scheduling which next phase is scheduling which means using the right amount of human resources at the right time. When the manager has many employees during the quiet time of the day and not enough work for all of the employees, there is a huge waste of resources. Organization wastes capital and human resources also when the manager has scheduled far too less employees for the rush time of the day. (Jones &

Lockwood, 2002). All of the factors like effort, abilities and skills, job itself, and scheduling are being influenced by the organizational climate and support which means the nature of these phases can vary in different organizational cultures and depending on the management style. (Jones & Lockwood, 2002).

After these phases have been followed, the performance appraisal will take place. When it has been measured or observed that the employee's performance is good, he or she will get a reward for good performance. If the performance was poor, the re-warding phase will be skipped and the last phase of feedback will take place. The feed-back that is given has to be fit by employee and also by the company. After this phase, the process will start again from the beginning. (Jones & Lockwood, 2002).

2.3 Reward System

An employee reward system consists of the organizational policies, practices and processes combined together towards rewarding its employee in proportion with individual employee's input considering their market value, individual competence and skills. Reward system designed in line with the organizational philosophy of rewarding, policies and its arrangement contains in the form of structure, procedure, processes, and practices which maintains and provides the appropriate levels and types of benefits, pay and form of reward attached to a particular employee (Armstrong, 2002).

2.3.1 Components of Reward System

A reward system comprises of monetary rewards (variable pay and fixed) and employee benefit which put together comprises of total remuneration. It is as well incorporates non-monetary reward which includes (achievement, personal growth, recognition, praise and responsibility) and in some cases, performance management processes. The combination

of employee benefits, monetary rewards and non-monetary compensation formed total reward system (Armstrong, 2002).

2.3.2 Monetary Reward

Sarvadi (2005) observed that organizations need to put in place strategic reward system for their workers. The role played by the reward in the organization is of importance. The reward system is divided into monetary and non-monetary reward. Monetary reward, according to Milkovich, Newman and Gerrard (2010), refers to tangible returns which include cash compensation, such as bonus, increment, short term incentives, long term incentives and other benefits such as income protection, allowances and others. It is certainly not the only form of reward and it is not necessarily always the best one, but its use is so common that it deserves special mention (Merchant, 2007). People value money and therefore making money an important form of reward. Monetary reward systems can be classified into three main categories, performance-based salary increases, short-term incentive plans, and long-term incentive plans. The latter two rewards are common on managerial levels and are often linked to performance during a specific time period (Svensson, 2001). The first one is often considered to be the greatest motivational factor of them all (Samuelsson, 1999). Every organization gives salary increase to employees“ at all organizational levels. This is normally a small portion of an employee’s salary. It has a significant value due to its long-term perspective (Merchant, 2007). Short term incentives in some form are however commonly used in organizations. A cash bonus is usually based on performance measured on a time period of one year or less. Why a company primarily uses a variable pay is to differentiate it among the employees, so that the most successful employees will be rewarded. By recognizing the employee’s

contributions to the company it makes it easier for the organization to encourage excellent performance. The employees appreciate the possibility of receiving a reward for their performance (Svensson, 2001). Using a variable pay can also be an advantage for the company in terms of risk-sharing. This means that the expense for compensation varies more with company performance when the total compensation is partly variable, making the cost lower when no profit is made and when there is a profit this can be shared with the employees. Bates (2006) indicated that the money would only motivate, if the merit pay rises is at least seven percent of base pay for employees to perceive them as motivating and to catch anybody's attention. Recent studies, for example by Locke (1998) on the four methods of motivating employees indicated that money rated the second among lower-level employees. Such evidence demonstrates that money may not be the only motivator, but it's difficult to argue that it doesn't motivate. This therefore opens up the debate that non-financial rewards such as recognition, decision making and job security have a role to play in the internal motivation of employees that monetary rewards cannot address. To assume that financial incentives will always motivate people to perform better is therefore as simplistic as to assume that they never motivate people to perform better. The only issue that is certain about this is that multiplicities of interdependent factors are involved in motivating employees ranging from money to non-monetary. Another stream of analyses points out that people never rate money as their main motivator, most achievements are reached for reasons other than money, and it is a factor that attracts people but does not play a big role in retaining and motivating. Robert and Shen (1998) point out, salary and other hygiene factors yielded dis-satisfaction and only motivators directly influence motivation beyond the psychological neutral level.

2.3.3 Non-Monetary Reward

Paid vacation, training programs, praise and promotion were all perceived to be non-monetary rewards (Jeffrey, 2003). Luthans (2008) asserts that, non-monetary rewards include: praise, recognition and benefits. He added that it can be positively utilized to enhance performance. Neckermann and Kosfeld (2008) also affirmed that, non-monetary rewards are social recognitions and they further extended the list to include genuine appreciation, certificate and acknowledgement. Non-monetary rewards can take different forms, but it is very important to determine the rewards that the employees value. Non-monetary rewards such as training and development, job interest, time-off and pleasant work environment have been overlooked. Non-monetary rewards tend to last longer and can be used more frequently than monetary rewards. They further suggested that non-monetary rewards address the internal needs of employees.

Non-monetary rewards involve a word of ‘thank you’ to the employee as an appreciation of the employee. Recognition which entails acknowledgement of positive behavior and actions of employees enhances motivation of the employees. Monetary rewards are often accused of being too short-termed, and not creating a long-term commitment which is normally what you want from your employees. To achieve long-lasting motivation for the employees the organization must pay attention to both the monetary and non-monetary motivators, in order to provide the best mix (Armstrong, 1993). The purpose of non-monetary incentives is to reward associates for excellent job performance through opportunities. Non-monetary incentives include flexible work hours, training, pleasant work environment, and sabbaticals.

There was no strict definition of non-monetary rewards from the employee's stand point; the rewards were perceived to have an indefinite scope. Berger et al. (2000) suggested that it is wise to use non-monetary rewards in a new system. This is because in situations where the organization wants it withdrawn, it will be much easier than monetary reward. He added that, the use of non-monetary rewards may be resisted because employees may see it as a threat to the amount of monetary reward that they wish to get instead. Mushrush (2002) identified lack of non-monetary rewards as a significant cause for employee turnover. Shield (2007) suggested that it is very important for an organization to identify the non-monetary rewards that promote the wanted behaviors from employees. Taking a holistic view of the role of rewards, Berger et al. (2000) stated that in 1990s, there was a change in the way organizations view rewards. He added that, rewards expanded to include those that are non-monetary. He further added that, if employees were asked the kind of reward they preferred, they would probably say monetary reward. But it is not a totally effective way to reward employees. According to Sajuyigbe (2013), rewards can be seen as an important construct in employee performance. He added that well rewarded employees feel valued by the organizations they work for. Success of an organization is based on the employees' willingness to make use of their abilities, creativity and know-how. They added that, it is the responsibility of organizations to encourage employees by putting effective reward practices in place.

2.4 Distributive Fairness

Long ago Jay Stacy Adams who propounded equity theory opined that workers would like to do in return; they collect a fair compensation for other colleagues to benefit from

the rewards of work (Ali & Mohsen, 2008). Perceived fairness of the outcome and consequences that individuals receive (Eric,2003).

It should be noted that distributive fairness is not just restricted to the fairness of payments, but also a broad set of organizational outcomes, such as upgrades, rewards, punishment, work programs, benefits and performance evaluation encompasses. The basic premise is that the distribution of resources primarily on the perception of distributive fairness, fairness, trust, commitment and organizational impact. Served justice or compensation based on merit, is considered equivalent (Mehrabi, Rangriz, Darvishzadeh, & Khoshpanjeh, 2012).

Distributive fairness is an important predictor of personal outcomes such as pay and job satisfaction and organizational outcomes such as organizational commitment and supervisory assessment of the pad. Reverse distributive injustice occurs when people are expecting a reward that others may receive the fact of rewards such as new job, new responsibilities, power, rewards, promotion. (Konvsky & Cropanzano, 1993) If an outcome is unfair perception, discrimination and injustice of these personal feelings such as anger, or guilt of pride and satisfaction and recognition, such as switching inputs and outputs such as yield and composition of their behavior with others and also affects the organization and ultimately behavior (such as performance or turnover) affects (Ali & Mohsen, 2008).

Maintaining fairness in organizations has been reiterated by different researchers (Liao & Rupp, 2005; Suliman, 2007). Organization that foster organizational fairness would attain its organizational objectives. Organizational fairness can be conceptualized as the perception of employee regarding justice and impartial treatment in an organisation.

Organizational management studies have shown that impartial and fair treatment within the organization substantial impact on human resource management. Employee who believes that he is enjoying fair and impartial treatment would be dedicated to job and such employee would not quit the job (Latham & Pinder, 2005). Existing studies inform that there is a significant connection between organizational justice and employee performance (Philips, Douthitt, & Hyland, 2001). If organizational fairness is at low ebb in the organization it may demotivate employee and promote employee resentment (Rae & Subramaniam, 2008). In a situation of low level of organizational justice, enmity and social hatred can thrive and hamper employee confidence in the organisation and can consequently result to workplace defiance (Dietz et al., 2003). Cowherd and Levine (1992) postulated that if employees believe that fairness is not entrenched in the organization, their performances may be hindered. Pfeffer and Langton (1993) added that such situation can breed weak solidarity among employees.

Reflecting on the past studies, three types of organizational justice are discernible. According to Greenberg (1987) and Greenberg (1990) organizational justice are of distributive fairness and procedural fairness while Bies (1986) and Skarlicki and Folger (1997) added interactional fairness to be the third type.

Distributive fairness is among the focus of this study; therefore, the emphasis would be much on it. Scholars like Adams (1965); Colquitt et al. (2001); Greenberg (2004) observed that distributive fairness constitutes integral part of organizational justice.

Distributive fairness, according to Janssen (2004), implies defined distributive the view of employees regarding the overall fairness between the comprehensive scope of investments made and the attached compensation. Based on the equity theory propounded

by Adams (1965), it is a fact that employees would normally make a comparison between his contribution in terms of work rendered to the organization and the returns from the organization (Adams, 1965; Janssen, 2004). If employee perceives fairness in the comparison, then he will feel satisfied (Greenberg, 1990), this can lead to positive behaviors like extra role behaviors (Janssen, 2004).

2.5 Overall Review of Variables

The quality of the workforce and proper management of employee through rewards is linked to the resounding organizational performance. (Fieldwork, 2006).

Sufficient rewards are motivating elements for employee retention and performance. Putting into consideration, the level of rewards that will motivate employees for retention and performance is vital for organizational survival and growth (Gberevbie, 2010).

Rewards can motivate and retain competent staff for performance (Bamigboye & Aderibigbe, 2004; Jerez-Gomez et al., 2005). Organization can retain its employees for performance by matching its rewards to employees' preference. The match between rewards desired by employees and offered by the organization is what leads to job satisfaction. And job satisfaction in turns guarantees employee retention (Heneman & Judge, 2003).

Generally, performance has become a source of worry to the organizations. Previous studies have proved the positive influence of incentives on the performance which consequently resulted in the organizational profitability. An improved Performance helps organizations to gain competitive advantage among other organization. Incentive,

performance based pay and organizational benefits have been regarded by the past studies to be among the factors that can enhance performance (Omaro, 2011).

Performance evaluation and control is quite challenging to be sustained. However, organizations can adopt performance based employee evaluation because it always fit best in all situations in organizations. Organizations should be cognizant of those factors that can stimulate performance, among which are employee recognition, size of pay rewards for high performance, method of motivating individual job performance (Heckman, Carolyn, & Jeffrey, 1997).

2.5.1 Monetary Reward And Employee Performance

Employee productivity can be enhanced and improved through reward system. An employee who receives pay in return for his skills and his experience in the job would definitely be motivated and consequently improve his productivity. However, inadequate basic pay can impact unwanted behaviours from the employee. Absenteeism, low performance demotivation can emanate from inadequate pay given to employees (Omolayo, 2007; Omolayo & Owolabi, 2007).

It is essential that managers are advised to ensure that behaviours are either rewarded or punished in a timely manner. For maximum effectiveness, people should be rewarded shortly after doing something right and punished shortly after doing something wrong (Durbin, 2004).

Ajila and Abiola (2004) observed that the importance of reward in the day-to-day performance of workers' duties cannot be overemphasized, especially when it comes to being rewarded for a job done. It is a well-known fact that human performance of any

sort is improved by increase in motivation. Going by the findings of this study, it can be easily inferred that workers reward package matters a lot and should be a concern of both the employers and employees. Workers place great value on the different rewards given to them by their employers. Hence, when these rewards are not given, workers tend to express their displeasure through poor performance and non-commitment to their job (Ajila & Abiola, 2004).

Nonetheless, the use of rewards (especially monetary rewards and benefits) as motivation for employee performance is seen to have certain drawbacks which can undermine the purpose for its use. Key in this area is the fact that monetary rewards yield temporary compliance and fails to act as a permanent or long term motivation. Other authors have noted that in the long term employees tend to view monetary rewards such as benefits and bonuses as entitlements thereby losing its motivation effect. Moreover, because such rewards are only temporary and do not induce long term motivation, employees end up getting stuck in a constant cycle of agitating for more to satisfy their immediate wants (Shanks, 2007).

Armstrong (2007) pointed out that rewards can act as a goal that employees generally strive for, and as an instrument which provides valued outcomes. It is also a symbol which indicates the recipient's value to the organization and can act as a general reinforcer because it is associated with valued feedback (Langton & Robbins 2007). Many organizations face problems when trying to understand the relationship that exists between rewards and motivation, however, Langton and Robbins (2007) argued that for rewards to motivate an individual certain conditions must be met, that is, the type of reward must be important to an individual and should be perceived as a direct reward for

performance; if it is money, the marginal amount should be perceived by the individual as being significant, therefore, for money to motivate, the marginal difference in pay increases between a high performer and an average performer or a high skilled and a low skilled should be significant.

Bates (2006) indicates, for money to motivate, merit pay rises must be at least seven per cent of base pay for employees to perceive them as motivating and to catch anybody's attention. Four methods of motivating employees indicated that money rated the second among lower-level employees. Such evidence demonstrates that money may not be the only motivator, but it's difficult to argue that it doesn't motivate. This therefore opens up the debate that non-financial rewards such as recognition, decision making and job security have a role to play in the internal motivation of employees that monetary rewards cannot address. To assume that financial incentives will always motivate people to perform better is therefore as simplistic as to assume that they never motivate people to perform better. The only issue that is certain about this is that multiplicities of interdependent factors are involved in motivating employees ranging from money to non-monetary.

2.5.2 Non-Monetary Reward And Employee Performance

Bari , Arif and Shoaib (2013) study shows that feedback to employees, freedom, career development plan, and valuation of employees, learning programs, open & comfortable work environment and good supervisory relations have positive bearing on employee attitude and performance. Employee are more satisfied with non-financial rewards rather than financial rewards and thus non-financial rewards impacts performance and also increase the productivity and profitable growth of organization.

Tausif (2012) observed that non-monetary reward consisting promotion, job enrichment and job autonomy correlate with job satisfaction for the educational sector of Pakistan. In addition, the older employees are more satisfied with non-financial rewards than younger employees. Al-Nsour (2012) in his research investigated the incentives approach and the level of performance in Jordanian Universities. Descriptive analysis was used to analyze the data and five Universities were selected for this study. The results showed the significance relationship between moral incentives and learning and growth in Jordanian Universities and also there is a high level of Organizational Performance. Internal business process is ranked in the second place followed by learning and growth.

Pfeffer (1998) contends that employees do work for money but they work even more for meaning in their lives. Where there is no meaning of work, there is greater loss of loyalty and commitment and pay should therefore not substitute for a working environment high on trust, fun, and meaningful work. The above simply mean, money should be used in conjunction with other motivating factors in order to win the attention of employees.

However, according to Armstrong (2007), in a much publicized study, Gupta and her colleagues analysed thirty-nine studies conducted over four decades and found that cold-hard cash motivates workers whether their jobs are exciting or mundane in labs and real world settings alike. But the research team acknowledges that money is not the only factor that concerns employees noting that beyond a certain point higher salaries will make employees happier, but it will not buy better performance and motivation. Still, Gupta warns that employers who dole out small merit raises-less than seven percent of base pay –may do more harm than good. According to her, small raises can actually be dysfunctional in terms of motivation because employees become irritated that their hard

work yielded so little. Therefore there are mixed feelings among scholars on whether money has a positive or negative impact on motivation and such a question can only be addressed through an empirical study.

2.5.3 Distributive Fairness And Employee Performance

The research on pay structure which were carried out by Tang and Sarsfi eld-Baldwin (1996) indicated that there is strong connection between the properly allocation of pay structures to employees which is based on suitable distribution tenets such as seniority, length of service, merit and/or contribution and employees' perceptions of distributive fairness and this can stimulate job satisfaction and can in turn enhance

A number of theories support the concept of distributive fairness. Equity theory made it known that employees anticipate fair outcomes in terms of pay, incentives, benefits, job security, recognition perks in exchange for his contribution in terms of education, effort, time, commitment and experiences to their jobs. If employee believes that his contributions are more than what he gets as reward, he would feel cheated and it will affect his satisfaction and consequently affect his performance. However, the reverse is the case if employee perceives that his pay is fair (Adams, 1965). Cole and Flint (2004) postulated that if employee perceives fairness in the reward given to him, it can impact his personal outcomes.

Cole and Flint (2004) revealed that theories have brought up two ways in which fairness perceptions correlate to work effort and performance which include instrumental and value expressive. The instrumental aspect of it concentrates on the concern of employee

regarding the end-product of the allocation of resources like equity theory (Adams 1965) and discrepancy theory (Lawler 1971).

Interestingly, observations have shown that this kind of relationship between the effect of pay design issues and job satisfaction is indirectly affected by perceptions of distributive fairness (Ismail et al., 2008). Similarly, the findings of the study carried out by Ismail, Ibrahim and Girardi (2009) on the mediating effect of distributive fairness in the relationship between pay design and job satisfaction showed that distributive fairness can mediate the relationship between pay design issues and job satisfaction in the public college sector.

Strong relationships with work outcomes such as organizational citizenship behavior, organizational commitment, turnover intentions, and job performance have been established in organizational justice research (e.g. Carr, Gregory, & Harris, 2010; Van-Dierendonck & Jacobs, 2012; Whitman, Caleo, Carpenter, Horner, & Bernerth, 2012).

Abekah-Nkrumah and Atinga (2013) in their study on Ghanaian hospital opined that entrenchment of fairness and the design of a healthy work environment for the different categories of healthcare workers is vital and crucial to amplify productivity. Safeguarding fairness and equity in managing the various categories of employees in organizations can create a great challenge. It is thus not amazing that many organizational researchers have placed more emphasis on empirical work on organizational justice (Theo & Lim, 2001).

Employee's performance in the hospital is stated to have been influenced by perceived fairness. The components of organizational justice are correlated to task performance.

However, the study that was carried out by Fernandes and Awamleh (2006) in UAE (which preceded the study of Abekah-Nkrumah & Atinga, 2013) indicates that none of the three dimensions of organizational justice (Distributive fairness, Procedural justice and interactional justice) significantly influenced self-perceived performance.

2.6 Theoretical Background

The basis for this study is drawn on two theories; Equity Theory of motivation which was propounded by Adam Stacy and Expectancy Theory propounded by Victor Vroom. The first theory (i.e. equity theory) posits that employee anticipates fairness and equity in his reward based on the job done. The theory germinated from the Hertzberg's job satisfaction theory but Adam Stacy related it to reward system. Employer's satisfaction lies in his perception that reward system is perceived by the workers to be fair and unbiased. Equity Theory is based on the subjective and skewed judgment about fairness and equity in the reward system in relation to the inputs made by the workers. The inputs denote employee's efforts, time, education, and experience. The theory premise on the fact that people's perception and feeling regarding how they are being treated compared to others determined whether they will be happy or not (Armstrong, 2001). If employee perceives that what he is being paid commensurate with the efforts he put forth in the organization, then he will be more hardworking and diligent at work. In the same vein, Boddy, (2008) exemplified the analogy in the following formula:

$$\text{Input (A) = Input (B)}$$

$$\text{Reward (A) = Reward (B)}$$

The logic in the formula is that if one employee makes a comparison of his earning vis a vis his efforts with another employee. If he sees fairness and equity in it, he would definitely be satisfied. If otherwise is perceived by him the reverse is the case; he would be dis-satisfied. The consequence of this is that there would be tension and frustration on the part of the dis-satisfied employee. Then, the performance of such employee will get low and consequently reduce the rewards more (Boddy, 2008). Some things do influence the view of performance-based pay; political connection, heirachical position, gender issue, ethical issue, and personal subjectivity can affect employer's judgement regarding performance-based pay. For instance, if an employee is paid above his colleagues due to his affinity with CEO of the company. Two or more factors can affect employer's perception of performance-based pay.

The second theory is on the other side of coin as it is based on the premise that individual employee is made to decide on his own. The theory posits that employee's motivation is predicated on the degree at which he wants something and the level of likelihood of getting it (Boddy, 2008). Individual employee's perception serves as motivational force for him.

The framework of the theory as formulated by Vroom (1964) revealed that the combination of both motivation and effort give rise to performance and then to outcome. Motivated behaviour of employee is energized by effort to performance, expectancy

which must be greater than zero and performance to outcome. Summation of the vallances for all appropriate outcomes must be greater than zero.

Availability of different kinds of rewards in the organization stimulate more effort from the employee (Boddy, 2008; Croce, 2004). Below is the model illustrating the entire theory.

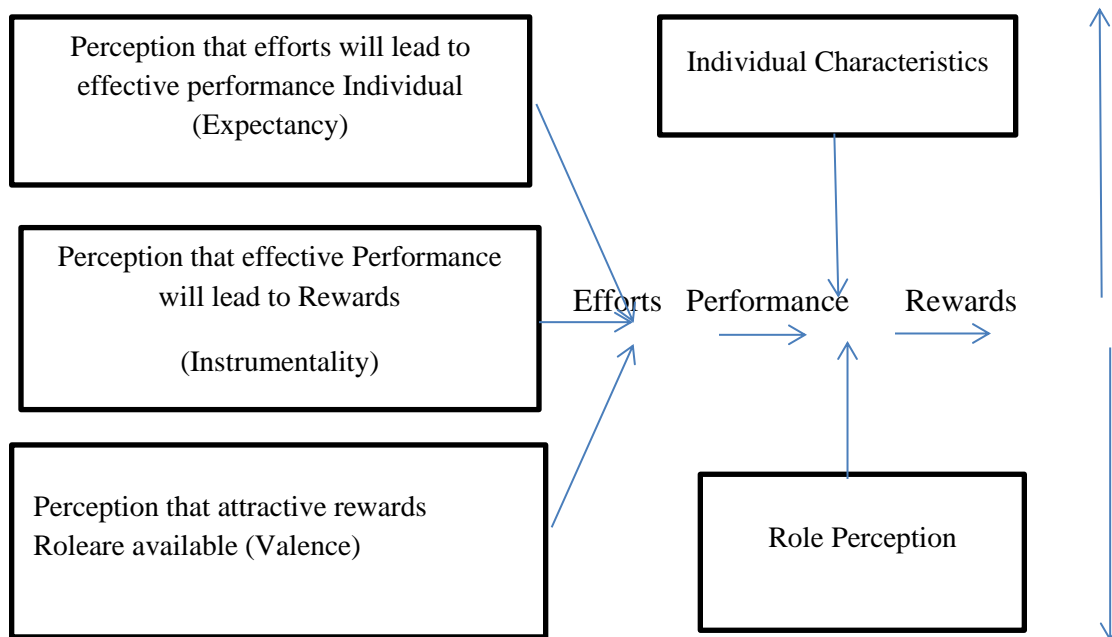


Figure 2.3
The Expectancy Theory Model
 Source: Croce, 2004

Compensation has a number of perspectives. There are society perspective, employee perspective and managers’ perspective (Milkovich & Newman, 1996). According to them, Society perceives compensation to mean ‘equal work for equal pay. This is the reason behind Society being frown at disparity in the reward system. From the perspective of employees, compensation is an entitlement of the services rendered which is possible through the use of skills, abilities, education and training knowledge.

In contrast, managers conceptualize compensation in two ways. They believe that compensation means major liability and can serve as motivational reward strategies that can influence employee attitudes and behavior. Some people are of the opinion that reward system can enhance competitive advantage if it influences worker's work attitude and behavior and the consequent organizational productivity and effectiveness (Milkovich, 1998).

2.7 Chapter Conclusion

The literature reviewed so far has indicated the relationship between monetary reward, non-monetary reward distributive fairness and employee performance. However, there is dearth of studies on monetary reward, non-monetary reward and distributive fairness being linked to employee performance in the context of Jordan.

Having reviewed the past studies, the next task is to describe research methodology used in this study. Research methodology involves research framework, measurement of variables, data collection and data analysis procedures. These were discussed in the next chapter.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

In this chapter, research methodology was discussed under the headings such as research framework, hypotheses, research design, operational definition, measurement of variables, data collection, sampling, data collection procedures and techniques of data were highlighted.

3.2 Hypotheses Statements

Suggestions made by Perry, Engbers and Jun (2009); Heckman, Heinrich, and Smith, (1997); Heinrich (2007) indicate that there is a dearth of researches on factors that can stimulate employees to improve their performances. Additionally, there is need to motivate Human capital through effective reward system because it is the one that possesses the required skills, knowledge and competencies to execute strategy and planning in the organization (Lawler, 2003).

Previous literature have revealed a significant relationship between rewards and employee performance (Agwu, 2013; Jalaini, Latiff, Yunus, Jasney, Ali, Fadzil, Said, & Hassan, 2013; Sajuyigbe, Bosede, & Adeyemi, 2013; Ajila & Abiola, 2004; Mensah & Dogbe, 2011 ;).

H1: Monetary reward is related positively to employee performance in Phosphate Mines Co.

H2: Non-monetary reward is related positively to employee performance in Phosphate Mines Co.

The relationship between organizational justice (one of which is distributive fairness) and employees work performance (Alder & Tompkins, 1997; Philips et al., 2001); organizational justice and job satisfaction (Cropanzano et al., 2001); organizational justice and performance commitment to work (Folger & Konovsky, 1989); between organizational justice and employee behaviour in organisations (Moorman, 1991).

H3: Distributive fairness is related positively to employee performance in Phosphate Mines Co.

3.3 Theoretical Framework

The theoretical framework is a logical foundation of the interrelationships among many variables that are identified through theories and literature review to arrive at good solutions to the problem statement (Sekaran & Bougie, 2010). Framework of this study is developed based on the perspectives two theories (equity theory and expectancy theory) and supported by the related literature. Equity theory posited that employee anticipates fairness and equity in his reward based on the job done. If employee perceives that what he is being paid commensurate with the efforts he put forth in the organization, then he will be more hardworking and diligent at work. In addition, expectancy theory posited that employee's motivation is predicated on the degree at which he wants something and the level of likelihood of getting it. Individual employee's perception serves as motivational force for him. Figure 3.1 explained the theoretical research framework.

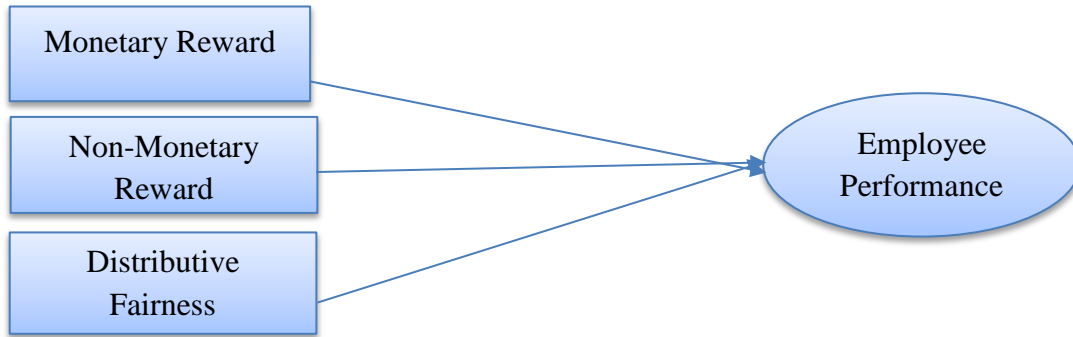


Figure 3.1 *Theoretical Framework*

3.4 Research Design

The selection of qualitative, quantitative or both should be determined by the nature of phenomenon under study, the current knowledge base of the issue at hand and the research objectives (Mwita, 2002).

Numerous definitions were given to quantitative study among which is the one provided by Wikipedia Encyclopedia (2005) which states that quantitative research is a statistical process of proving and controlling of observations for the purpose of describing and explaining the fact that those observations discloses. Sukamolson (2010) also corroborates it by positing that quantitative research collects numerical data using mathematically related method. Furthermore, Marshal (1996) posited that the objective of adopting quantitative approach is predicated on the intention to test pre-set hypothesis and produce generalizable results. Thus, the method is selected due to the fact that there is a good number of studies and theories on employee performance.

Cross sectional survey design as well as quantitative method is adopted for this study. The rationale behind choosing this approach is that it facilitates the elicitation of information from the respondents. It is also simple and least cost if compared with

longitudinal survey. It could be explanatory, exploratory as well as descriptive in nature (Neumann, 2003). It has been established that cross sectional survey can serve three different purposes. Each purpose can serve another different purposes. The three purposes are social research, exploration and description (Babbie, 2007). Hagan (2006) posited that cross sectional studies can concentrate on one group of respondents at a time. It does not require much commitment from the participant and at the same time less difficult when it comes to the issue of findings and sampling of population.

Research design in this study entails a technique through which data is collected and analyzed to be able to identify the impacts of monetary reward, non-monetary reward and distributive fairness on employee performance through questionnaire.

3.5 Measurement

This research made use of close-ended questionnaire to be able to measure variables which are monetary reward, non-monetary reward, distributive fairness and employee performance. This is analyzed in the following subsections:

3.5.1 Employee Performance

Under employee performance, 31 items were discerned. Seven items belonged to Task performance, 15 items refer to contextual performance and eight items were under adaptive performance.

Table 3.1
Distribution of Variables

Variables	Definition	Items	Reference
Employee Performance	It refers to accessible actions, behavior and outcomes that employees engage in or bring about that are linked with and contribute to organizational goals (Viswesvaran & Ones, 2000).	<p>Task performance</p> <p>I play my work so that it was done on time.</p> <p>I worked towards the end result of my work</p> <p>I kept in mind the result that I had to achieve in my work</p> <p>I had troubles setting priorities in my work</p> <p>I was able to separate main issues at work</p> <p>I was able to perform my work well with minimal time and effort</p> <p>It took me longer to complete my work tasks than intended.</p> <p>Contextual performance</p> <p>I was able to meet my appointments</p> <p>I was able to fulfil my responsibilities.</p> <p>Collaboration with others went well.</p> <p>Others understood me well, when I told them something.</p> <p>Communication with others led to the desired result.</p> <p>I came up with creative ideas at work</p> <p>I took the initiative when there was a problem to be solved</p> <p>I took the initiative when something had to be organized</p> <p>I started with new tasks myself, when my old ones were finished</p> <p>I asked for help when needed</p> <p>I was open to criticism of my work</p> <p>I tried to learn from the feedback I got from others on my work</p>	Viswesvaran & Ones, 2000

Table 3.1 (Contd.)
Distribution of Variables

Variables	Definition	Items	Reference
Employee Performance		<p>took on challenging work tasks, when available</p> <p>I think customers were satisfied with my work</p> <p>I took into account the wishes of the customer in my work.</p> <p>Adaptive performance</p> <p>I worked at keeping my job knowledge up-to-date</p> <p>I worked at keeping my job skills up-to date</p> <p>I have demonstrated flexibility</p> <p>I was able to cope well with difficult situations and setbacks at work</p> <p>I recovered fast, after difficult situations or setbacks at work</p> <p>I came up with creative solutions to new problems</p> <p>A was able to cope well with uncertain and unpredictable situations at work</p> <p>I easily adjusted to changes in my work</p>	Viswesvaran & Ones, 2000

3.5.2 Monetary Reward

Regarding monetary reward, twelve items were adapted from the measurements used in the study of Wan Mohd Noor, Daud and Mohd Isa (2011).

Table 3.2
Distribution of Variables

Variables	Definition	Items	Reference
Monetary Reward	Monetary Rewards refers to a tangible returns which include cash compensation, such as bonus, increment, short term incentives, long term incentives and other benefits such as income protection, allowances and others (Milkovich, Newman & Gerard, 2010).	<p>Monetary Reward</p> <p>I receive a worth basic salary.</p> <p>My cost of living adjustment is sufficient enough to support my living.</p> <p>I feel my current salary commensurate my job.</p> <p>My current salary reflects market trends.</p> <p>My take-home is reasonable.</p> <p>My performance bonus reflects my productivity in the organization.</p> <p>My performance bonus reflects my job quality in organization.</p> <p>I receive a fair salary given by the organization.</p> <p>I receive merit pay that reflects my productivity in the organization.</p> <p>My Organization offers different performance bonuses as a boost for productivity.</p> <p>Allowances are paid according to my entitlements.</p> <p>I do enjoy my allowances.</p>	Wan Mohd Noor, Daud & Mohd Isa (2011)

3.5.3 Non-Monetary Reward

Regarding non-monetary reward, twelve items were adapted from the measurements used in the study of Wan Mohd Noor, Daud and Mohd Isa (2011).

Table 3.3
Distribution of Variables

Variables	Definition	Items	Reference
Non-Monetary Reward	This refers to the identification of a job well done and then appreciate it through a non-financial means such as recognition acknowledgement and appreciation (Yap, 2008).	<p>Non- monetary</p> <p>I get recognition I deserve when I do a great job.</p> <p>I receive recognition for my job accomplishment.</p> <p>I feel that I have chances of getting ahead on this job.</p> <p>Promotion and transfer are made fairly.</p> <p>I am exposed to the challenging aspects of my job.</p> <p>There is potentiality for my career in my organization</p> <p>There is possibility for career growth in my organization.</p> <p>There is opportunity to grow through learning new things and new skills in my organization.</p> <p>There are good learning opportunities in my organization.</p> <p>There is an opportunity for advancement to higher level of jobs.</p> <p>Challenging tasks given by my organization can improve my job quality.</p> <p>Recognition given to me by my organization improves my productivity.</p> <p>I enjoy my current job.</p> <p>I have a job in which there is a great deal of day-to-day learning.</p>	Wan Mohd Noor, Daud & Mohd Isa (2011)

3.5.4 Distributive Fairness

Four items were adapted from Colquitt (2001) to represent distributive fairness.

Table 3.4
Distribution of Variables

Variables	Definition	Items	Reference
Distributive Fairness	It refers to how the profits are shared and how the benefits and burden are divided or allocated between the two parties (Hertel, et al 2002).	<p>Distributive Fairness</p> <p>I am fairly rewarded in accordance with my tasks.</p> <p>I am fairly rewarded in accordance with my completed tasks.</p> <p>I am fairly rewarded in accordance with my contributions to the workplace.</p> <p>I am fairly rewarded in accordance with my efforts in accomplishing my tasks.</p>	Colquitt (2001)

Regarding demographic data of the respondents, ten questions were asked. The answers of the questions were scaled on the seven point Likert Scale which are 1 = Strongly Disagree, 2 = Moderately Disagree, 3 = Disagree, 4 = Neutral, 5 = Agree, 6 = Moderately Agree, 7 = Strongly Agree.

3.6 Reliability Analysis (Pilot Study)

The reliability of the questionnaire are usually evaluated through using Cronbach's Alpha or Alpha Coefficient to indicate the internal consistency of the questionnaire. The closer the reliability coefficient to 1.00 is the better (Sekaran, 2003). By and large, the adequate

alpha coefficient should be more than 0.5. However, Sekaran (2003) posited that if the value of Cronbach Alpha is 0.6, it is acceptable but still poor.

Reliability also implies a kind of measure to examine the credibility of the interpretation of research findings as well as findings of research (Schwandt, 2001).

Pilot study was carried out to confirm whether the respondents comprehend the items in the questionnaire. If a pilot test is done and the result is good, it indicates that the measuring tools are reliable and acceptable. In this case, the likely challenges could be discerned and worked out before embarking on the real survey. The information gathered would be used to enhance the methods or instruments where applicable. This technique is of necessity before going out to collect data. The pilot study are usually done on a small group of people in which the result would help the researcher in the removal of questions that were considered to be vague or unclear to the participants. Hence, the researcher will realize whether the questionnaire is fully understood by the respondents.

Pilot study also ensures complete measurement of all variables in the research. Measurement is not error-free, it will be perceived to be a process of ascertaining consistency within repeated measures. Employing conventional data collection and data analysis enhances reliability of study. Thus, reliability of this research is enhanced because reliable measurement of the concepts is provided, variable items were derived from information retrieved from the reviewed literature and the items were measured on a likert scale. Apart from this, the result of the pilot test conducted for the variables prior to the time of data collection suggested good internal consistency reliability for the scale. The results are displayed below:

Table 3.5
Reliability Statistics

Measure	No. of Items	Cronbach's Alpha
Monetary reward	12	.940
Non-monetary reward	14	.902
Distributive Fairness	4	.904
Employee Performance	30	.828

In the Table 3.5 above, the Cronbach's alpha for monetary reward, non-monetary, distributive fairness and employee performance are .940, .902, .904 and .828 respectively. This indicates a firm scale and a good internal consistency of the variables.

3.7 Population and Sample

The population of this study are the workers who are currently working in Phosphate Mines Co. This is because the study aims to elicit information on individual perception of reward system in the company. The information would be on individual's perception regarding impacts of monetary reward, non-monetary and distributive fairness on individual employee performance. Out of the total population of 3800 workers in the company, 260 samples were chosen. This sample is based on the observation and suggestion of Krejcie and Morgan (1970).

3.8 Sampling Technique

Simple random sampling is used in this study to select the sample. This technique was chosen because the respondents will have equal chance of being (Yates, Moore & Starnes, 2008). This technique required an ordered population, such as workers lists,

telephone directory, or any document containing the list of all employees to be used as a sample.

In this study, the first step that was taken in the process of selecting the sample was application for permission letter from OYA UUM, after getting the permission letter, the letter was sent to the Management of Phosphate Mines Company to seek its permission to collect data from the employees of the company. The management of the company granted the request after a month. Then, the list of the employees of the company was given to me through Mr. Baker Alzedeem. Then the employees were sampled randomly.

3.9 Data Collection Procedure

This study employs self-administered questionnaires for the respondents in which they were dispatched to them in their various places. They were asked to fill it after assuring them that confidentiality of the information they give will be maintained. The instruments used for this study were employed due to the fact that it is easy to quantify and analyze. Also, the instrument is suitable for this study because it is based on eliciting the opinions, attitudes, feelings and perceptions of the respondents. It is important to assign labels to properties of variables and this is what is referred to as components of measurement and it was done in this study.

In this study, the process of data collection was personally administered by the researcher with the help of Mr. Baker Alzedeem. A set of 260 of questionnaires were dispatched to the sampled population.

3.10 Data Analysis Techniques

This study used the Statistical Package for Social Sciences (SPSS) to analyse the data. Descriptive statistic was used as the data was presented in percentages. Pearson correlation was used to examine the correlation of the employee performance with monetary reward, non-monetary reward and distributive fairness. Multiple regression was used to test the prediction and contribution of independent variables and mediator on the dependent variables.

3.10.1 Reliability Test

In analyzing the pilot study, reliability analysis were performed on the pilot study samples. Reliability is defined as the assessment of stability level among measurements of construct (Hair *et al.*, 2010). Consequently, reliability analysis of the instrument was conducted to evaluate the consistency in items that measures a construct. Reliability of the instrument is when a measure generates the similar results over and over again. Sekaran (2003) mentioned the four methods generally used by researchers to ensure their measuring instruments are reliable. Those methods include; test-retest methods, split half method, alternative form methods and Cronbach's alpha coefficient method, one of the most frequently used methods. This study applied the test of Cronbach's alpha coefficient method that examines the reliability of instruments.

Moreover, Cronbach's alpha methods for reliability measure possess its own strength. Because of its usefulness, Cronbach's alpha method has prevailed over the reliability testing method, particularly amongst the mainstream social science investigators. This study used Cronbach's alpha method to check reliability of the measurements. To

determine a suitable and standard level of Cronbach's alpha coefficient, Nunnally (1978) recommended smallest standards for Cronbach's alpha. Cronbach's alphas of 0.7, 0.8 and 0.9 are for investigative basic and critical issue-based research. George and Mallery's (2003) optional standard for Cronbach's alphas that are more than 0.9 is Excellent, 0.7 - 0.9 is Good, 0.6 - 0.7 is Acceptable, 0.5- 0.6 is Poor, and less than 0.5 is Unacceptable. Hair *et al.* (2010) suggest that 0.6 is the minimum acceptable level of Cronbach's alpha for any construct to possess an acceptable reliability. Therefore, in this study, 0.6 was used as benchmark as posited by Hair et al. (2010).

To check reliability of the intended measures, the study performed the Cronbach's alpha analysis. The reliability analysis was performed for each construct separately. The result of pilot study indicated a firm scale and a very good internal consistency of all the variables.

3.10.2 Descriptive Analysis

Descriptive analysis means the demographic report of the respondents in the form of frequency and percentage terms. Regarding this study, eight questions were asked in section A of the questionnaire. The questions are based on gender, age, marital status, level of education, years of working experience, current positions, nature of work and salary.

3.10.3 Pearson Correlation Coefficient

Pearson coefficient involves the indication of the degree of linear relationship between independent and dependents variables. The symbol of a correlation coefficient is r , and its range is from -1.00 to +1.00. A correlation coefficient indicates two things about the

connection between two variables; the direction of the connection and its level. The nearer the measure is to 1.00, the better the potential of the connection to be statistically significant (Muchinsky, 1993). Guilford's Rule of Thumb about the strength of correlation is explained in the following table:

Table 3.6
Interpretation of strength of correlation coefficient

Value of Coefficient Relation between Variables	
0.00 – 0.30	Very low relationship
0.30 – 0.50	Low relationship
0.50 – 0.70	High relationship
0.50 – 1.00	Very high relationship

3.11 Conclusion

Being a study which adopts quantitative approach and conducted in Phosphate Mines Co. A set of 260 of questionnaires were dispatched to the sampled population. The instruments created for this research were impeccable based on the result of the pilot test. At the end of everything, data was analysed and findings were discussed in the subsequent chapter.

CHAPTER FOUR

RESULTS

4.1 Introduction

This chapter presents the analysis and interpretation of data, and overall findings of this study. The descriptive analysis, correlation analysis and regression analysis were used in the analysis of the data.

4.2 Response Rate

A set of 260 questionnaires were distributed to the target population (Employees of Phosphate Mines Co.). However, 251 questionnaires were retrieved back and five questionnaires were incomplete and exempted from the analysis. This means that response level was an approximate of 97%. The details are encapsulated in the following Table 4.1:

Table 4.1
Data Collection and Response Rate

Items	NO
Distributed Questionnaires	260
Collected Questionnaires	251
Questionnaires used for analysis	246
Percentage of response	97%

4.3 Demographic Analysis

Analyzed in the Table 4.1 below was demographic information of the respondents which contains information about gender, age, marital status, level of education, years of working experience, current positions, nature of work and salary.

Table 4.2

Descriptive Analysis of Demographic Data n=246

	Frequency	Percent (%)
Job Position		
Supervisor	52	21.1
Field Workers	194	78.9
Task		
Technical	120	48.8
Sales	16	6.5
Operation	102	41.5
Drivers	8	3.3
Years of service		
Less than 5 years	56	22.8
5-10 years	106	43.1
11-15 years	50	20.3
16-20 years	34	13.8
Salary		
Less than 500 JD	24	9.8
500-1000	162	65.9
1100-1500	60	24.4

Level of Education

High School	40	16.2
Diploma	131	53.3
Degree	75	30.5

Marital Status

Single	121	49.2
Married	125	50.8

Gender

Male	246	100.0
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Age

Below 20	8	3.2
21-30	138	56.1
31-40	100	40.7

The information in the table 4.1 above signified that the supervisors among the respondents were 21% of the total sample while the remaining respondents were just ordinary workers whose. 3% and 7% of the respondents were in technical and sales departments respectively, while 42% belonged to operation department. Others departments constituted 48% of the respondents. 43% of the respondents had up to 10 years working experience while the most senior workers among the respondents constituted 14%. In addition, 24% earned between 1100-1500 JD as monthly salary while 65% earned between 500-1000 JD per month. This analysis indicated that majority of the respondents had working experience ranging between 5-10 years and were collecting between 500-1000 JD as monthly salary.

Regarding the educational level of the respondents, diploma certificate holders constituted 53%, followed by degree at 31% while those that attended high school were 16%. Majority of the respondents were between 21-30 years, of age constituting 56% while 48% were between 31-40 years of age. Just 3% were below 20 years of age.

4.4 Analysis of Means and Standard Deviation

Table 4.3

Descriptive Statistics for the variables

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
MOR	246	1.00	6.08	2.7737	1.18657
NMOR	246	1.86	5.86	3.5572	.94277
DF	246	1.00	7.00	3.0417	1.50680
EP	246	3.60	6.07	5.0820	.48083
Valid N (listwise)	246				

Note: MOR = monetary rewards, NMOR = non-monetary rewards, DF = distributive fairness, EP = employee performance.

Table 4.2 above explained the mean values of all the variables which fell between 2.50 and 4.00. This indicated that the variables' scores fell between moderately high (3.0) to highest (7.0). Monetary reward had the highest mean score (3.96) with the standard deviation of 1.37 while non-monetary rewards had the lowest mean score (2.52) with the standard deviation of 1.76.

4.5 Reliability Results

Table 4.4
Reliability Statistics

Measure	No. of Items	Cronbach's Alpha
Monetary reward	12	0.94
Non-monetary reward	14	0.90
Distributive Fairness	4	0.90
Employee Performance	30	0.83

In the Table 3.5 above, the Cronbach's alpha for monetary reward, non-monetary, distributive fairness and employee performance are 0.94, 0.90, 0.90 and 0.83 respectively. This indicates a firm scale and a good internal consistency of the variables.

4.6 Correlation Analysis

Sekaran (2000) had opined underscored the aptness of Pearson Product-Moment Correlation for the analysis of connections among variables. Hence, the choice of Pearson Product-Moment correlation for the analysis aspect of this study was appropriate.

The intensity and direction of the linear relationship between monetary rewards, non-monetary rewards, distributive fairness and employee performance was determined based on the ranges of the correlation coefficient which are '-1' – '+1'. '-1' implies that there is negative relationship, '0' shows no relationship while '+1' represents positive relationship.

Table 4.5

Correlation

Correlations				
	MOR	NMOR	DF	EP
MOR	1			
NMOR	.866**	1		
DF	.883**	.785**	1	
EP	.329**	.273**	.393**	1

**. Correlation is significant at the 0.01 level (2-tailed).

MOR = monetary rewards, NMOR = non-monetary rewards, DF = distributive fairness, EP = employee performance.

The overall conclusion that can be discerned from information in the above table is that the connection between the variables of this study is positively significant with different level of strength. Distributive fairness was found the highest correlation ($r = .39$; $p < .01$) with employee performance. Followed by monetary reward ($r = .33$; $p < .01$.) and non-monetary ($r = .27$; $p < .01$). Therefore, distributive fairness, monetary reward, and non-monetary were significantly connected to employee performance.

4.7 Regression Analysis

Regression analysis is a statistical procedure used to predict and explain the value of dependent variable based on the value of one or more independent variables. In this section, regression analysis was made to explain the value of DV (employee performance) on the value of the three IVs of this study. This is aimed at testing the hypotheses.

Table 4.6
Regression Analysis

Variable	B	Sig.
Monetary Reward	-0.01	0.95
Non-Monetary Reward	-0.09	0.45
Distributive Fairness	0.47	0.00*
R	0.397	
R ²	0.158	
F change	15.137	

Note: 246. *p < 0.05; MOR = monetary rewards, NMOR = non-monetary rewards, DF = distributive fairness, EP = employee performance.

The regression analysis in Table 4.6 indicated that only 15.8% of the variance of employee performance was explained by monetary, non-monetary and distributive fairness. However, only distributive fairness was found significant and positive ($\beta = 0.47$; $p < .01$) influence the employee performance. Monetary reward ($\beta = -0.01$, $p > .01$) and non-monetary reward ($\beta = -0.09$; $p > .01$) were found insignificant towards employee performance.

4.8 Summary of the Hypotheses

The table below shows that only the hypothesis 3 of this study was positively supported and answered while Hypotheses 1 and 2 were not supported. Hence, the overall of the study is unique on its own right.

Table 4.7

Summary of the hypotheses

No	Hypothesis	Result
1	H1: Monetary reward is related to employee performance in Phosphate Mines Co.	Not Supported
2	H2: Non-monetary reward is related to employee performance in Phosphate Mines Co.	Not Supported
3	H3: Distributive fairness is related to employee performance in Phosphate Mines Co.	Supported

4.9 Chapter Conclusion

In a nutshell, two hypotheses were not supported while one hypothesis was supported. The findings of this study were made through the Pearson Product-Moment Correlation analysis and regression analysis. The overall result is that employee productivity and performance can be improved and accomplished if organization can develop and sustain a competitive reward system in which it reflects fairness when compared to other organizations. Based on this, the next section will be conclusive part of the study and it includes conclusion and recommendation were discussed in the subsequent chapter; chapter five.

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter is the final and conclusive part of the study. It presented the implications of the findings, its limitations, the recommendations for the future studies and the outline of the study.

5.2 Summary of the Research

This study is conducted to assess the influence of monetary reward, non-monetary reward and distributive fairness on employee performance in Phosphate Mines Co. This study aimed to answer the research questions below:

1. Is there relationship between monetary reward and employee performance in Phosphate Mines Co?
2. Is there relationship between non-monetary reward and employee performance in Phosphate Mines Co?
3. Is there relationship between distributive fairness and employee performance in Phosphate Mines Co?

Monetary reward, Non-Monetary reward and distributive were also the independent variables in this study. Hence, there were three IVs in this study.

Quantitative approach was adopted for this study, the employee of Phosphate Mines Co. were sampled. The population consists of the 3800 workers who are currently working in the company. A set of 260 of questionnaires were dispatched to the sampled population. However, 251 questionnaires were retrieved back. 5 out of 251 collected questionnaires

were not fully filled by the respondents and they were exempted from the analysis. The instruments created for this research were impeccable based on the result of the pilot test. Only one of its hypotheses was positively supported. The findings of this study were made through the Pearson Product-Moment Correlation analysis and regression analysis. The overall result is that the employee productivity and performance can be improved and accomplished if organization can develop and sustain a competitive reward system in which it would reflect fairness when compared to other organizations.

5.3 Discussion and Research Findings

5.3.1 Monetary Reward and Employee Performance

Monetary rewards was found not influence the employee performance. This finding is in consonance with the findings of Ismail, Halim and Joarder (2015) and Ismail (2014). The monetary do not have good impact on the performance of the employees in the Phosphate Company. The reason is that the employees are not motivated because they are aware with their pay or salary and they are having high satisfaction with what the earned in this company compared their counterparts in the other companies (e.g. Arab Potash Company). This directly, means that the level of salary not the major issues to perform their job in the Phosphate Company. However, the employees much more focus on unfairness in the distribution of the rewards in the organization. Consequently, the company has experienced many industrial strikes embarked upon by the employees who are seeking for justice in the reward system.

This result underscored the fact that organizational rewards were greatly valued by the workers. Thus, it plays a significant role in the organization. Njagi et al. (2013) observed that rewards management should be among the mechanisms through which organizations can survive in the very dynamic and highly competitive environment within which organizations of today operate. Rewards management formed a good factor in sustaining the competitive advantage of organization and through it employees can be enticed, retained and expedited to improve performance.

Furthermore, it formed part of the reason why employees improve their performance the fact that workers hold money in high esteem and this informs that monetary compensation should be considered an important reward system in the organization (Svensson, 2001). Consequently, Ajila and Abiola (2004) suggested that organizations should, on a continuous basis, come up with attracting and enticing reward packages, together with good policies and procedures. In the study of Narsee (2012), a number of employees were surveyed regarding their preference to different forms of rewards. The employees preferred monetary rewards over other kinds of rewards in their organizations.

5.3.2 Non-Monetary and Employee Performance

Non-monetary reward programs were found to have an insignificant and negative relationship with employee performance. In a similar manner, this finding corresponded and agreed with the studies by Ismail, Halim and Joarder (2015); Ismail (2014). One possible reason to support the finding is employees in Jordan have different preferences in terms of their needs and they are of varying goals, habits, and skills. So that, the needs of non-monetary are different. The package of non-monetary that offered by the organization are satisfied with majority of the employees. On the other hand, non-

monetary package is not the important factor to the employee in this organization to performance their job. The argument raised by Ballentine, McKenzie, Wysocki, and Kepner (2012), in their study, confirmed that younger employees place more preference for job satisfaction and work environment as part of non-monetary rewards programs and this indicated that need of the employees should be taken into cognizance when deciding on reward management.

5.3.3 Distributive Fairness and Employee Performance

Similarly, the result from the regression analysis demonstrated significant positive relationship between distributive fairness and employee performance. The findings from Ismail, Halim and Joarder (2015); Ismail (2014); Omaro (2011); and Ajila and Abiola (2004) corroborated this findings. According to Ajila and Abiola (2004), employee performance can be stimulated through rewards. This, according to Lawler (1985), depends on the amount of rewards received by the employee compared to what such employee perceived he deserved to be earning from the organization and in comparison with what his colleagues in other organizations are earning. Employees will be positively disposed to the performance-reward linkage if the scheme is run with objectivity and fairness (Ismail, 2014).

By and Large, equity theory is among the compensation theories that underlie and corroborated the findings of this study. A feeling by employee that his rewards which are considered an output from the organization commensurate his contribution to the organization would make what is known as performance, most especially when comparing it with other workers in the same category (Ali & Mohsen, 2008). This is what is posited by equity theory. Employee would repeat his actions which earn him fair

reward (Adams, 1965). The input from the employee involves efforts, time, education, and experience applied on the tasks given to such employee. Employee would be stimulated if his efforts are met with fair rewards. This is what is promoted by equity theory.

On a general note, the findings of this research has emphasized that rewards management should be among the mechanisms through organizations can survive in the very dynamic and highly competitive environment within which organizations of today operate. The reason, according to Njagi et al. (2013) is the fact that rewards management formed a good factor in sustaining the competitive advantage of organization and the through it employees can be enticed, retained and expedited to improve performance. Phosphate Company should develop and sustain a competitive reward system that would reflect fairness when compared to other organizations since the results of this study stressed that monetary and non-monetary reward can be meaningless if distributive fairness is lacking in the reward management.

5.4 Implications of the Study

5.4.1 Theoretical Implications

The overall result of this study is that monetary rewards, non-monetary reward were found to be insignificantly and negatively connected with employee performance while distributive fairness was found to be significantly connected with employee performance. These results indicate that monetary and non-monetary rewards can be meaningless if distributive fairness is lacking in the reward management. This finding is consistent with equity theory. A feeling by employee that his reward which is considered an output from

the organization commensurate his contribution to the organization would make what is known as performance, most especially when comparing it with other workers in the same category (Ali & Mohsen, 2008). This is what is posited by equity theory. Employee would repeat his actions which earn him fair reward (Adams, 1965). The input from the employee involves efforts, time, education, and experience applied on the tasks given to such employee. Employee would be stimulated if his efforts are met with fair rewards. This is what is promoted by equity theory.

It is undoubtedly a fact that employee performance is an important issue in the realm of business organizations. Many studies have given insight on this fact. Also, many factors have been confirmed to have good impact on the performance of workers. However, the impacts of reward system cannot be overemphasized. A good reward system enable the organization to survive the dynamic and high competitiveness in the business world and it also help in sustaining the competitive advantage of organization, and enticing, retaining and expediting employee performance.

Although the studies of Ismail (2014), Omaro (2011) and the host of others relate to this study, there is lack of study on the relationship between on monetary reward, non-monetary reward, distributive fairness and employee performance. Also, in the context of Jordan, there is lack of studies on this particular area. Hence, a vibrant contribution to the existing literature and a good extension of the research scope. Equally, this research unveils the ways of improving employee performance through employee perceptions of distributive fairness in the reward system of the organization. By and large, this study broadens and extends the scope of research in the field of compensation management.

5.4.2 Practical Implications

Considering the overall finding of the study, good performance and high level productivity can be enhanced if organizations endeavor to entrench fairness-based competitive reward system.

There is no single reward that does it all. The fact is that satisfaction and motivation vary from one employee to another. What motivates employee A may be different from what employee B. Therefore, developing competitive advantage requires organizations to go beyond monetary rewards and include non-monetary rewards. Organization should add non-monetary incentives in their incentive programs to add-on their monetary rewards. Forming a good reward system for the employees of a large number of people and varying goals, habits, and skills and inducing a cohesive pattern of behavior from them is a challenge of considerable enormousness.

Organizations should be advised to entrench a good pay design, non-pay related programs and management systems that would involve fairness and consequently enhance performance of the organization. Also, Organization should ensure effective communication system and employee involvement in the development of compensation system as these would help the achievement of organizational goals. Similarly, these would also stimulate progressive attitudinal and behavioral outcomes on the part of the employees and it will encourage them to support the organizational and human resource department and overall organizational strategies.

Conclusively, the findings of this study can help in the development of an effective reward system and effective management that can elicit employee job performances.

5.5 Limitations of the Study

While a number of key conclusions have been successfully drawn from this research it is important to also acknowledge the limitations of this research. Distributive fairness is a pair of organizational justice. Organizational Justice comprises of distributive fairness, procedural justice and interactional justice. This study chose only distributive fairness because it quite very much related to pay

In addition, this study did not look at different organizational features which includes the type, the ownership, and the size. Likewise, individual features which include gender, position, length of service, and qualification are not investigated whereas these variables can give more insights on how individual similarities and dissimilarities impact reward system a vis employee performance in the organization.

5.6 Recommendations

Based on the overall findings of this study, suggestions were made in two parts; the first part of the suggestions would be directed to the management of Phosphate Mines Co and the management of other organizations in Jordan. The second part of the suggestion was the research directions for the future researchers.

Firstly, the result has shown that the employee would like the organizations to adopt a vibrant reward system that has variety of rewards programs and the reward system that is entrenched in fairness. Therefore, Phosphate Mines Co as well other business organizations should be advised to maintain and sustain a competitive reward system laden with both financial, non-financial incentives and distributive fairness. This is considered very fundamental to the organizational effectiveness. Also, Organization

should ensure effective communication system and employee involvement in the development of compensation system as these would help the achievement of organizational goals. Similarly, these would also stimulate progressive attitudinal and behavioral outcomes on the part of the employees and it wills enhancement their support the organizational and human resource department and overall organizational policies.

Talent management through the allurements, enticement and retaining of human resource can only be accomplished via competitive total remuneration package that includes monetary and non-monetary rewards. Workers constitute a very much important aspect of what is called organizational system today. Without workers, machineries and buildings of the organization cannot work because no organization can work in a vacuum. Human resource has become a vital factor of accomplishing competitive advantage in this time uncertainty and high competitiveness. Organizations flourish based on the efforts exerted by people since they own the essential skills, knowledge and competencies necessary for the accomplishment of organizational policy and planning.

Furthermore, in reference to the limitations of this study, future research could fruitfully extend this research by including other types of organizational justice.

Also, the facts that this study is cross sectional as the data were collected at a stretch. To consolidate the findings of this research, longitudinal study is needed in this aspect and this would establish causal relationships between variables in this regard.

5.7 Conclusion

In conclusion, this research is unique based on its findings and for being a research that examined the collective distributive fairness with monetary and non-monetary rewards impacts on employee performance. SPSS 21.0 was used to run Pearson Product-Moment Correlation analysis and multiple regression analyses. The analyses showed the presence of significant relationship between distributive fairness and employee performance while monetary rewards and non-monetary rewards insignificantly and negatively connect with employee performance. Hence, the overall result is that employee productivity and performance can be improved and accomplished if organization can develop and sustain a good reward management that involve both monetary and non-monetary programs but it should be entrenched in distributive fairness. Also, the reward system should be competitive in the sense that it would reflect fairness when compared to other organizations. Reward management should be among the mechanisms through which organizations can survive in the very dynamic and highly competitive environment within which organizations of today operate. Rewards management formed a good factor in sustaining the competitive advantage of organization and the through it employees can be enticed, retained and expedited to improve performance.

Lastly, it should be reiterated here that this study has examined the relationship between employee performance, monetary rewards, non-monetary rewards and distributive fairness. Both theoretical and managerial implications were drawn, suggestions were made for both management and the future researchers. Surely, the findings and suggestions would be useful to human resource professionals, managers and the future researchers.

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