

The Empirical Analysis of the Impact of Reward Systems on Employee Motivation at the Sierra Leone National Social Security and Insurance Trust (NASSIT), Sierra Leone

Sophie A. A. S. Allieu

Ernest Bai Koroma University of Science and Technology, Magburaka, Sierra Leone

Email: sallieu@ebkustsl.edu.sl, drhr@ebkustsl.edu.sl

Abstract - The study explores the impact reward systems have on employee motivation at the National Social Security and Insurance Trust (NASSIT), Sierra Leone; beyond precise content in such interventions, and how perceived organizational supports might mediate those effects. The study also deliberates on employee motivation as imperative for the overall organizational performance and talks about retaining a motivated workforce. Motivation factors may be differing from institution to institution. A semi-structured interview was conducted to get an insight into their motivation. This research found out that different factors affect employees' motivation, which can be classified into three broad categories; extrinsic, intrinsic, and total rewards. Although extrinsic rewards are essential for employee motivation in under developed nations, including Sierra Leone, where the inflation rate is high and per capita income so low that people struggle to retain their social status, the importance of other rewards can be underscored. This research was conducted using data from 193 usable questionnaires (N = 193) collected from staff employed at NASSIT. Results of correlation analysis showed that the relationship between extrinsic reward, intrinsic reward, total rewards, and employee motivation are statistically significant and positively correlated. Furthermore, the results of regression analysis showed an even stronger relationship for perceived organizational support. This result confirms that perceived organizational support plays a vital role as a mediating variable in the employee motivation models of the NASSIT sample. Therefore, the findings draw attention to the relevance of organizational support in mediating the effects rewards have on employee motivation. Employee motivation is an excellent contributor to human resource management's knowledge world, which explores the factors that affect employees' motivation and provides a solution to employees' motivation-related problems at their jobs. The research also recommends that the studied organization's management pays attention to employee motivation problems for the institution's overall benefit.

Keywords: Intrinsic reward, Extrinsic reward, Total reward, Perceived organizational support, Employee motivation, NASSIT.

I. INTRODUCTION

One of the fundamental purposes of Human resource management (HRM) is to develop standard practices that improve employees' satisfaction with their jobs. Employees expect rewards of a different kind for their services and hard work. Lacking equitable pay structures, training and development opportunities, and recognition, employees, get unhappy and failed to perform jobs according to the expected standards. The dissatisfaction resulting from rewards' unavailability usually leads to high employee turnover and poor performance. The assistances that employees foresee for themselves and their families motivate the employees to give their best. According to Armstrong [1] in 2013, Rewards are divided into two categories; these are extrinsic (monetary) and intrinsic (non-monetary) rewards. The financial rewards include basic pay, merit pay, incentives, commission, bonus, and allowances. Non-monetary rewards include recognition, decision-making roles, promotion, flexible working hours, awards etc. Armstrong [1] indicated that employees are rewarded according to their contribution, skill and competence, and market worth.

Following the work of Armstrong (2013), the rewards will be categorized into three groups; financial and non-financial rewards. Financial rewards are called extrinsic rewards, and non-financial rewards intrinsic rewards. The financial rewards are pay, allowances, incentives, bonuses, insurance, promotions, and job security. In contrast, the non-financial rewards include appreciation, meeting the new challenges, caring attitude from the employer, career development, learning opportunities, appreciation and recognition to motivate the employee, and total reward, which is a combination of the two.

The research goal is to study the effect of these reward systems as incentives on job satisfaction at NASSIT and to indicate the difference in employees' attitude related to job

satisfaction and incentives on perceived organizational support variables, which will be included as mediating variables. The questionnaires designed were applied to 200 employees at NASSIT, which currently provide retirement and other benefits to meet workers' contingency needs and dependents and provide other related matters. Their vision is to be the center of excellence providing quality Social Security Protection through promoting a culture of high-quality performance among its staff in the Republic of Sierra Leone. SPSS25.0 version software was used to analyze the dataset. The results were then presented, analyzed, and policy recommendations were made.

Research objectives

Nowadays, organizations spend colossal amounts of money on reward programs that aim to motivate, retain, commit old employees and attract new ones. Despite the incredible amount of money used in these reward practices, only a few human resource managers can justify and measure whether the reward practices are efficient and resulting in the outcomes that the reward programs try to aim for. Therefore, the broader objective is to examine the relationship between the rewards and employee motivation at NASSIT – by choosing this subject, we have the following specific goals:

- To assess the degree of rewards prevailing amongst the employees at NASSIT Sierra Leone
- To analyze the application of reward systems that motivates employees at NASSIT.
- To proffer suggestions to the organization to make suitable alterations or take corrective actions in their rewards system.

Research Questions

1. What are the current reward practices at NASSIT?
2. What are the impacts of rewards on employees' motivation?
3. What is the mediating role of perceived organizational support?
4. How much is each reward practice impacting employees' motivation?

II. LITERATURE REVIEW

Definition of reward

Employee reward systems are programs set up by an institution to reward performance and motivate employees on individual and/or group levels. They are typically considered separate from salary but may be monetary or otherwise cost to the organization. Smaller businesses nowadays utilized

rewards to lure talented employees into a competitive job market and increase employee performance.

According to Shawn M. Galloway [2], an incentive is an inducement that rouses or stimulates one to act in the desired direction. The incentive is a stimulus or encouragement for greater performance. With regards to wage policies, it is an additional remuneration paid to an employee for working beyond the established standard. Incentives are provided to employees to encourage them to greater effort in production than would usually be expected. According to Milkovich, Newman, and Gerhart [3], rewards play a significant role in influencing employees' attitudes and perceptions of work. Skillful and talented employees are less likely to be motivated by rewards that are not aligned with their preferences and values.

2.1 Employee motivation

Motivation was described by Robbins [4] as the interaction between individual and situation. Robbins indicated that people have different needs, and the interaction of the situation and individual can reinforce or hinder one's motivation. People are motivated when they believe that specific needs will be satisfied by achieving a wanted goal or reward meeting their needs [5]. Nelson has criticized managers for forgetting to nourish motivation at workplaces until it is lost and after it is harder and more costly to get back in place. Arnold et al. [6] found three motivational elements:

- a. **Direction** – what a person is trying to do
- b. **Effort** – how hard a person is trying
- c. **Persistence** – how long a person keeps on trying?

According to Herzberg et al. [7], intrinsic motivation comes from an individual -self, and one feels that he or she does not necessarily need external stimuli to obtain this motivation (e.g., money). Extrinsic motivation results from the individual's external factors, such as getting money. Individuals who possess extrinsic motivation will be motivated by the stimuli coming outside the individual. Their motivation sums up the efforts made to motivate them in a business context in the forms of pay increases, promotion, rewards, and punishment [5]. Armstrong concluded that intrinsic motivation is more powerful in the long run and more profound in meaning as it is integrated into the individual and not coming from the outside. In contrast, extrinsic motivation might have powerful and visible effects fast, but these are not lasting long as the stimuli are coming outside the individual.

Osterloh and Frey [8] defined an individual as extrinsically motivated when employee needs are indirectly met through monetary rewards. They described the pay for performance as the ideal incentive for extrinsically driven employees but

blamed it for lack of long-term results. They described money to be a goal that provides satisfaction independent of the actual activity itself.

In summary, motivation refers to a basic psychological process. It was a factor that became the driving force on work activities. According to Luthans et al.[9], motivation is the management process influencing the behavior of knowledge on what makes people think. It adds to the process of stimulating people to act and achieve specific goals. As motivation concerns, a reward system is an essential tool for management to channel employees' motivation.

2.1.1 Intrinsic Reward and Employee Motivation (Hypothesis 1)

Intrinsic rewards, otherwise known as non-financial rewards, are the job's inherent and intangible rewards, such as job tasks, challenging and exciting careers, and training possibilities. Non-financial rewards do not improve the employee's financial position directly but rather render the job more attractive. Some of the non-financial rewards that a business organization offers might include an attractive pension scheme, access to private medical care, long-term sickness medical plan, crèche facilities, counseling services, staff restaurants, desire to be promoted and learn on the job etc. Non-financial reward scans have an even more substantial impact on employee satisfaction and motivation than traditional financial rewards. A study conducted by the Hay Group approximately with four million employees indicated that employees itemized lack of work environment, recognition, career development, and other non-financial matters as the main reasons they quit a job. Even well-compensated employees may leave if dissatisfied with these matters. Companies with excellent non-financial incentive strategies can attract and retain talented employees [1]. It is therefore hypothesized that;

H₁: there is a positive and significant impact of intrinsic reward on employee motivation at NASSIT Sierra Leone

2.1.2 Extrinsic Reward and Employee Motivation (Hypothesis 2)

Extrinsic rewards, otherwise known as financial rewards, are non-job-related rewards, including salary, pay, and work conditions. According to Gupta and Shaw [10], financial incentives are indeed a useful tool to motivate employees. Their research point of view is that not all jobs are exciting and challenging. If we lived in an ideal world, everyone would be intrinsically motivated and rewarded, but this is not the reality in many workplaces. They suggested that money matters to most employees and motivates them because of its symbolic and instrumental value. The symbolic value of

money recaps what we and others think about it; the value of money means the ends employees can get for exchanging it.

Financial rewards will enhance the employees' economic well-being directly. E.g., bonus, increase in wages, and profit-sharing schemes, i.e., benefits, fringe transportation facility, pay bonuses, medical facility, health and life insurance, and benefits like a vacation with pay meal facilities [11]. Therefore, the researcher hypothesized that;

H₂: there is a positive and significant impact of extrinsic reward on employee motivation at NASSIT Sierra Leone

2.1.3 Total rewards and Employee Motivation (Hypothesis 3)

Most reward literature has moved from financial rewards to total rewards [12]. The presentation of the total rewards approach is not a new concept. Armstrong et al. [5] refer to Adam Smith, who already 1776 called for several identifications which result as the total net advantages irrespective of pay, the difficulty and expense of learning it, job security, responsibility, and the likelihood of success or failure.

Total rewards refer to extrinsic (financial) and intrinsic (non-financial) rewards, which are the total rewards employees, receive. According to Armstrong [13], there is more to rewarding people than throwing money at them with regard to the total reward system. Based on the literature review, there is a knowing-doing gap when implementing the reward practices in place [14]. Commonly, the management believes in certain rewards to be more efficient motivators than the others.

In contrast, employees' perceptions of the most significant rewards may differ highly from the reward practices managers consider to be the most motivating. Nelson proposed managers ask their employees what they simply want. Nelson [15] indicated that conflict of interest might result in disengagement, job dissatisfaction, and higher intentions to quit the employing organization.

Armstrong et al. [5] acknowledged that reward management can never be 100 percent scientific or 100 percent right. The task is to find the best fit scenario for your institution. They also highlighted the importance of tailoring reward programs to match individual needs in an organization. Many reward programs fail if the 'one-size fits all' approach is used without careful consideration and implementation. Jensen et al. [16] said that the "best-practice" regarding the reward programs is simply the one that suits your organization. It is therefore hypothesized that;

H₃: there is a positive and significant impact of total reward on employee motivation at NASSIT Sierra Leone

2.2 Reward Management

2.2.1 Reward Management and Employee Motivation

A business organization basically designs an effective reward system that fairly shows how to reward employees and value them. Reward management in a business organization usually consists of analyzing and controlling its remuneration and other employee benefits. The main reason reward management exists in organizations is to motivate employees to work hard and achieve organizational goals. Typically include not only the traditional, quantifiable elements (valuable pay, salary, and benefits) but also more immaterial non-cash elements (career opportunities, learning, and development), the intrinsic motivation, and the quality of harmonized working environment provided by the organization [6]. Reward management in a business organization deals with designing, implementing, and maintaining reward practices geared towards improving its performance.

According to Dessler [17], motivation is the force that influences employees to behave and perform that lead store ward. Motivation is to compel the employee to proceed in a way organized to complete some goals"[18]. The goal of human resource management is to enhance the motivation of the employee. Employee motivation enhances the job involvement and job satisfaction of an employee [19]. According to research, certain cross-disciplinary indicators like commitment, contentment, loyalty, and intention to quit measure employee motivation [20]. The motive that guides the employee towards certain behavior is called employee motivation. It can be a desire to achieve a goal or acquire a state of being. Golembiewski [21] proposes that motivation is the level of enthusiasm, direction, and persistence of efforts with which the employee exerted to complete goals. It is the willingness to exert efforts with the desired condition for satisfaction. It suggests that the employee is eager to work to the best of their abilities only if their demands are satisfied. The motivated workforce makes an organization succeed. This is because employees who are motivated are more productive for organizational excellence. The more motivated an employee is, the better he will perform his job. The motivated work force is more quality – oriented and dedicated to accomplishing goals. Companies can gain a competitive advantage over other firms by motivating and retaining human resources [21]. The organization motivates the high performers by providing financial and non-financial reward systems to motivate employees and improve job satisfaction.

Financial and non-financial rewards strongly influence employees' motivation and are directly linked to performance. The implication of financial and non-financial rewards differs with age. The non-financial rewards impact the motivation to a greater degree after the pay exceeds a certain level. According to Herzberg, there are two kinds of factors that have a strong impact on employee motivation. The hygiene factors include policies, pay, and working environment. The motivating factors include recognition, caring attitude from the employer, achievements, and appreciation. According to Richard M. Burton [22], effective recognition and reward system can motivate the employee and enhance productivity. The success depends on how the firm keeps its employee motivated and in what way they evaluate the performance for compensation. The financial incentive is undoubtedly ranked top in motivating employees because money enables employees to fulfill their basic needs and their need of belonging and need of power. Though money is a dominant factor, there are non-financial factors, also called intrinsic factors that play a pivotal role in motivating employees. So, it's not only money that enhances employee morale, but non-financial rewards like recognition, appreciation, and career development opportunities also improve the employee's morale.

2.3 Organizational Support (Hypothesis 4)

2.3.1 Perceived Organizational Support

Social exchange theory indicates that when one person does a favor for someone, there is an unspoken expectation of future return [23]. Although how and when the return might be is unclear but still is expected [24]. Nowadays, social exchange theory has enjoyed increasing attention applied to the exchange between an employee and an employing organization [25]. In this regard, the theory is known as perceived organizational support. Research shows that perceived organizational support is positively related to the conscientious performance of job responsibilities and commitment [26]. Feeling valued and cared about by an organization enables employees' trust that the employer will fulfill its exchange responsibilities by providing suitable recognition and rewards proportionate with employee behavior. Other research has addressed perceived organizational support as a construct unique from other previously well-known concepts, such as perceived supervisor support [27], perceived workgroup support [28], organizational commitment [29] and job satisfaction [30].

Conceptual work on the norm of reciprocity delivers ideas about how an employee might respond to perceived organizational support. The norm of reciprocity is based on two assumptions: 1) people should help those who have helped

them, and 2) people should not injure those who have helped them"[24]. This might be generalized to apply to an organization rather than an individual, motivating employees to help an organization that benefits them. Employees can ascribe traits or qualities to an organization through a process of personification. This is a key process in developing one's perception of organizational support.

2.3.2 Mediating Role of Perceived Organizational Support

Savvy organizations would benefit from exploring how to increase perceived organizational support among employees. It seems possible to drive desired employee performance changes by assessing perceived organizational support and making a conscious effort to improve it [31]. Perceived organizational support can be improved if the employee views the organization's actions due to a positive evaluation [30]. This indicates that employees, who suspect they are being sent to developmental training to overcome inadequacies, will report minimized perceived organizational support. In contrast, employees who acknowledged their selection to receive training as a form of reinforcement or recognition will report increased perceived organizational support. Training and development opportunities can also be linked to job enrichment if employees believe that availing themselves of such opportunities will increase Task Variety or increased Task Significance [32].

This raises questions about what underlying processes lead employees to construe certain human resource decisions as rewards or job enrichment instead of a job role's necessary components. Studies have shown that organizational experiences based on human resource decisions serve as indicators of the organization's evaluation of the employee's potential [33]. As employees perceive links between human resource decisions and reinforcements and/or rewards, they are likely to view these decisions as meaningful indicators of future organizational support they will receive.

Perceived organizational support is also boosted if the employee sees the organization's actions as discretionary. Benefits available to all employees regardless of performance, including retirement or health benefits are not related to perceived organizational support [34]. One type of discretionary organizational investment is training and development prospects for employees. An investigation into what specific sort of discretionary rewards is most likely to enhance perceived organizational support suggesting those rewards is linked with job performance [26]. Since leaders (supervisors or management) are typically charged with managing these rewards, positive relationships with leaders also contribute to greater levels of perceived organizational support.

Existing empirical research indicates that perceived organizational support is associated with leader support [35]. The quality of leadership support has a strong positive impact on perceived organizational support. The immediate superiors act as conduits of organizational resources, particularly in hierarchically structured organizations [36]. In addition to making a formal impact through influencing salary and bonuses. They also have a less formal, ongoing impact by providing career advice, Task Variety, meaningful work, opportunities for growth, and additional industry information [25].

The frequency of developmental experiences, including formal and informal training, appears positively related to perceived organizational support. Employees who participated in more developmental experiences reported higher perceived organizational support levels [25]. It appears that that participation in developmental training may serve as a precursor to perceived organizational support independent of the training's specific content, provided it is perceived as discretionary. High levels of perceived organizational support generate feelings of obligation, which compel employees to feel commitment toward their employers and reciprocate the perceived support by engaging in behaviors that support the organization's stated goals and mission. It is therefore hypothesized that:

H_{4a}: Perceived organizational support mediates the effect of extrinsic rewards on employee motivation at NASSIT Sierra Leone

H_{4b}: Perceived organizational support mediates the effect of intrinsic rewards on employee motivation at NASSIT Sierra Leone

III. METHODOLOGY

A descriptive research design was used to determine reward systems' role in promoting employee motivation at NASSIT, Sierra Leone. The survey targeted 200 employees (top management and staff). Mugenda and Mugenda[37] explain that the target population should have some observable characteristics, to which the researcher intended to generalize the study results. The researcher had chosen those targeted sets of employees because of the institution's size and common characteristics.

The research will be using secondary data from other sources and primary data collected using questionnaires to carry out the study. The questionnaire will include structured and unstructured questions and will be administered through a random sampling method to the targeted respondents at NASSIT. The research will carry out a pilot study to test reliability and validate the questionnaire. The descriptive

statistical tools will help the researcher to describe the data and determine the extent to be used. Multiple linear regression models will be used to assess whether employees' motivation is a function of the variables indicated on the broader objective. It will provide information on an independent variable's impact while simultaneously controlling other independent variables' effects and the mediating role of perceived organizational support.

3.1 Sample Size and Population

The research population was selected using simple random sampling from NASSIT branches located in Freetown, Bo, Kenema, and Makeni districts. According to the Municipality of Freetown City Council records, there are four main branches; therefore, these four branches were selected by using a simple random sampling to form a research sample. Two hundred self-designed questionnaires were prepared, and 50 employees were interviewed from each branch. Out of 200 participants, a further interview was conducted depending on how they rated each variable. Therefore, a stratified sample was exercised on this activity as the researcher wanted the additional questionnaire to be answered by a specific group. However, the researcher could not predict how many participants will be in each rank. In this research, employee motivation was the dependent variable, and the independent variables and mediating variables were; intrinsic reward, extrinsic reward, total reward, and perceived organizational support, respectively.

3.2 Research method

The gathering of information of any kind will involve many individuals' contributions; therefore, the present research applies both quantitative and qualitative approaches as they complement each other.

The quantitative research method generates numerical data or information that can be converted into numbers. Also, quantitative research is objective because it only seeks precise measurements and analysis of target concepts to answer the research problem. The quantitative was used because it was easier to analyze numeric data from the questionnaires. The study aimed to test hypothesis, whether each independent variable had a positive impact on employee motivation.

Explorable.com (2009) [accessed on 13 February, 2021], qualitative research focuses on the gathering of mainly verbal data rather than measurements. The gathered information is then analyzed in an interpretative manner, subjective, impressionistic, or even diagnostic. Therefore, the qualitative method was used as it was subjected to collect and analyze data generated from the extra interviews upon the ranking as the researcher wanted detailed information. The study further

tries to find out why attribution is regarded as a threat to employees' motivation. The researcher felt that through open-ended questions, a detailed explanation could be generated.

3.3 Research Instruments

3.3.1 Software Used

The analysis of data collected for this study was both qualitative and quantitative. Statistical Package for Social Sciences (SPSS) version 25.0 was used to present and analyze the data. SPSS is a software package used for statistical analysis. SPSS is widely used for statistical analysis in social science. It is also used by market researchers, health researchers, survey companies, government, education researchers, marketing organizations, data miners, and several others.

3.3.2 Theoretical Framework

Various studies were reviewed for the reason given by Leedy and Omrod [38], who stated that the literature review describes theoretical perspectives and previous research findings regarding the problem at hand. Its function is to review what others have done in similar areas, though not necessarily identical to one's area of investigation. Also, the literature study enables the researcher to know what has been explored about the problem at hand to fill the existing gap. Therefore, studies done across the globe were reviewed. Upon the findings of the different studies, a theoretical framework was drawn.

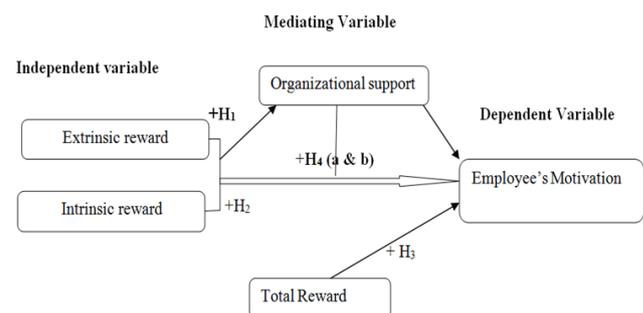


Figure 1: Conceptual framework

Figure 1: Conceptual framework of the hypothesized model illustrating the proposed relationship between the reward system and employee's motivation when mediated by Perceived organizational support. Note: H_4 is a group of hypotheses H_{4a} and H_{4b} .

3.3.3 Data analysis method

The Likert scale data were analyzed at the interval measurement scale. Likert scale items are created by calculating a composite score (sum or mean) from four or

more type Likert-type items; therefore, the composite score for Likert scales should be analyzed at the interval measurement scale. Descriptive statistics recommended for interval scale items include the mean for central tendency and standard deviations for variability. After the questionnaires were completed, each question was analyzed by groups whereby the responses were summed to create a score for a group of items. Hence, Likert scales are often called summative scales. A mean score was calculated for each question to get the overall response toward a statement. The mean is calculated when the value of an item is summed up and divide the sum by the number of values.

The four hypotheses were tested in this manner in order to determine the impact of the reward system and organizational support on employee motivation. The mean scores were compared against the five points on the Likert scale. Any score above three was regarded as positive toward the statement. Mean scores were compared to one another and the factors with the highest mean score and above three were the factors that positively influence employee motivation.

IV. ANALYSIS OF MAIN RESULTS

An analysis of this research was the professional excellence of staff/administrative members working at NASSIT in Sierra Leone. According to Babbie [39], any response of 50% and above is adequate for analysis, and therefore, the response rate of 96.5% is sufficient. Hence, the data collected can be evaluated using inferential statistics [40][38]. 96.5% of respondents responded to all questionnaire items for the research's main measures using 5-point Likert-type scales between the range of 1 (strongly disagree) to 5 (strongly agree). We calculated an overall score for a measure by averaging ratings on items for the measure. The higher the score on a measure, the higher would be the level of the variable being measured. The extrinsic reward was measured with nine items and perceived organizational support with six items (somewhat modified). We selected six items from the

original measure for the perceived organizational support. Still, we used only 5 items ($\alpha = .813$) because one item had a relatively weak loading on the anticipated factor in the confirmatory factor analysis (CFA) established by Meyer et al [41]. the test item is "I do not feel "emotionally attached" to the institution."

The Intrinsic reward scale ($\alpha = .841$) evaluated employees' perceptions about the extent to which the Trust encourages them to build their career through providing them with opportunities to learn etc., (e.g., "freedom to plan and work independently"). The employee motivation scale ($\alpha = .702$) evaluated the degree of employees' being motivated' (e.g., "I am interested in partaking in programs that are beneficial for my company"). We evaluated intrinsic reward using eleven items but we used only eight items because three items had a relatively weak loading on the anticipated factor in the confirmatory factor analysis (CFA) established by Meyer et al [41]. We evaluated employee Motivation using a modified version of the organizational motivation subscale that was put forward by Meyer et al. [41]. We selected seven items from the original measure, but we used only six items because one item had a relatively weak loading on the anticipated factor in the confirmatory factor analysis (CFA) established by Meyer et al [41]. The test item is "I appreciate people who contribute in social activities for my company."

In summary, the Kaiser- Mayer-Olkin Test (KMO), which measures sampling adequacy, was done for each variable, and the results showed acceptability. In particular, the results of these statistical analyses showed that; (1) all the study variables exceeded the minimum standard of the KMO value of 0.6 and were significant in Bartlett's test of sphericity, (2) the items for each of the study variable exceeded factor loadings of 0.50 [42], and (3) all the study variables exceeded the acceptable standard of reliability analysis of 0.70 [43][44]. The statistical results confirmed the measurement scale of this research met the acceptable standard of reliability and validity analyses given in table 1 and table 2.

Table 1: Results of validity and reliability analysis

Variables	No of Item	Cronbach's Alpha	KMO	Factor Loading	Variance explained
Employee Motivation	6	.702	.712	.69 to .84	53.384
Extrinsic Reward	9	.848	.826	.75 to .89	55.883
Intrinsic Reward	8	.841	.830	.77 to 86	58.232
Perceived Organizational Support	5	.813	.788	.82 to .91	57.704

Source: Authors computation from SPSS

Table 2: Results of item validity (Principal Component Analysis)

Variable	Item	Component			
		1	2	3	4
1. Employee Motivation	I am interested in partaking in programs that are beneficial for my company	.814			
	Sharing my views on the company's policies with others is attractive to me.	.770			
	Seeing people get benefits from the services I have been deeply involved in brings me a great deal of satisfaction.	.761			
	I give much importance to take contribute in the company's interest.	.778			
	I like to participate in those particular programs which are beneficial to the organization.	.831			
	Meaningful work service is vital to me	.777			
1. Extrinsic Reward	Salary increases		.804		
	Medical benefits		.671		
	Cell phone benefits		.821		
	Retirement benefits		.768		
	Fuel benefits		.678		
	Job Security		.730		
	Good working environment		.669		
	Company closeness to amenities		.874		
2. Intrinsic Reward	Eating and smoking facilities		.705		
	Employee appreciation			.817	
	Recognition of meaningful work done			.854	
	Degree of autonomy in the performance of work			.757	
	Development of competence			.877	
	Freedom to plan and work independently			.906	
	Participation in goal setting			.763	
	Career Development			.748	
3. Perceived Organizational Support	Learning Opportunities			.765	
	I would be very pleased to spend the rest of my career with the Agency.				.660
	I feel as if the Agency's problems are my own				.790
	I feel a strong sense of "belonging" to the Agency.				.787
	The Agency has a great deal of personal meaning for me				.706
The Agency provides me with a deep sense of belonging				.841	

Source: Authors computation from SPSS

4.1 Hypothesis Testing

Table 3 below illustrates the results of descriptive statistics and Pearson correlation analysis for the study variables. The table shows that the mean values for the variables are from 3.0723 to 3.8841, suggesting that the levels of employee motivation, extrinsic reward, and the levels of intrinsic reward, total reward, and perceived organizational support are ranging between these echelons. The correlation coefficients for the relationship between the dependent variable (i.e., employee motivation) and the independent variables (i.e., intrinsic reward, extrinsic reward, total reward), and the relationship between the mediating variable (i.e., perceived organizational support) and the dependent variable (i.e., employee

motivation) were less than 0.90, which signifies that the data was not affected by any severe problem of collinearity [42]. Participants in the research reported a mean level of employee motivation of 3.0723 (3 is the midpoint on the 5-point Likert-type scale used). Bivariate correlations of the predictor variables with employee motivation were statistically significant and in the hypothesized direction. As illustrated in Table 3, extrinsic reward was positively related to employee motivation ($r = .500, p < .01$). Thus, the first hypothesis (Hypothesis 1) was supported by the study. Similarly, intrinsic reward and total rewards were also positive and statistically significant ($r = .138, p < .05$) and ($r = .361, p < .01$) respectively. Consequently, the second and third hypotheses were also supported by the research.

Table 3: Descriptive statistics and correlation results for the study variables

Variable	Mean	Standard deviation	Pearson correlation analysis				
			1	2	3	4	5
1 Employee Motivation	3.0723	.62310	(1)				
2 Extrinsic Reward	3.4694	.63572	.500**	(1)			
3 Intrinsic Reward	3.8841	.72699	.138*	.431**	(1)		
4. Total Reward	3.2970	.83540	.361**	.822**	.868**	(1)	
5. Perceived Organization Support	3.6757	.57744	.552**	.616**	.242*	.391**	(1)

Note: N = 193, Significant level: *p < .05, two-tailed, p < 0.01** (2-tailed). Source: Authors computation from SPSS version 25.0

As illustrated in table 4. (EQ2), perceived organizational support outcome was positively related to employee motivation ($\beta = .244$, $p < 0.05$), thus confirming the acceptance of Hypothesis four. This result shows that before the inclusion of perceived organizational support in equation 3 as a mediating variable, it was already significantly correlated with employee motivation. In addendum to that, the strength of the relationship between perceived organizational support and employee motivation established earlier in EQ2 ($\beta = .244$, $p < 0.05$) had increased and statistically significant with the inclusion of perceived organizational support in EQ3 as a mediator ($\beta = .721$, $P < 0.01$). Thus providing evidence for the acceptance of the fourth hypothesis (hypothesis 4a) of the study. Also, in terms of explanatory power, before incorporating perceived organizational support in EQ3 as a mediator, EQ2 had explained 34.4 percent of the variance in

employee motivation. After the inclusion of perceived organizational support in EQ3 as a mediator, it explained 35.3 percent in employee motivation variance, thus confirming the mediating role of perceived organizational support between extrinsic reward and employee motivation.

Similarly, in EQ4, the incorporation of perceived organizational support as a mediator between intrinsic reward and employee motivation is positive and statistically significant ($\beta = .711$, $P < 0.001$), which supports the acceptance of hypothesis 4b. Regarding explanatory power, the incorporation of perceived organizational support in EQ4 had explained 34.6 percent of the variation of employee motivation. This result further confirms the mediating effect of perceived organizational support between intrinsic reward and employee motivation.

Table 4: Result of regression analysis

Variable	Dependent variable (Employee Motivation)			
	EQ1	EQ2	EQ3	EQ4
Constant	1.552***	1.251***	.803	.844***
Extrinsic Reward	.261**	.531***	.397*	.365**
Intrinsic Reward	.490***	.118***	.437*	.322***
Total Reward	.615***	.288***	.412***	.531***
Perceived Org. Support	...	.244*	...	...
(ER → POS → EM)	...	...	.721**	...
(IR → POS → EM)	...	...	...	.711***
F	24.691***	25.496***	32.813***	32.782***
R ²	.258	.344	.353	.346
Adj. R ²	.250	.333	.332	.339
ΔR ²	.258	.344	.346	.353

Note: N = 193, Significance at *p < .05, two-tailed. **p < 0.01, two-tailed; ***p < 0.001, two-tailed, ER = extrinsic reward, IR= intrinsic reward, POS= perceived organizational support. Source: Authors computation from SPSS version 25.0

4.2 Discussion and Implications

The study examined how reward system affects employee motivation at the National Social Security and Insurance Trust (NASSIT) in Sierra Leone and in the process explores the mediating role of perceived organizational support between the two. This is important because when employees have little or no concern in the value and purpose of the organization, then the rewarding system will not be sufficient. The way to create its effectiveness and getting employees support is built upon the credence of enhancing the perceptions of employees

of the usefulness of the organization and its importance in building their career development. The study underscored the importance of extrinsic reward in influencing employees' motivation. The finding show that large number of the employees perceived extrinsic rewards as useful and consequently may lead to an increase in their level of motivation. This finding is in line with theories and conformity with previous empirical studies (see, e.g., [11]) who found that extrinsic reward increases employees' affective reactions to work. (See also [45]). Managers need to know that

the employees must be given better working conditions and fringe benefits to provide their best.

Similarly, the research findings showed significant positive effects of intrinsic and total rewards on employee motivation and thus supported the studies [21][46][13]. However, perceived organizational support's mediating role had shown a more substantial positive contribution to employee motivation, as reported in table 4. This result confirms that perceived organizational support plays a vital role as a mediating variable in the motivation models of the NASSIT sample. Thus, the findings indicate the relevance of perceived organizational support in the reward system. An important policy implication emerging from this study is that both business and public administrators should not underestimate the power of perceived organizational support in influencing employees' motivation in an organization.

V. CONCLUSION

5.1 Summary and conclusion

This chapter rounds off this research study. It condenses the research findings and results, concludes, and makes recommendations for future improvements or initiatives on the issues discussed. The study, in essence, sought to unearth the impact of reward systems on employee motivation at NASSIT in Sierra Leone and the process, which accounts for the mediating role of perceived organizational support.

The research contributes to reward and employee motivation literature by exploring the relationship between reward systems and employee motivation in the NASSIT context. Theories and literature were reviewed to develop a suitable model for employee motivation. The model was developed based on employee motivation research literature that is mostly focused on the US setting.

The reliability and validity measurement scales were used to measure the relationship between the reward system and employee motivation and the mediating effect of perceived organizational support in the model. Results of testing the model using a correlation and regression analysis discovered two crucial findings: firstly, all the independent variables have a direct positive relationship with employee motivation which supported the first (hypothesis H_1), second (hypothesis H_2), and third (hypothesis H_3) hypotheses of the study. Secondly, perceived organizational support mediated the effects of extrinsic and intrinsic rewards on employee motivation, and very interestingly, the mediating effect increased the effect rewards system had on employee motivation. Therefore hypothesis (H_4) was also supported.

Consequently, from a Statistical viewpoint, the findings confirm that increasing the role of perceived organizational support to employees will strongly invoke employees' confidence in the organization. This perception may lead to their conviction of being motivated. This empirical result is also somewhat consistent and has supported, and expanded reward system perceived organizational support and employee motivation research literature mostly published in US settings.

In summary, extrinsic and intrinsic rewards have an impact on employee motivation. The effect of rewards on motivation can be reinforcing or hindering one's motivation. It is considered that the NASSIT has well managed to reward its employees as none of the employees felt that they are not motivated at all. What can be concluded here is that the total rewards positively impacted the employee motivation as suggested by the regression result.

5.2. Recommendation

Management of employees is still faced with many issues; thus, building a better reward system at NASSIT is difficult, but success depends on staff motivation, adequate administrative and institutional capacity, the transformation of the public service work culture and attitude. Implementing a culture of innovation and benchmarking best practices can also improve employee service delivery efficiency and effectiveness, as emphasized by S Bach, 2001, thereby increasing their motivation level. However, Dessler G [47] explained that different organizations could not have the same human resource practices and policies. It is therefore noticeable that what works for this may not work for the other but performance management system cuts across since it looks at achieving, identifying, measuring, and developing the performance of individuals and teams by providing them the required rewards, opportunity to learn and develop their career and aligning with the strategic goals of the organization.

From the findings, the study recommends reward packages must be valued to the employees and should be based on realistic and reliable standards. The rewards exercised at NASSIT must be identified and should have some meaning for the employees. The reward plan exercised at NASSIT should be made clear to the employees to determine personal cost benefits for a different level of effort they put. The human resource department at NASSIT should consider developing clear policies and rules on how workers will be paid. The rules for achieving the standards and rewards should be understandable to all employees.

There is a need for continuous improvement in the process of measuring employee motivation. No measuring tool is perfect. Performance appraisals should be done severally to give room for improvement to ensure reliability and validity.

This provides staff members that their performance is captured daily, which compels them to perform better and be well motivated. The authorities at NASSIT should conduct a comprehensive needs assessment and develop a plan to address some rewarding critical gaps at NASSIT. This will partly address attitude, lack of innovativeness and instill a culture of efficiency and motivation.

5.3 Limitations and Further Research Directions

The study exhibits few limitations as in any research. First and foremost, the analysis comprises 193 staff working at the National Social Security and Insurance Trust in Sierra Leone. The sample might not be adequate for generalization. Secondly, the reward system perceptions of the employees are sensitive to location. That means surveys with the same sample in different areas may result in different outcomes. It is suggested that further researchers consider the current constraints and use different measurement scales to measure the connection between the reward system perceptions and employees' motivation. Moreover, these four variables must be examined from the viewpoint of other variables such as the moderating role of leadership, personality, management styles, organizational culture, and the demographic characteristics of the employees along with the research in different public and private sectors, including private organizations, entertainment, manufacturing, health, etc., to contribute to the existing literature.

REFERENCES

- [1] Armstrong, M. (2013). Handbook of Reward Management Practice: Improving performance through reward.
- [2] Shawn M. Galloway, (2014). Incentives and rewards: Lazy or Excellent Management? *Journal of occupational health and safety*.
- [3] Milkovich, G.T., Newman, J, M, & Gerhart, B, 2010. Compensation. 10th edition. *United States: McGraw Hill*.
- [4] Robbins, S.P. (2003). Organizational behaviour (10th ed). *San Diego: Prentice-Hall*.
- [5] Armstrong, M. (2012). Armstrong's Handbook of Human Resource Management Practice.
- [6] Arnold, J. et al. 2010. Work Psychology: Understanding Human Behavior on the Workplace. (5th ed.) Harlow, UK: *Prentice-Hall*.
- [7] Herzberg, F. 1987. One More Time: How Do You Motivate Employees? *Harvard Business Review*. Vol. 65 No. 5, 109-120.
- [8] Osterloh, M., Frey, B. S. 2000. Motivation, Knowledge Transfer, and Organizational Forms. *Organization Science* 11:538-50.
- [9] Luthans, Fred; Carolyn M. Youssef; David S. Sweetman, and Peter D. Harms. Meeting the Leadership Challenge of Employee Well-Being through Relationship PsyCap and Health PsyCap. *Journal of Leadership & Organizational Studies*, February 2013; vol. 20, 1: pp.118-133.
- [10] Gupta, N. & Shaw, J. D. 1998. Let the Evidence Speak: Financial Incentives Are Effective!! *Compensation and Benefits Review*. Vol. 30 No. 2, 26.
- [11] Chelladurai, P. (2009). Managing organizations for sport and physical activity: A systems perspective (3rd ed). Scottsdale, AZ: *Holcomb Hathaway*.
- [12] Bowey, J. A. (2005). Predicting Individual Differences in Learning to Read. In M. J. Snowling & C. Hulme (Eds.), *Blackwell handbooks of developmental psychology. The science of reading: A handbook* (p. 155-172). Blackwell Publishing. <https://doi.org/10.1002/9780470757642.ch9>
- [13] Armstrong, M. (2009). Performance management: key strategies and practical guidelines. (3rd ed), the UK.
- [14] Pfeffer, J. & Sutton, R. 2006. Evidence-based Management. *Harvard Business Review*, Vol. 84 No. 1, 62-74.
- [15] Nelson, R. R. 2004. The Market Economy and the Scientific Commons. *Research Policy* 33:455-71.
- [16] Morten Jensen, Bojorn Johnson, Edward Lorenz, and Bengt-Ake Lundvall. (2007). Forms of knowledge and modes of innovation. *Research Policy*, 2007, vol. 36, issue 5, 680-693.
- [17] Dessler, G. (2009). Framework for Human Resource Management, A, 5th edition. *Pearson*.
- [18] Walker, J. R. (2017). Introduction to hospital management, 5th edition. *Pearson*.
- [19] Nickson, D. (2013). Human Resource Management for Hospitality, Tourism, and Events. *USA: Routledge*.
- [20] Lauby S (2009). Attendance and Punctuality. Available on: <http://hrbartender.com/2009/comp/attendancepunctuality/> (assessed on 12 February 2021).
- [21] Golembiewski, R. T. (2010). Handbook of Organizational Behavior, Second Edition. *New York: Marcel Dekker Inc*.
- [22] Burton, M., Pavord, E. & Williams, B. (2014). An Introduction to Child and Adolescent Mental Health, *London: SAGE*, 2014. pp. 248.
- [23] Blau, P. M. (1964). Exchange and Power in Social Life. *New York: Wiley*.

- [24] Gouldner, A.W. (1960). The norm of reciprocity: A preliminary statement. *American*.
- [25] Wayne, S. J., Shore, L. M., & Liden, R. C. 2013. Perceived organizational support.
- [26] Eisenberger, R., Fasolo, P., & Davis-LaMastro, V. (2015). Perceived organizational support and employee diligence, commitment, and innovation. *Journal of Applied Psychology*, 75: 51–59.
- [27] Kottke, J. L., & Sharafinski, C. E. (1988). Measuring Perceived Supervisory and Organizational Support. *Educational and Psychological Measurement*, 48, 1075-1079.
<http://dx.doi.org/10.1177/0013164488484024>
- [28] Self, D.R., Holt, D.T., & Schaninger, W.S. (2005). Work-group and organizational support: A test of distinct dimensions. *Journal of Occupational and Organizational Psychology*, 78, 133-140.
- [29] Van Yperen, Van Den Berg, & Willering, (2014). Individual and organizational factors in Job retention in Kentucky's Child welfare agency, *Children and Youth Review*, 31(5): 547-554.
- [30] Eisenberger, R., Cummings, J., Armeli, S., Lynch, P. (1997). Perceived organizational support, discretionary treatment, and job satisfaction. *Journal of Applied Psychology*, 82, 812-820.
- [31] Piercy, N.F., Cravens, D.W., Lane, N., & Vorhies, D.W. (2016). Driving organizational citizenship behaviors and salesperson in-role behavior performance: The role of management control and perceived organizational support. *Academy of Marketing Science Journal*, 34, 244-262.
- [32] Houkes, I., Janssen, P.M., Jonge, J., & Bakker, A.B. (2013). Personality, work characteristics, and employee well-being: A longitudinal analysis of additive and moderating effects. *Journal of Occupational Health Psychology*, 8 (1), 20-38.
- [33] Sheridan, J.E., & Slocum, J.W., Buda, R., & Thompson, R.C. (2014). Effects of corporate sponsorship and departmental power on career tournaments. *Academy of Management Journal*, 33, 578-602.
- [34] Shore, LM, & Shore, TH (2013). Perceived organizational support and organizational justice. In R. Cropanzano & K.M. Kacmar (Eds.), *Organizational politics, justice, and support: Managing social climate at work* (pp. 149-164). *Sociological Review*, 25, 161-178.
- [35] Tetick, L.M. Shore, & Miles. (2013). Perceived organizational support and organizational justice. In R. Cropanzano & K.M. Kacmar (Eds.), *Organizational politics, justice, and support: Managing social climate at work* (pp. 149-164).
- [36] Wang G., Oh I.-S., Courtright S. H., Colbert A. E. (2011). Transformational leadership and performance across criteria and levels: a meta-analytic review of 25 years of research. *Group Organ. Manage.* 36, 223–270. 10.1177/1059601111401017
- [37] Mugenda, O. and Mugenda, B. (2003). Research Methods. Quantitative and Qualitative. *Nairobi: Acts Press Publishers.*
- [38] Leedy, P.D. and Ormrod, J.E. (2005) Practical Research: Planning and Design. *Prentice-Hall, Upper Saddle River, NJ.*
- [39] Babbie, E. and Mouton, J. (2001). The Practice of Social Research. *Oxford: Oxford University Press.*
- [40] Meyer, J. P., Allen, N. J., & Smith, C. A. (1993). Commitment to organizations and occupations: Some methodological considerations. *Journal of Applied Psychology*, 78, 538-551.
- [41] Sekaran, U. (2000) Research Methods for Business: A Skill Business Approach. *John Wiley & Sons, New York.*
- [42] Hair, J.F.J., Anderson, R.E., Tatham, R.L., Black, W.C., 1998. Multivariate Data Analysis, 5th edn, *Prentice-Hall, Upper Saddle River, New Jersey.*
- [43] Nunnally, J. C., & Bernstein, I. H. (1994). Psychometric theory (3rd ed.). *New York: McGraw-Hill.*
- [44] Cooper, R. D., and Shindler, S. P. (2007). Business research methods, (9th Ed.). *New York: McGraw-Hill.*
- [45] Bruce J. Avolio, John J. Sosik, and Yair Berson. Leadership Models, Methods, and Applications: Progress and Remaining Blind Spots. Volume 12. *Industrial and Organizational Psychology III. ORGANIZATIONAL PSYCHOLOGY.*
- [46] Richard M. Burton, B. O. (2014). Organizational Design: A Step-by-Step Approach. *Cambridge University Press.*
- [47] Dessler, G. (2011) Human Resource Management. Pearson Education Limited, *Upper Saddle River.*

Citation of this Article:

Sophie A. A. S. Allieu, “The Empirical Analysis of the Impact of Reward Systems on Employee Motivation at the Sierra Leone National Social Security and Insurance Trust (NASSIT), Sierra Leone” Published in *International Research Journal of Innovations in Engineering and Technology - IRJIET*, Volume 5, Issue 4, pp 15-27, April 2021. Article DOI <https://doi.org/10.47001/IRJIET/2021.504004>
