RELATIONSHIP BETWEEN REWARDS AND EMPLOYEE PERFORMANCE: A MEDIATING ROLE OF JOB SATISFACTION

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Abstract
This research attempts to review various research in term of relationships between rewards, job satisfaction, and employee performance. In this regard, two types of reward are identified, and they are intrinsic reward and extrinsic reward. Extant research showed that reward can affect job satisfaction and thereby employee performance, so this study proposes a new framework based on mediating role of job satisfaction

Keywords: Intrinsic Reward, Extrinsic Reward, job Satisfaction, Employee Performance

1. Introduction
Adopting the changes in the market in all of the firms is considered as one of the important targets. So, the responsibility of the managers is high for arranging and improving these relations for being strong and acting strong in market (Beer, 1984) that the composition and strategies of firms have a lot of alterations. Hence, the managers should adopt the plans for these alterations to define the missions, predicted outcomes and visions and also getting sufficient degree of efficiency. For obtaining this objective they should consider the customer and also employee and also the communication method with them (Harmon, 2007).

Therefore, employee is considered as the important concept to be focused in case of human resource. Hence, they are considered to shape the important part of the strategies related to human resource that are adopted by managers in the firm. In this regard, for instance, while the managers of line assume reward strategies in human resource, they must provide a proper system of reward for the firm. Even the reward experts are able to give new developed policies of challenging reward for the company. Anyways, they should be confirmed by the key managers to perform the. It can be said that the importance of human resource is obvious
for these managers these days and if they do not define the modern policy it leads to some negative outcomes for them (Syed Umar Farooq and Muhammad Imran Ullah; Kalim Ullah Khan, 2010).

To see the picture from another view, in the current competitive business environment, the organizations are facing a lot of challenges and among these issues, getting the right employees and retaining them is one of the most important ones. In addition, today, the benefit of human resource is measured to be one of the most important advantages of any organization; and in order to acquire the results with the highest efficiency and effectiveness from human resource, motivation of employee is very essential. In fact, employees will do their highest when they feel or hope that their hard work are to be rewarded by their managers. In this regard, many factors are available that change employees’ performance such as worker and employer relationship, working conditions, job security, training and opportunity of development, and overall rewarding policies of the company. In addition, among the factors which impact employee performance, motivation, as a result of rewards, is the most important aspect. Motivation is defined as the growth of different processes which express and control peoples’ behavior to achieve some specific goals (Baron, 1983). Therefore, understanding its importance is very necessary for all organizations’ managers.

The maximum level of workers’ performance happens when they feel their endeavor is rewarded and compensated completely. Some other successful elements on employees’ performance include work conditions, the connection between employee and employer, process of training and improvement opportunities, job security and complete policies of firm rewarding. In addition, motivation, as the result of rewarding, affects the staffs’ behavior and their performance directly. Actually, among all effective elements on employees’ performance, motivation, which is the consequence of rewarding, is the most important and essential element. This concept consists of different processes which affect employees’ behavior to achieve some definite goals (Baron, 1983).

Motivation, as the main core of the organizational behavior field in the work environment and other contexts, is often categorized as "intrinsic" and "extrinsic" (Sansone & Harackiewicz, 2000). Intrinsic motivation, results from the people or from their activity itself; and it impacts the performance, behavior, and well being of employee directly and positively (Ryan & Deci,
2000). Besides, the extrinsic behavioral possibilities are also effective determinants of behavior’s motivation. Indeed, each type of motivation has its own literature and description. Organizations categorize their reward process and the way of communicating them to the employees. In fact, they try to understand clearly the relationship between rewards either intrinsic or extrinsic (McCormick and Tifflin, 1979) and performance.

Intrinsic rewards are rewards that are inbuilt from the job itself. Therefore, the employee enjoys them as the result of finishing the task in a successful manner or approaching his exclusive goals. Extrinsic rewards are the ones that are exterior to the job task, such as pay, fringe benefits, work condition, job security, service contract, promotion, and the work environment and condition. Such physical rewards are constant at the organizational level, and could be out of the control of the managers. On the other hand, intrinsic rewards are the ones that could be named ‘emotional rewards’ and some of its examples include using employee’s ability, recognition, receiving appreciation, challenging and achievement, and behaving in an understanding and concerned manner. However, the purpose of this study is to provide an examination of the relationship of intrinsic and extrinsic rewarding on employees’ performance.

2. Literature Review

2.1 The Relationship between Rewarding and Performance

In the real world, it is very important to reward high performance levels because this motivates and controls the performance. Indeed, reward strategies confirm the level and the merge of non-financial and financial rewards required to attract, maintain and inspire skillful competent, and capable employees to make the organization prosperous. Although some of these benefits are financial forms, such as options for salary sacrificing and competitive pay, there are a lot of non-financial benefits which firms can provide its employees. They are, in fact, some factors that may motivate the staff. Therefore, for a manager, it is necessary to know what really inspires employees and perhaps they are not the same things that stimulates other employees.

The obvious reward practice should be carried out by the simplification of the connection between the given reward and the additional effort (Porter et al., 1975). There also have been cautions about the rewards’ ways managed within the reward system. In this regard, Porter et al. (1975) suggested that to achieve positive motivational properties, the organizations’
distributed incentive rewards have to be performance-dependent. Indeed, managers who attempt to run a fair rewarding system seem to be more prosperous in performance rather than those who reward in an unfair manner (Jnssen, 2001). In this case, although the necessity of being fair in rewarding others seems to be understood clearly from a theoretical view, bias in the performance evaluations has often been reported in different economic studies (Prendergast, 1999). Thus, clear fairness is needed to manage an optimistic association with the reward victory in an organization.

The controllability concept is defined as the amount of the employees‘ capability to influence on or control the outcome (Baker, 2002). The effect of a certain quantity or an attempt on the quantity of employees‘ performance has to vary at the lowest amount as possible to manage such a control over one‘s reward. Therefore, it can be assumed that the stronger level of the obvious controllability over the reward practice concludes higher degree of the reward effectiveness towards realizing the employees‘ performance at a higher level. Furthermore, the reward system should be connected to stimulate and motivate employees‘ performance; and this depends on the company‘s strategy, attraction and retaining knowledgeable employees, abilities, and required skills (that are needed to understand the firm‘s strategic aims), and to manage a helpful structure and culture (Galbraith, 1973). Thus, the rewarding process itself has to affect the performance of employees in the affirmative manner as is expected by managers. In this regard, the performance measurement can be used hypothetically to know more training needs, promotions for candidates, management problems, dismissals, and job rotation (Bretz et al., 1992).

On the effects of motives, in his research, Jibowo (1977) adopted the same procedure to Herzberg (1959) and provided some support on the impact of motivators on job performance. In another study conducted by Centres and Bugental (1970), the authors also managed their study based on Herzberg‘s two-factor theory on motivation, by dividing job variables to two categories: motivators and hygiene factors. They discovered that at higher professional levels, intrinsic (non-financial) job factors or motivators were more valued, while extrinsic job or —hygiene factors‖ (financial ones) were valued more at lower professional levels. Therefore, they concluded that a firm that fulfills both extrinsic and intrinsic rewards could be the best one. Additionally, Bergum and Lehr‘s (1964), investigated the influence of financial motivators and on the performance; and they showed that people who received individual
motivation, acted better than those who were in the control system. In another related study, Daniel and Caryl (1981) carried out a study based on the exploration of the investment model's ability to forecast job promise and obligation as well as job satisfaction. The study results showed that job satisfaction was best foreseen by the job reward; and job commitment was best forecasted by a combination of cost values, rewards, and the amount of investment. Indeed, the extrinsic and intrinsic rewards motivate the employees; and this motivation leads to realize a higher performance level. In addition, the study showed that there was no significant difference between job satisfaction motivational levels along various workers categories in different firms (Assan, 1982).

Furthermore, Egwuridi (1981) did a research on the motivation of Nigerian workers and applied a sample of workers at both low and high occupational levels. At the end of the study, the hypothesis was not completed and verified which tested if low-income workers would be intrinsically motivated, and also there was not any proof to verify the hypothesis that higher-paid workers would place a greater value on intrinsic job-motivators than low-paid employees. This study obviously confirms the amount of worth placed on extrinsic job factors. In this case, the poor compensation depends on the profits made by firms (Akerele, 1991). On the other hand, wage and salary difference between low and high income earners can affect cause a low morale, low productivity, and lack of commitment (Nwachukwu, 1994). For example, the efficiency of Nigerian employees on several elements has shown to be up to the employer's mismanagement to provide appropriate compensating ways for hard-workings of an honored group; and this is very discomforting to working layer and will decrease their efficiency levels.

Based on all the current studies and by considering the relationships between all of the findings, one can normally find out that a valid compensation package, which includes financial rewards, causes higher efficiency and performance for the organization. This compensation package includes both intrinsic and extrinsic rewards. Extrinsic rewards consists of external and tangible rewards to the performed efforts and employees' tasks, it can be in terms of promotions, salary/pay, bonuses, incentives, job security, etc. Overall, the highly-involved employees who are necessarily more oriented to their jobs depend more on intrinsic rewards than extrinsic ones (Wood, 1974).
One of the main issues in this regard is the degree of performance difference based on either intrinsic or extrinsic rewards which persuade the researchers to take into consideration the discussion on the antecedents of associating rewards to performance.

Employees’ motivation at work is the centre point of the organizational behavior. Motivation in the workplace and other relevant contexts is typically defined as being —extrinsic or —intrinsic, basically (Sansone & Harackiewicz, 2000). Extrinsic behavioral contingencies are significant elements to motivate behavior. Additionally, each motivation type (extrinsic and intrinsic) has its exclusive system; and when both meet, there is conflict. This conflict is based on Deci et al.’s (1999) statement that extrinsic (tangible) rewards have a negative influence on intrinsic rewarding criteria. However, Eisenberger et al. (1999) strongly disagreed with the conclusions and recommendations by Deci et al. as they thought them to be problematic and more practical research was needed in their minds.

Some psychologists introduced the intrinsic —needsi first, and then other management articles developed the important differences between intrinsic motivations as a theoretical combination to inhabit within people and motivating tasks. For example, Herzberg (1966) believed that tasks are intrinsically inspiring as they are identified by key —motivatorsl like accountability, achievement, challenge, advancement opportunity, and diversity. Along with Herzberg as a pioneer, others identified task variety, task significance, task identity, task autonomy and feedback as key tasks typical of generating internal stimulation (Hackman and Oldham, 1976).

Additionally, recently in the psychology articles, intrinsically motivated behavior is assumed to be obtained from and to satisfy innate mental needs like needs for independence and capability (Deci et al., 1996). In this regard and according to Deci (1980), peoples’ perceptions (opposed to external) are controlled to satisfy these needs and includes the basic specifications of differentiated extrinsically motivated behavior from intrinsically motivated behavior.

On the other hand, the intrinsic motivation was developed singly and was researched after the behaviorists’ belief of extrinsic probabilities; but when these two meet, they conflict with each other. Deci (1971) argued, based on his research results, that not only the strengthened extrinsic is not required for inspiring, but also those tangible rewards actually challenge the intrinsic motivation of the behavior. Indeed, Deci developed his findings focusing on the
cognitive assessment theory (1980), which implies that the effect of extrinsic rewards on motivation is dependent on the receiver’s comprehension of the rewards. The author also borrowed from the self-awareness theory (Bem, 1967), which mentions that people study their own behavior, make attributions or inferences about their behaviors’ reasons, and bring up connection and treatment in upcoming behaviors that are consistent with the trait. In this regard, according to the high validation effect and self-esteem theory (Lepper et al., 1973), when persons attribute their treatments to external rewards, they decrease interest as behavior’s reason; and here, the intrinsic motivation is at the lower level. On the other hand, extrinsic rewards, which are highly dependent rewards, are mentioned to be important to people and are probable to cause external attributions, which indicate perceptions that are responding to environmental control, rather than intrinsic motivation. Thus, employees’ perceptions, instead of the external control, and the characteristics of the employees’ motivation form two DVs in this study by distinguishing extrinsic from intrinsic motivation.

In this regard, Deci et al. (1999) from a meta-analysis concluded that, —finally it is clear that the accepted reality of the discouragement effect is a reality!. In addition, Deci and his peers declared that the conclusions by their literature are strong enough: —completion-contingent and engagement-contingent rewards have a striking and dependable influence on intrinsic motivation!. This finding has been extended to the management world, while some researchers argued strongly on the other side of the extrinsic rewards’ use (e.g. Kohn, 1996).

However, in spite of the clear characteristics of these claims, the question still exists about the strength and consistency of the undermining effect. In this case, some theoretical views and studies have maintained that the effects of intrinsic and extrinsic rewards are not in association, but they are generally additive (Mawhinney, 1990; Porter & Lawler, 1968; Staw, 1977).

Furthermore, a lot of methodological criticisms and revisions on the original Deci’s information have been provided over the years (e.g. Mawhinney, 1990). For instance, the negative impact of extrinsic rewards are shown to be more powerful in kids than college students (Deci et al., 1999b); and this is another conclusive step to working adults. Additionally, many studies related to the recent meta-analysis (Deci et al., 1999) applied just schemes in which the reward contingency was maintained and was no more in effect. However, important work tasks are usually done repeatedly; what matters from a practical
view is if reward effects insist and whether the impacts are kept over an interval after the withdrawal (Eisenberger et al., 1999).

Deci critically mentions that compared with laboratorial studies, a few studies have found positive or irrelevant correlations between intrinsic and extrinsic rewards (Eisenberger & Cameron, 1996). In this case, the —earned rewards‖ mean that people are no longer under a high controlled workplace, and controlling is achieved over peoples‘ efficiency. Thus, extrinsic rewards must enhance supposed self-control and independence (Eisenberger et al., 1999). Relevantly, the workplace performance-pay merits can moderate pessimistic influences of extrinsic rewards; which reduce intrinsic motivation just when they are unsuitable, related, and out of the individual‘s controls (Staw, 1976).

There are many studies which investigated the relationship between rewards and employees‘ motivation; so, a lot of results exist about the relationship between them. In order to maximize the performance of workers, the employers/managers must develop some policies and techniques, and provide a system for these processes and select the rewards which stimulate the employees to satisfy them. The pay is a reward which has been shown to have a direct association with reward strategies and efficiency, depending on the firm‘s size. Indeed, in the current competitive market environment, it is required to determine a logical balance between the employee commitment and organizational performance (Bishop, 1987).

There are some individual qualifications that affect the employees‘ performance such as perceptive styles (Scott and Bruce, 1994), attitudes (Williams, 2004), demographic characteristics like educational background, age, and R&D experience (Roberts, 1991; Rothwell, 1992).

Organizational priorities including the collaboration of external supplier, spending on R&D (Hadjijimanolis, 2000), leader‘s authority (Hage and Dewar, 1973), and system of rewards (Eisenberger and Cameron, 1996; Janssen, 2000; Mumford, 2000) are commonly mentioned to be factors that impact individuals‘ innovative performance. In fact, a professional reward system is a valid inspiring element; however, an inappropriate reward system can be ineffective factors for the employees. Indeed, both extrinsic and intrinsic rewards motivate the workers and cause higher levels of productivity (Reio & Callahon, 2004).
Many organizations have realized an enormous progress by matching with their business strategies via appreciation programs for employees and a valid balanced reward. In addition, motivating the employees' efficiency can be improved by providing a prosperous appreciation whose antecedents will finally improve the organizations' performance. In fact, the whole success of a firm is raised from how an organization maintains its employees motivated and how they evaluate employees' performance in running job compensation.

Sometimes managers consider the extrinsic rewards more; however, intrinsic ones are also striking to motivate the employees. Psychological or intangible rewards such as recognition and appreciation play an important role in stimulating employees and increasing their performance (Deeprose, 1994). Indeed, the employees' commitment is on recognition and rewards (Andrew, 2004). In addition, the powerful existence and success of the organizations is defined through how they make their working people more satisfied (Lawler, 2003). On the other hand, the intrinsic rewards happen during managing the job itself like satisfaction from finishing a task in an effective manner, being appreciated by the boss, independence, etc.; however, extrinsic ones are tangible rewards such as bonuses, pay, promotions, fringe benefits, etc. (Ajila and Abiola, 2004). Relevantly, a direct relationship has been verified between job uncertainty and turnover; and a small pessimistic association has been confirmed between job insecurity and organizational commitment (Filipkowski and Johnson, 2008). In addition, there is a significant and direct association between extrinsic rewards and motivation of employees; even though, it is demonstrated that the firms do not pay sufficient budget for financial rewards (Hafiza et al., 2011).

Furthermore, it is concluded that a direct and positive link exists between rewards and employees' motivation. This means that reward is directly related to employees' motivation (Farooq & Imran Ullah, 2010). In this regard, when there is a change in the rewarding offer, the work motivation of employees will change too. And while the rewarding ways get improved, the employees' motivation will also get better. Additionally, there are important effects from both nonfinancial and financial compensations to the performance of employees' (Arik et al., 2011). Indeed, when an employee receives a reward, it is a valid way of motivating him since the reward causes satisfaction for the employees; and it has straight effects on the employees' performance.

The factors, which are shown to affect the employees' performance, include (Lawler, 1985):
1. The gap between the degree of received reward and the level of the reward the employee expects to receive.

2. Comparison based on what reward others receive in the same situation.

3. Satisfaction of employees based on both financial and nonfinancial rewards that impact the total job performance.

4. The difference of employee’s desires on the received rewards, and the value that they think is more available in a reward than the others.

5. A lot of extrinsic rewards which satisfy the employees since they are related to other rewards.

As the fast-changing world develops especially through technology and innovation, companies need to reevaluate their behaviors to communicate with both their employees and clients. A need also exists for them to organize the design of the processes and systems, tasks, and reevaluate and enhance current management procedures (Harmon, 2007). In this case, there are other ways of rewarding that focus on the financial appreciation, some of which include the praise that employees acquire from the management, the opportunity to run important tasks or projects, and even the leadership consideration (Dewhurst et al., 2010). This is often because of the fact that the well-rewarded staff feel that they are being valued by the firm they do. They are also cheered to work better and harder if they know that their well-being is considered seriously by their managers, and that their self-development and career are also being taken care of and honed by their organization. Therefore, it is a continuous and constant challenge for firms to really work on comprehending what parameters add to their employees’ improved satisfaction levels. Furthermore, in addition to working on their customers’ satisfaction, it is important that firms also work on the identification of the motivators that nurture the workforce performance, and make appropriate and enough suggestions for their employees.

The reward systems inspire the staff to provide their highest attempts towards assigned tasks. These systems also distribute other objectives like authorized submission, assumed fairness towards staff, controlling cost of labor, and improvement. Among many exclusive background that influence staffs’ innovative performance are treatment and attitudes (Williams, 2004), perceptive design (Scott & Bruce, 1994), and personality and demographic factors like education, age, background, and issues of R&D experience (Rothwell, 1992; Roberts, 1991).
In the case of the organizational priorities, collaborating with external provider, paying for R&D (Hadijimanolis, 2000), compensation system (Eisenberger & Cameron, 1996; Mumford, 2000; Janssen, 2000), and leader's impact (Hage & Dewar, 1973) are often referenced to parameters that impact individuals' performance. Furthermore, the employees' satisfaction leads to higher performance (Lawler, 1985). For example, based on a study by Jibovo in Nigeria, a positive relationship exists between motivators' influence and employees' performance. Additionally, at a higher level of occupational posts, intrinsic job factors or —motivators— are valued more, while at lower positions —extrinsic factors— are valued better (Bugental, 1970).

In this regard, many researches in the motivation field have concluded that the organization's reward programs have a necessary role in stimulating employees to perform creatively (Eisenberger, 1992; Eisenberger & Rhoades, 2001; Armeli & Pretz, 1998). Also, a number of managers have applied extrinsic rewards to develop the employees' creativity (e.g. appreciation and financial incentives) (Van Dijk & Van den Ende, 2002; Fairbank & Williams, 2001). Furthermore, based on Milkovich & Newman's (2002) research, employees' work output includes —relational returns and —total compensation. The relational returns include employment security, recognition type, and promotion opportunities. On the other hand, total compensation comprises of direct pay like living costs as well as long-term and short-term stimulus, and indirect benefiting pays such as income security and allowances. Totally, reward policies activated in the organizations, are often applied as a significant managerial tool which can give efficiency and effectiveness to the firms by affecting individual and group treatments (Lawler & Cohen, 1992).

The system of rewards may also influence the team members and employees' motivation (Hackman, 1990). However, rewards' effect is ambiguous on group success, and there are few models to give direction to precise different reward types that enhance special outcomes in group workings. For instance, skill-based pay is a type of reward which is given based on employees' skills width, work-related knowledge, and abilities (Milkovich & Newman, 2002). In hindsight, a more professional expertise means having a higher potential to perform the task with a broader comprehension of the work so that more payment awareness causes more productivity. Job-based payment is referred to the rewarding which is based on amount of work difficulty, job specifications, and duty (Uen & Chien, 2004). Studying individual
attitudes is based on an old history that has provided a vast literature on attitude-behavior relations (Ajzen, 2001). Furthermore, performance-based payment is the reward paid according to the performance of individuals, teams or organizations, including payments like team incentives, profit division, and value pay (Milkovich et al., 2002). Overall, rewarding could be done in two different ways. One of them is saying “thanks” formally through a certificate and symbol, while the other could be based on providing a tangible reward to make an effect (Syedain, 1995).

The management of rewards is the method of implementing and increasing policies, strategies and systems that help the firm to realize its goals by keeping the peoples’ needs, and by developing their commitment and motivation (Robert, 2005). In this regard, the marketing experts (e.g. Grantham, 2007) have been concerned about communications between value and the needs to find out how they can deliver this value to the operation of the employees. For example, there is a direct link between job insecurity and the intention for turnover; and a small negative association exists between job insecurity and commitment in the organizations (Filipkowski & Johnson, 2008). As a consequence, as firms’ information are provided in a special form, productivity will be increased and kept longer than the time it is presented in different forms (Johnson et al., 2010).

Reward process needs to be unbreakable and to be a motivation towards achieving the total organizational performance. Indeed, the employees with high performance level expect that their outstanding offerings will be recognized and respected by the top-level managers. Nowadays, a reward tactic has been adopted by many firms in both private and public sections. For example, in the downsizing world, doing more and better with less recognition/reward is very important to increase the levels of self-esteem and to create kindness between managers and employees (Bowen, 2000).

On the other hand, recognition and reward deficiency is a crucial reason for employees’ turnover (Urichuk, 1999) and a poor reward system can be a de-motivator for the staff instead of stimulating them.

Rewarding employees is vital to help the majority of firms to achieve their aims. In addition, there are a few firms which appreciably are able to inspire the working joy in performing jobs and responsibilities while there are not enough promising rewards (Mayo, 1998).
Furthermore, rewarding provides a tool for encouraging the efforts, quality and convincing employees that the firm appreciates their attempts (Evans and Lindsay, 2003). However, today the employers waste too much money to pose the rewarding types that are not the employees' favorite (Darling, 1997). Therefore, it is logical that before investing in recognition and reward types, firms review their employees' reward preferences since different people reply differently to different stimulations (Goetsch and Davis, 2003). The reward programs are necessary in establishing an integrated strategic view to organizational motivation; and when reward system is managed poorly, the reward program makes the staff unhappy, and exhausts the firm's resources (Darling et al., 1997).

The reward process should also be verified by the clear relationship between the extra attempt and the given reward to do it (Porter et al., 1975). To access positive motivational properties, the distributed rewards made by organizations must be based on performance and any divergence in this ratio leads to unfairness (Locke & Henne, 1986). In this regard, managers who provide fair reward are better than those who do not. In other words, the employees who feel equality and fair in being given reward based on their effort, will be satisfied more and will attempt to act better for the future to get the other promised employers' reward (Janssen, 2001). On the whole, it seems that rewarding is clearly comprehended hypothetically, accurately unbiased, and inflated; while the performance assessments have often been provided in economic researches (Prendergast, 1999).

To expand the discussion on performance, the concept of controllability is the amount of workers' ability to influence or control the outcomes. The impact of this concept is related to an assured degree or extent of attempts on the employees' performance which have to differ as low as possible to have such a control on one's reward. Thus, as the controllability level is higher, the performance level and its effectiveness are more effective (Baker, 2002).

The staff must recognize that the rewards depend on performance. In fact, the rewards are directly linked to performance. They should also know that they have required abilities or skills to perform at the necessary job level in the firm. If they do not believe it, rewards will not help to improve performance levels. Instead, a valid form of direction and training may be a substitution (Brian, 1991). The reward system must be linked to motivate the performance of employees and this is dependable on the company's strategy, skills, to attract and retain.
knowledgeable people, and capabilities required to comprehend the company's strategic goals, and to create a supportive structure and culture (Galbraith, 1973). On the other hand, as it was mentioned before, the current employees' performance could be enhanced by managing a well-developed performance assessment, as well as bonus and reward system. Therefore, rewarding system itself could impact the employees' performance positively as is expected by the managers (Bretz et al., 1992). Performance ratings can also be theoretically used to identify the training needs, candidates for promotions, management problems, job rotation, and layoff or hiring.

Different scholars (e.g. Kalim et al., 2010; Clark, 2001; McShane & Vin Glinow; 2005; Oyebanju, 2009; Blau and DeVaro 2007; Francesconi 2001) have highlighted different types of financial reward such as Pay/Salary, Fringe benefit, Bonus benefits, and Promotion. In another point of view, several scholars (e.g. Frey, 1997; Ryan & Deci, 2000; Reio & Callahon, 2004) have emphasized on non-financial reward including recognition, empowerment, and delegation.

2.3 Herzberg Theory

Herzberg added some important factors to the models provided by Maslow and Porter. In other words, he altered these theories, and then criticized it; and it has been one of the most important and best motivational theories till now. Therefore, in this study, the Herzberg's theory is used because it is broadly known as one of the major theories on motivation factors, which has both practical and theoretical consequences.

In his theory, Fredrick Herzberg mentioned that employees would not be satisfied just by meeting their lower-level needs. Indeed, gaining basic benefits and salaries, and having an appropriate working environment would not essentially make the staffs delighted and happy with their jobs. Therefore, focusing on his theory, employees attempt to find higher needs' level fulfillment referring to their psychological minds like appreciation, improvement, and higher accountability.

This theory also implies to job improvement and makes an attempt to plan the tasks to develop opportunities for personal success, individual growth and recognition, and challenge (Herzberg, 1966).

Herzberg's two-factor theory includes hygiene and motivation factors which have been shown to be effective on the improvement of employees' performance. According to the theorist,
motivation factors are required to motivate the workers to do their jobs as well as possible, with their highest ability levels. On the other side, hygiene factors are necessary to ensure that the staff is not unhappy and dissatisfied. In other words, the author discussed that the factors leading to job satisfaction (and motivation) were dissimilar to those leading to job dissatisfaction. Therefore, he enhanced the motivation-hygiene theory to clarify these results. He named the satisfier factors as motivators, and called the dissatisfier as the hygiene ones. The reason of applying the "hygiene" name is that these factors are maintenance ones which are necessary to set apart from dissatisfaction; and they do not give satisfaction themselves. Herzberg theorized that different people have different views to tasks. For instance, when someone does his/her job on necessity, that type of action can head to —movementl. On the other hand, if a person decides on working since he/she wants it, instead of a need, one can be confirmed to be motivated. Additionally, when a staff wants to do a task, a high probability exists that the performance could be accomplished in the best way and it would not be well-done by the one who performs and acts because of the need (Herzberg, 1968).

The reason for separating hygiene and motivation factors is that Herzberg found that the factors leading to satisfaction are different from those which cause dissatisfaction; and these two feelings cannot simply be investigated as opposites of the other. Furthermore, Herzberg mentioned that two different perspectives of human needs are available. First, there are physiological requirements which can be satisfied by financial elements and money (for example, to buy some necessities like shelter and food or spending money on healthcare). Second, there are some kinds of psychological needs to grow and improve; and the need is satisfied by behaviors which cause the person’s growth. These factors determine the dissatisfaction and satisfaction factors which are not separate from the work, but are rather external factors. Herzberg also believed that the punishment, threat or the providing stimulus process can force people to do something; however, they have short-term impacts since the motivating factors, which determine if there is satisfaction or not, are intrinsic to the job; and do not arise from bond incentives and encouragement.

Overall, if managers pay attention to the hygiene-motivation theory and apply it, they will be able to provide hygiene factors to set apart the employee from dissatisfaction. Furthermore, they can provide intrinsic factors to the work to make the employees satisfied in their job positions.
In addition, to conclude the discussion over the theory, Herzberg believed that job improvement is needed for intrinsic motivation as a part of a continuous management process. According to him:

- The job must be challenging enough to nurture the full employee’s capabilities;
- Staffs that hide growing ability levels should be provided increasing responsibility levels; and
- If the task to bring out the whole employee's potentials is not designed, then the company should note the automating of the task or replacing the person with someone who has a lower skill level. In this case, if other people cannot be utilized fully, then a motivation problem exists in the process.

People can recognize how much their company values them, and are also able to evaluate their own self-worth. In this case, Herzberg believes that his studied factors are the major driving satisfaction force and they help to encourage the employee to work better and harder, because of the motivation. Simply put, motivators can increase the inner happiness. On the other side, hygiene factors can just enhance the external happiness. In this regard, some studies against that of Herzberg's theory argued that the two-factor conclusion is observed since it is normal for individuals to recognize satisfaction and blame dissatisfaction on external factors. Additionally, job satisfaction does not necessarily involve a high motivation or productivity level. Overall, Herzberg's theory has been generally applied in spite of its caveats. Indeed, its long-lasting value is that it finds that the real motivation develops from within a person.
Table 1: Motivator Factors (intrinsic) and Hygiene Factors (extrinsic)

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<th>Motivator factors (intrinsic)</th>
<th>Hygiene factors (extrinsic)</th>
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<td>Growth</td>
<td>Company Policy and Administration</td>
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<td>Achievement</td>
<td>Supervision</td>
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<td>Work itself</td>
<td>Status</td>
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<td>Recognition</td>
<td>Pay and Benefits</td>
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<td>Responsibility</td>
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2.4 Reward and Job satisfaction

The Maslow’s work (Maslow 1954) was very influential in shaping and also developing different concepts related to organizational behavior for example job satisfaction. According to this theory, some experts have worked on job satisfaction from a view of desire fulfillment (Kuhlen 1963; Worf 1970). But anyways, during the past twenty years, this method is not popular any more and most of the experts are focusing on the cognition process instead of the needs which are underlain. So in opposite to traditional perspective, the job satisfaction is known as all of the affection of a person about his or her related job. (Gruneberg 1976). This perspective was mainly developed according to process of cognition that during the years have led to attitudinal view and now is the leader in the job satisfaction study. (Spector 1997).

The other traditional thought was defined according to factor theory from the job satisfaction (Herzberg 1959) and stated that both dissatisfaction and satisfaction are two totally separated aspects.

The motivators which are the intrinsic elements (i.e. elements that are from nature and also the job experience) were known as satisfiers and contained achievement, recognition, the nature of work and the responsibility level. On the other side the hygiene factors or extrinsic elements were known as the dissatisfactory of job which are rules of firm, policies, regulations, supervision, hierarchy, workplace context, salary and also interpersonal relation. Herzberg and Mausner’s Motivation – hygiene theory was a very important factor for influencing the research of job satisfaction nature and was a key factor in measures development in order to evaluate the job satisfaction.
The job satisfaction was known and evaluated as an international construct and also a term with different dimensions or faces (Price 1997). This research uses an international method instead of an approach which is faceted and then defines job satisfaction as a level of positive feelings related to the role of a work (Locke 1976; Kallerberg 1977). By proving job satisfaction for the employees it was understood that it is relevant to many results in organization for instance improving the customer satisfaction (Ryan, et al. 1996), decrease of rates in turnover (Mobley 1977), response rate increase (Ryan, et al. 1996) and better performance in firm (Launerweerd & Boumans 1988), it is clear that the job satisfaction term has got so many attention. The experts have tried to recognize different job satisfaction constituents and evaluate the related importance of them and analyze what impacts these aspects and also the productivity of workers (Hong Lu, et al. 2005).

Some of the outcomes gathered from qualitative and quantitative researches have been mentioned in the past studies of job satisfaction source between staff. Anyways, most of them have been developed inside the healthcare area and nursing with minimum attention on finance service .(Timonthy, et al. 2001).

Also experts noted that the suggested rewards from the firms might strongly affect the staff’s behavior related to the job and the organization that they work in (Lincoln & Kallerberg 1990). According to Herzberg & Mausner’s two factor theory, the rewards can be both intrinsic and extrinsic so affecting the satisfaction level of the employees experience related to their jobs will happen. (Hong Lu, et al. 2005) Therefore related to this, it is crucial to define the rewards which are either extrinsic or intrinsic. The intrinsic ones are natured from job and are available in job for example challenge variety and the autonomy as well. The extrinsic ones on the other side are fringe and pay advantages, advancement and promotion opportunity inside the firm, workplace environment and the social aspect. Also the studies revealed that when intrinsic reward is considered as more salient related to job involvement (Driscoll & Randall 1999), the extrinsic rewards satisfaction will result in ongoing commitment for the firm and lead to more customer satisfaction and also their loyalty (O'Reilly, et al. 1991).
3. Proposed Framework

Followed by above discussion, there are evidences to support any linkage between reward, job satisfaction, and employee performance. (See Figure 1)

Figure 1: Proposed Framework

4. Conclusion

In the current competitive business environment, the organizations are facing a lot of challenges and among these issues, getting the right employees and retaining them is one of the most important ones. In addition, today, the benefit of human resource is measured to be one of the most important advantages of any organization; and in order to acquire the results with the highest efficiency and effectiveness from human resource, motivation of employee is very essential. In fact, employees will do their highest when they feel or hope that their hard work are to be rewarded by their managers. In this regard, many factors are available that change employees‘ performance such as worker and employer relationship, working conditions, job security, training and opportunity of development, and overall rewarding policies of the company. In addition, among the factors which impact employee performance, motivation, as a result of rewards, is the most important aspect. Motivation is defined as the growth of different processes which express and control peoples‘ behavior to achieve some
specific goals (Baron, 1983). Therefore, understanding its importance is very necessary for all organizations’ managers.

The maximum level of workers’ performance happens when they feel their endeavor is rewarded and compensated completely. Some other successful elements on employees’ performance include work conditions, the connection between employee and employer, process of training and improvement opportunities, job security and complete policies of firm rewarding. In addition, motivation, as the result of rewarding, affects the staffs’ behavior and their performance directly. Actually, among all effective elements on employees’ performance, motivation, which is the consequence of rewarding, is the most important and essential element. This concept consists of different processes which affect employees’ behavior to achieve some definite goals (Baron, 1983).

Extant research emphasized on relationships between job satisfaction with reward and employee performance, so this research tried to highlight the mediating role of job satisfaction in the relationship between reward and employee performance.

Future study can be concentrated on testing the proposed framework of this study in different scopes and industries.
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