

A COMPARATIVE ANALYSIS OF DIFFERENCES IN REWARD PREFERENCE AMONG SENIOR AND JUNIOR CADRE WORKERS: A Case Study of Osun State Civil Service.

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ABSTRACT

This paper examined differences in the preference of senior and junior cadre workers of Osun State Civil Service for financial and non-financial motivational rewards. The objective was to ascertain the nature of such differences and its policy implications. Data were collected through a questionnaire from a randomly selected sample of 580 workers made up of 233 junior and 347 senior cadre workers. The data were analyzed using both descriptive and inferential statistical tools. Results showed that while there was a significant difference in the preference of both senior and junior workers for financial rewards, there was no significant difference in their preference for non-financial rewards. It was concluded that junior level workers also place a great premium on non-financial motivators as much as senior level workers.

Keywords: Reward preference, Financial rewards, Non-financial rewards, Workers motivation.

INTRODUCTION

The need to generate a motivated workforce continues to pose a major challenge for managers, both in public and private sector organizations. The seriousness of this challenge is underscored by management's perception of the strong functional linkage between employee motivation and employee performance which, invariably, is the ultimate determinant of overall organizational performance.

Several factors influence motivation in the workplace among which are leadership, working conditions, organization culture, the external environment, and even the personal characteristics of the worker; such as his/her personality and value system. However, the variable of focus in this study is the type of reward given to the worker, subdivided into extrinsic (financial) and intrinsic (non-financial) rewards.

Sources of Motivation

There are two sources of motivation, as originally identified by Herzberg, Mausner and Synderman (1959) and these are intrinsic and extrinsic motivation. Intrinsic motivation refers to the self-generated factors that influence people to behave in a particular way or move in a particular direction. Deci (1975) classified intrinsic motivation as behaviours that individuals engage in to seek out challenging situations or to overcome challenges. In the workplace, these behaviours are triggered by inherent job factors such as responsibility, autonomy, scope to use and develop skills and abilities, interesting and challenging work and opportunities for advancement. The intrinsic factors or rewards are inbuilt into the job and are capable of eliciting satisfaction in the workers through actual

performance of the job itself. These rewards, as further explained by Amabile (1998) can generate the kind of passion needed to make workers achieve the high levels of performance required in today's business environment.

Extrinsic motivation, according to Leonard et al (1995) is that which derives from external sources. It can be regarded as what managers do to or for workers to make them produce the desired behaviour that will lead to attainment of organizational goals. Extrinsic factors or rewards have no direct relationship with the job itself. Rather, they are externally mediated and are related to such tangible rewards as salary and fringe benefits, job security, promotion, the work environment and other conditions of work. (Rudolph and Kleiner, 1989). Extrinsic motivators are believed to have an immediate and powerful effect but which may not necessarily last long. Intrinsic factors on the other hand are believed to be concerned with the psychological satisfaction which a person derives from work and hence are likely to have a deeper and long-lasting effect since they are inherent in individuals and are not imposed from outside. Furthermore, intrinsic motivation is regarded as that which the worker derives from the job as an end itself, while extrinsic motivation is that which is derived from the end to which the job provides the means.

The Hierarchy of Needs Theory of Motivation propounded by Maslow (1943), provides the theoretical perspective for this study. Maslow's theory belongs to the category of content theories whose emphasis is on *what* motivates individuals. Maslow conceived of human needs as being arranged in a hierarchy ranging from lower order to

higher order needs. He contended that once a lower level need has been satisfied, it no longer acts as a strong motivator. The needs of the next higher level in the hierarchy demand satisfaction and become the motivating influence.

The need hierarchy, usually illustrated in form of a pyramid, consists of five levels, as shown in Figure 1:

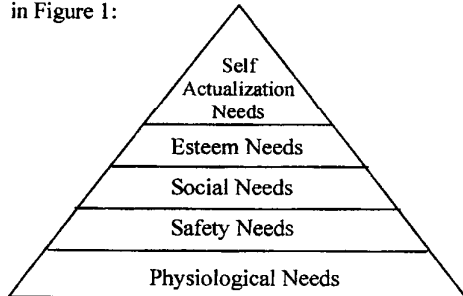


Figure 1: Maslow's Hierarchy of Needs Model.
Source: Luthans, Fred (1998)

The levels in the needs hierarchy are as follows:

1. **Physiological needs:** this is the most basic and the lowest level of needs in the hierarchy. In essence, it is the most fundamental since the very existence of a human being depends on satisfaction of these needs, some examples of which are hunger, thirst, sleep, sex etc.
2. **Safety or security needs:** this is the need for both physical and emotional security and is the second level of needs in Maslow's hierarchy. It includes the need for maintenance, emotional stability, the need for predictability and orderliness.
3. **Social needs:** this is the need for love, affection, sense of belonging, social activities, friendship, and it is the third and intermediate level of needs in the hierarchy.
4. **Esteem needs:** this level represents the higher needs of humans. It includes the need for self respect, respect from others, recognition for accomplishments, prestige, status, power, attention and recognition.
5. **Self Actualization:** this is the fifth and highest level of needs in the hierarchy. It represents the culmination of the lower, intermediate and higher needs of humans. It includes the need for self-fulfillment, personal growth, creativity and realization of all one's potentials. People who have become self-actualized are self-fulfilled and have realized all their potentials. In the view of Luthans (1998), self-actualization is closely related to self concept. In effect, self-actualization is a person's motivation to transform perception of self into reality. Self actualization needs do not necessarily manifest as creative urges, but may take many forms, which vary widely from one individual to another.

The pyramidal form of Maslow's Needs Hierarchy, as pointed out by Mullins (1999), is that

people's needs thin out as they progress up the hierarchy. If applied to the work situation, it can be deduced that as a worker moves up the organizational ladder, his needs also thin out.

Luthans (1998), attempted to convert Maslow's need hierarchy into a model of work motivation as illustrated in Figure 2:

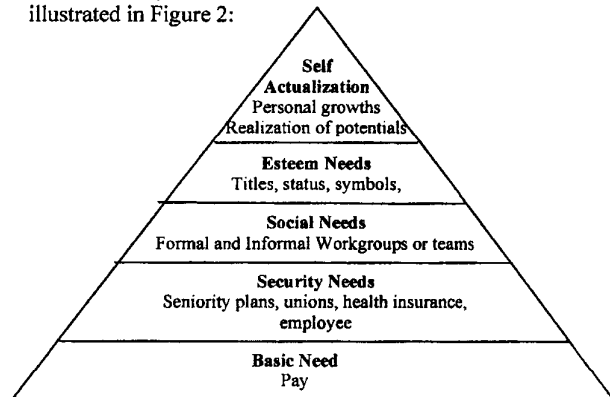


Figure 2: A Hierarchy of Work Motivation
Source: Luthans, Fred (1998)

Steers and Porter (1991), also recommended a list of general rewards and organizational factors that can be used to satisfy different needs as shown in Table 1:

A critical examination of the organizational rewards for the higher order needs (esteem and self actualization), would reveal that many of these factors tend to be applied more predominantly for workers who have moved up to the senior level in the organizational hierarchy. Furthermore, the rewards are such that do not have direct financial implications.

On the other hand, the rewards for lower needs (particularly physiological and safety needs), have direct financial components aimed at satisfying the direct economic needs of the workers. When examined, these rewards are the types that tend to be more highly appreciated by workers at the junior level on the organizational hierarchy. A possible explanation for this may be that the low level of remuneration for this category of workers predisposes them to put great premium on the financial rewards, particularly in view of the current poor state of the nation's economy, whereby workers' real income is inadequate for satisfaction of the basic needs of workers.

The objective of this study therefore was to compare the differences in the preference of junior and senior cadre workers for financial and non-financial rewards. This was to explore the implication of the pyramidal nature of Maslow's hierarchy, whereby it is assumed that as a worker climbs up the organizational hierarchy, his needs also move up on the hierarchy. If this applies, then junior workers are expected to attach more importance to lower order needs, particularly the basic needs which can be satisfied mainly by financial rewards. In the same vein, senior cadre

workers are expected to attach greater importance to non-financial rewards by virtue of having moved to a higher level on the organizational hierarchy.

It was hypothesized that

- (i) There is no significant difference in the preference of both senior and junior workers for financial rewards
- (ii) There is no significant difference in the preference of both senior and junior workers for non-financial rewards.

METHODOLOGY

The study population was made up of workers in the Osun State Civil Service, comprising workers of State Ministries and Local Governments. The study sample of 347 senior and 233 junior workers was selected using multistage sampling method. Data was collected using questionnaires. Three items in the questionnaire were designed to measure preference for financial rewards, while another three items measured preference for non-financial rewards.

Both descriptive and inferential statistical tools were used to analyze the data.

Data Presentation and Analysis

To examine the respondents' preference for financial rewards the analysis of responses to the relevant questionnaire items is shown on Table 2 below

The analysis as shown on Table 2 reveals that 53.1% of the respondents strongly agree with item 1, while 36.9% and 37.3% agree with items 2 and 3 respectively. These percentages represent the highest frequency of responses to the specified questionnaire items. The implication of this finding is that most of the respondents indicated high preference for financial rewards.

To examine the preference of the respondents for non-financial rewards, the analysis of the respondents responses is shown on Table 3 below

The analysis on Table 3 shows that 42.8% and 42.3% of the respondents agreed with items 4 and 5 respectively, while 39.2% strongly agreed with item 6. These percentages represent the highest frequency of responses to the specified questionnaire items. The deduction from this finding is that many of the respondents also responded favourably towards items indicating high preference for non-financial rewards. The implication of the findings on Tables 2 and 3 is that it further illuminates the complexity and multiplicity of human needs and requirements from the workplace.

The high preference for financial rewards as indicated on Table 2 was expected to have a prejudicial effect on the preference for non-financial rewards. However this was not the case. The simultaneously high preference for non-financial rewards can thus, be regarded as reflection of the role of organizational support factors such as favourable policies, training and development

opportunities, provision of necessary equipments/materials and so on, in the enhancement of workers motivation and performance (Muo, 2007).

To compare the degree of preference for financial rewards by junior and senior staff, the percentage of respondents that strongly agreed with the relevant items (1, 2, and 3) among the total respondents for each cadre was compared. The result is represented in the following table:

The analysis on Table 4 shows that the percentage of junior staff respondents that strongly agreed with the three items measuring preferences for financial rewards is higher than that of senior staff (56.2%, 36.4% and 42.9% on items 1, 2 and 3 for junior staff compared to 50.7%, 25.4% and 42.9% for senior staff). This result was consistent with the expectation that junior staff will prefer financial rewards more than senior staff.

To compare the degree of preference for non-financial rewards, the percentage of respondents that strongly agreed with the relevant items (4, 5 and 6) among the total respondents for each cadre was compared. The result is presented in the following table:

The analysis on Table 5 shows that the percentage of junior staff that signified preference for non-financial rewards was higher than that of senior staff on two out of the three items (25.3% and 35.2% for junior staff, 22.8% and 31.4% for senior staff on items 4 and 5 respectively). This result was not consistent with the expectation that senior workers will prefer non-financial rewards more than the junior workers. This result was further confirmed by the result of the test of hypotheses as shown in the following table:

The paired samples test on Table 6 shows a comparison of the means of the two samples for the two variables. Pair 1 gives the comparison of means for the junior and senior staff on preference for financial rewards while pair 2 gives the comparison of the means for junior and senior staff on preference for non-financial rewards.

Pair 1 $t_{cal} = 4.087$

$t_{tab} = 2.576$ at .01 level of significance

Hence, since t_{cal} for pair 1 (4.087) is greater than t_{tab} (2.576), hypothesis one, which states that there is no significant difference in the preference of both senior and junior staff for financial rewards is rejected.

Pair 2 $t_{cal} = .230$

$t_{tab} = 2.576$ at .01 level of significance

Hence, since t_{cal} is less than t_{tab} for pair 2, hypothesis two, which states that there is no significant difference in the preference of junior and senior staff for non-financial rewards is accepted.

The rejection of hypothesis 1 supports the expectation that junior cadre workers will attach more importance to the financial rewards than senior cadre workers. The cadre by cadre analysis on Table 4 also confirms this. This finding is supported by the finding of Ajila (1997), whereby junior workers

Table 3: Analysis of Responses on Preference for Non-Financial Rewards.

Response	Item 4 If my job is challenging and gives me a sense of responsibility, I will perform well even if the salary is not paid regularly.				Item 5 Praise and commendation for outstanding performance is enough encouragement for me to perform even better.				Item 6 As a worker, I place more value on personal development and self actualization than on financial security			
	Junior staff	Senior staff	Total	Valid %	Junior staff	Senior staff	Total	Valid %	Junior staff	Senior staff	Total	Valid %
	Strongly disagree	21	22	43	7.5	7	7	14	2.4	6	5	11
Disagree	28	56	84	14.7	21	26	47	8.2	26	34	60	10.8
Neutral	27	36	63	11.0	33	45	78	13.6	36	41	77	13.8
Agree	96	149	245	42.8	88	154	242	42.3	82	109	191	34.2
Strongly agree	59	79	138	24.1	82	109	191	33.4	74	145	219	39.2
Total	231	342	573	100.0	231	341	572	100.0	224	334	558	100.0
Missing	2	5	7		2	6	8		9	13	22	
Total	233	347	580		233	347	580		233	347	580	

Source: Field Survey, 2006

Table 4: Comparison of Senior and Junior Staff Preference for Financial Rewards.

Responses	Item 1				Item 2				Item 3			
	Junior staff	%	Senior staff	%	Junior staff	%	Senior staff	%	Junior staff	%	Senior staff	%
	N=233		N=347		N=233		N=347		N=233		N=347	
Strongly Agree	131	56.2	176	50.7	85	36.4	88	25.4	100	42.9	108	31.1

Source: Field Survey, 2006

Table 5: Comparison of Senior and Junior Staff Preference for Non-Financial Rewards.

Responses	Item 4				Item 5				Item 6			
	Junior staff	%	Senior staff	%	Junior staff	%	Senior staff	%	Junior staff	%	Senior staff	%
	N=233		N=347		N=233		N=347		N=233		N=347	
Strongly Agree	59	25.3	79	22.8	82	35.2	109	31.4	74	31.7	145	41.8

Source: Field Survey, 2006

Table 6: Paired Samples Test.

Pair		Paired differences						
		Mean	Std. Dev.	Std. Error Mean	95% of Confidence Interval of Difference		T	
					Lower	Upper		
1	Junior Financial- Senior Financial	.95	3.54	.23	.49	1.41	4.087	
2	Junior Non-financial Senior Non-financial	7.296E-02	4.8511	.3178	-.5532	.6991	.230	

Source: Field Survey.

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identified pay as the most important job incentive, and also the finding of Kovach (1987), which suggested that as employees' income increases, money becomes less of a motivator.

However, the acceptance of hypothesis 2 was not consistent with expectation. In fact, a cadre by cadre analysis of relevant data as shown on Table 5 revealed that the percentage of junior workers who signified preference for non-financial rewards was even higher than that of senior workers on two out of the three indicators. This lower-than-expected level of preference for non-financial rewards by senior workers may not be unconnected with the contention of Muo (2007) that those who are relatively well paid (i.e. those on the higher organizational levels), still have to contend with the present day harsh economic realities and the need to take care of hoards of extended-family members and hangers-on. Hence money is a critical motivator.

CONCLUSION

It can thus be concluded from the findings that junior cadre workers place great premium on non-financial rewards as much as senior cadre workers. Hence, irrespective of the relatively low level of income of the junior workers when compared to that of senior workers, Maslow's higher order needs are also prevalent among them. Therefore, in order to achieve a crop of highly motivated workforce, it is imperative that policy makers emphasize the provision of both financial and non-financial rewards (i.e. organizational support factors) for all cadres of workers when making their policy decisions. Proper implementation of such policies should also be ensured.

Table 1: Applying Maslow's Need Hierarchy at the Organizational Level.

Needs Level	General Rewards	Organizational Factors
Physiological	Food, water, sex, sleep	- Pay - Pleasant working conditions - Cafeteria
Safety	Safety, security, stability, protection	- Safe working conditions - Company benefits - Job security
Social	Love, affection, belongingness	- Cohesive work group - Friendly supervision - Professional associations
Esteem	Self-esteem, self respect, prestige status	- Social recognition - Job title - High status job - Feedback from job itself
Self actualization	Growth, advancement creativity	- Challenging job - Opportunities for creativity - Achievement in work - Advancement in the organization

Source: Mullins, L.J. (1999)

Table 2: Analysis of Responses on Preference for Financial Rewards.

Response	Item 1 The most important factor that can make me perform well at my job is when my salary and other financial benefits are paid regularly.				Item 2 I will be encouraged to perform even better if I am given a cash award or salary increase as a reward for outstanding performance.				Item 3 My most important goal as a worker is having financial security.			
	Junior staff	Senior staff	Total	Valid %	Junior staff	Senior staff	Total	Valid %	Junior staff	Senior staff	Total	Valid %
Strongly disagree	7	8	15	2.6	5	23	28	4.9	3	10	13	2.3
Disagree	8	23	31	5.4	22	82	104	18.2	9	53	62	11.0
Neutral	25	23	48	8.3	18	38	56	9.8	29	43	72	12.7
Agree	61	116	177	30.6	102	109	211	36.9	84	127	211	37.3
Strongly agree	131	176	307	53.1	85	88	173	30.2	100	108	208	36.7
Total	232	346	578	100.0	232	340	572	100.0	255	341	566	100.0
Missing	1	1	2		1	7	8		8	6	14	
Total	233	347	580		233	347	580		233	347	580	

Source: Field Survey, 2006