

Impact of Extrinsic Rewards on Employees Satisfaction: A Case Study of Agriculture Sector of Multan, Pakistan

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Abstract: Improvement of organizational performance and productivity is a challenging task. Extrinsic rewards and other empowering tools motivate the employees and trigger their satisfaction level leading to improved performance and service quality. This study was designed to investigate the impact of extrinsic rewards on employees' satisfaction working in different domains of the agriculture sector, in Multan Region, Pakistan. We conducted a survey and receive 200 valid and complete responses by adopting a questionnaire. This study bridges the gap and will assist people to understand the value of extrinsic rewards to sustain the satisfaction of employees at the workplace in the agricultural sector. We used SPSS and descriptive statistics in this study to examine the collected data, through questionnaires. We run regression analysis to check the statistical significance between two selected variables. The agriculture sector is the central part of the development of any country. Mainly for underdeveloped countries, it is a great source to rise and enjoy well-being. It is obvious workers need money to fulfill their needs and if they get money or high salary output, they feel satisfied and work with full efficiency so, productivity and profitability are also boosted. The results also show that extrinsic rewards can enhance the employees' satisfaction, especially in the agriculture sector.

Keywords: Empowerment, Employee Satisfaction, Agriculture Sector, Pakistan.

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1. Introduction

The reward program in the workplace provides many functions. Company retains such employees, passionate, loyal and aggressive, which is a direct result of the appreciation they feel from their employer's companies prepare a strategy that will ensure rewards support performance results in achieving its goals (Armstrong, 2000). Rewards are critical in motivating employees (Darmaki et al., 2019). The extrinsic reward practices have been considered to be the most considerable practices of human resource management (Kebede, 2021). It is generally believed that hard work is the most helpful way to improve performance, efficiency, and achievement of goals. Achieving goals can not only

get financial rewards but also rewards through increased responsibilities (Griffin and Ebert, 1993). Luthans (2000) stated that rewards are emphasized, namely monetary (external) rewards and non-monetary (internal) rewards, both of which can be actively used to improve employee performance. Monetary rewards refer to performance bonuses, job promotions, commissions, tips, gifts, etc.

Rewards are a greater source of motivation for employees to do work with focus and dedication to the workplace. Rewards were received in the trade of services between worker and employer (Luthans, and Sommers, 2005). In order to maintain fairness and market competition among workers in the workplace, rewards are determined by workers' job specifications. Rewards are divided into internal rewards (passion,

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vitality, enthusiasm, and sense of autonomy) and external rewards (salary, colleague relationship, sense of security). Intrinsic motivation holds the key to intrinsic rewards and extrinsic motivation implied extrinsic rewards (Amabile et al, 1994). Organizations consider monetary rewards more valuable than verbal rewards. It upgrades quality plus encourages them to go the extra mile. People have physical, safety, social, self, and self-realization needs in accordance with Maslow's needs theory. Individuals will cater to the lower-level needs first, and then meet the higher-level needs, such as self (self-esteem) and self-realization. So the employees found the financial rewards more attractive than others. Rewards significantly improved the enthusiasm of workers for their work and enhanced job satisfaction (Rafikul and Ahmad, 2008; Milne, 2007).

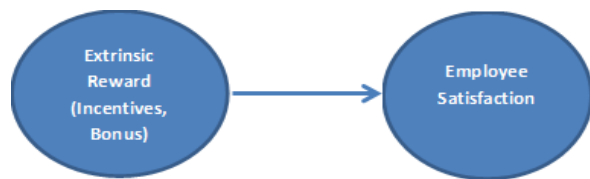
Needs and expectations of workers can be categorized as physiological motivation and communal motivation, or inherent motivation and external motivation. Intrinsic reward and extrinsic reward had a significant relationship with employee motivation (Hariyanto and Haverina 2021). External motivations are related to "extensive" rewards, such as salaries, job prospects, job contracts, working ambience and circumstances. These concrete rewards are usually set at the administrative proportion and are usually not under the control and domain of a single manager (Mullins, 2005). Inherent motivation is also connected to "mental/emotional" rewards, e.g., opportunities to use one's abilities, challenges and sense of triumph, getting appreciated, positive acknowledgment, and being treated with care and thoughtfulness. These abstract rewards depend on managerial practices. A combination of economic rewards and abstract rewards can guide the employees on how to tackle the tasks and challenges, how to analyze the problem at hand and become brave in their designated roles. Wages, benefits and security along with gratitude and satisfaction from the work nature can direct them to perform with high motivation (Daniel, 2001; Khan et al., 2020).

Employee's satisfaction raises their reliability and devotion, and this dedication improves their competence and productivity. Through intrinsic and extrinsic motivation one can get self-determination (Sansone and Tang, 2021). Employees can be or can't be satisfied with certain characteristics of work. Various types of motivations caused to expect different types of awards, which will produce multiple types of satisfaction, which in turn leads to

different aims and practices (Luthans, and Sommers 2005). Different people can be motivated by different things. Financial rewards can effectively motivate employees. Even research shows that extrinsic rewards diminish revengeful cravings if found at the workplace due to any reason (Dyduch-Hazar and Mrozinski, 2021; Lotta, 2012). The most important thing here is to use different motivational techniques. No matter which incentive technique is most effective, it's key to guarantee that rewards make a worthy and optimistic contribution (Koontz and Wehrich, 1990; Daniel, 2001; Kelly, 2010). Monetary incentives (salary, bonus) have a large effect on the satisfaction of the employee (Ojokuku and Sajuyigbe, 2009). So, the extrinsic reward is a key to satisfactory employees. In this study, it is explored that "does employees's satisfaction enhances after getting extrinsic reward such as praise, appreciation, remuneration, bonuses, etc. For the past few decades, the researchers have been focused and paying conscious attention to this issue yet the results are still not satisfying because employees in the work field have two types. First are those who are enthusiastic and loyal, which is a direct result of the employer's appreciation. Second, the monetary reward programs have increased workers' satisfaction. Rewards include systems, agendas, and practices that influence people's behavior.

The reward system aims to propose a methodical course for affirmative results. If employees are mindful of the fact that they have gained more or the best return, then they will strive harder, but if they see that they are not getting fair returns then they just produce customarily. More the output the more rewards, the less output the fewer rewards. Particularly, when we talk about the agricultural sector, a more archetypal work culture appears, especially in production. Workers prefer tangible rewards to any other rewards such as medical facilities, workplace insurance, housing, vehicles, laundry, telephone, transportation, children's education, etc. Consequently, if the output is high, they will do their best (Baron, 1991). Both extrinsic and intrinsic rewards have a positive and significant impact on employee performance (Emmanuel and Nwuzor, 2021). The incentive is a technique for workers to fulfill their service contract till termination, even if the workers' efforts benefit (Hartman, et al, 1994). Reward establishment has a progressive influence on productivity measurement. Likewise, some evidence is also there on how the reward structure in the work field controls the impact of team productivity (Garro-Abarca et al., 2021; Liu et al., 2015; Sarin and Mahajan, 2001).

Fig. 1. Conceptual Model and Hypothesis



H₀: Extrinsic rewards have no impact on employees’ satisfaction in the agricultural sector. H₁: Extrinsic rewards have a positive and significant impact on employees’ satisfaction in the agriculture sector.

This research was conducted to investigate the role of different reward systems to enhance employees’ morale and the potential impact of extrinsic rewards on the satisfaction of employees in the agriculture sector of Multan, Pakistan.

2. Research Methodology

Two types of data (raw and auxiliary) were used in this research. As per our concern, we used raw data for our study. Mainly data is gathered through a simple random sampling technique through personal visits as well as online surveys research which consisted of a questionnaire, based on a five-point Likert scale indicating responses as strongly agree, agree, neutral, disagree, strongly disagree. The research scale was adopted from Awan and Tahir (2015). Respondents (250) were randomly selected from different agricultural sectors of Multan region, Pakistan. After the preliminary screening, 200 completely useable responses were segregated from respondents. Collected samples were analyzed using SPSS and Descriptive statistics are used.

To check the reliability of the selected research scale we use SPSS and after analysis, Cronbach’s Alpha of Extrinsic reward’s 9 items remain 0.876 and employees satisfaction’s 6 items Cronbach’s Alpha remains 0.767 which is good and allows to further analysis. Respondents Statistics are shown in the appendix with their respective percentages. Two variables, employees’ satisfaction as a dependent and extrinsic reward as independent were discussed in this study. Linear regression was used to identify the dependency of variables, whereas correlation, coefficients, descriptive statistics, and ANOVA were also used. Data analysis was performed by using SPSS (14.0).

3. Results and Discussion

Organizational commitment and employee satisfaction are widely investigated, as both have a significant

impact on the functioning and performance of any organization. The results showed a positive and significant correlation (0.836) indicating that extrinsic reward is strongly related to the satisfaction of employees. Sig value 0.000, which is less than 0.05, indicating a statistically significant difference and extrinsic reward, has a positive relationship with employees’ satisfaction.

Table 1. Correlation Results

		ES	ER
Personal correlation	ES	1	0.836
	ER	0.836	1
Sig. (1-tailed)	ES		0.000
	ER	0.000	
N	ES	200	200
	ER	200	200

Table 2 shows descriptive statistics. Means value is within the acceptable range indicating data reliability. Mean value and Std. indicates about “agree” respondents concerning employees’ satisfaction. Mean value and Std. also lie “agree” respondents concerning extrinsic Reward

In explanation of NOVA, conveying regression relationship between Employee Satisfaction (dependent variable) and extrinsic reward (Independent Variable).

Table 2. Descriptive Statistics

	Mean	Standard Deviation	N
ES	2.18830	0.673401	200
ER	2.17390	0.729040	200

Table 3 is presenting F test value 460.933, Sig 0.000 (Less than .05) showing a strong relationship between these two variables. The coefficient table is presenting the extrinsic reward (ER) value as 0 when the average effectiveness is 0.509. T-test value is 6.170 and Sig. value is 0.000 (less than 0.05). The average rate of change in efficiency due to a single unit change in extrinsic reward is 0.273. The t-test value is 21.469 and their Sig. value is 0.000 which is less than 0.05 means it is statistically significant. In other words single unit changes in extrinsic reward impact in the shape of increase in average worker’s efficiency e.g. 0.273. It clearly means that the results are statistically significant. To put it another way, we can say a minimal change in extrinsic reward brings changes in average employees satisfaction, as we can see the table value of ER (extrinsic reward).

Table 3. ANOVA Results

Model	Sum of squares	DF	Mean Square	F	Sig.
1	63.1240	1	63.124	460.933	.000
Regression	27.1160	198	0.1370		
Residual	90.2390	199			
Total					

A. Predictor: constant ER
 B. Dependent Variable: ES

Agriculture areas serve as larger support to developing nations like Pakistan. Particularly the less evolved urban communities of underdeveloped nations are required mindfulness about horticultural framework and items so their people groups can be appreciated flourishing. Be that as it may, for the most part, individuals are not all around financed and generally a pool of most recent apparatus and gear just as innovation and they are for the most part depending on their labor. This labor, not a machine that assumes not to get lubricating for one day, even it functions, yet people should be capable of providing for one's own needs just as their relatives sitting for them with the prospect that tomorrow will be productive by gaining today.

Table 4. Coefficients

Model	Standardized Coefficients		Standardized Coefficient Beta	t	Sig.
	B	Error in Std.			
1	0.509	0.082		6.1701	.000
(Constant) ER	1	1	0.8361	21.469	0
	0.273	0.036		1	.000
	1	1			0

A. Dependent Variable: ES

Specialists are additionally not much instructed and slightly created in home financing. So they offer inclination extraneous awards on additional immaterial prizes. They think on the off chance that they don't work today, then, at that point, how they finance their use. In that case reward programs in the work environment give various capacities. In the first place, they hold laborers who are faithful to the work since they're enthusiastic, dedicated, and propelled, and it is an immediate consequence of fondness valued by managers. Besides, they support laborer fulfillment through usefulness. Our review affirms that specialists are most propelled when reward frameworks are set up as displayed given outcomes that outward award and representatives' fulfillment are measurably critical. We found in our investigation

that the chief capacity of a motivator conspire is to build the fulfillment of laborers and improve usefulness from individual specialists just as laborers gathering. So improvement about mindset also steadies redesigning of already in existence. It's the affirmation to have the option change and improve present than previously what exists. It's soul to add to the present conditions, no matter, how great it seems. But endless transformations can change financial conditions. It's steady work to put in new approaches with confidence in human abilities. In short monetary compensation plays a promising job in sparkle and upgrading laborers satisfaction and fulfillment.

The purpose of the study is to define the relationship between extrinsic rewards and employees satisfaction in the agriculture sector of Pakistan. After analyzing the data, a significant relationship was found between extrinsic rewards and employees satisfaction. Research proved that extrinsic rewards have also several positive effects. The employees who are associated with the agricultural sector always enjoy monetary rewards in their workplace. Our hypothesis, H₁ showed a significant relationship between extrinsic rewards and job satisfaction by demonstrating a stronger correlation between them. The co-efficient factor shows that employee satisfaction increases with extrinsic rewards which means employees who receive more extrinsic rewards feel more satisfied with this job. In short, it is concluded that especially agriculture sector should use extrinsic rewards for their employees for getting more employees satisfaction in the workplace and it is proven that satisfied employees are generating more workout than non-satisfied employees (Awan and Tahir 2015; Kashif et al. 2020; Tahir et al. 2017).

4. Conclusion

The conclusion drawn from the analysis is that rewarding the workers with cash along with their designated salary brings a whole lot of positivity at the workplace in the form of workers' motivation to perform well, their level of satisfaction with work and what they earn, their productivity and overall efficiency and interest in their jobs. It is very important to establish a strong connection between workers and employers on a regular basis because it can keep their morals high and motivate them. Salaries, rewards, bonuses and other tangible rewards can affect their satisfaction with the job. In other words, monetary incentives directly or indirectly have a great impact on the employees' satisfaction on the worksite. So, agricultural workers prefer to receive external rewards rather than other facilities. Although

this study has tested extrinsic rewards' impact on employees satisfaction, further study can be checked any mediator or moderator effect between these variables like co-worker support, working conditions.

List of Abbreviations: ER, extrinsic reward; ES, Employees Satisfaction; Sig., Significant; SA, Strongly Agree; A, Agree; N, Neutral; D, Disagree; SD, Strongly Disagree.

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Supplementary Table 1. Respondents Statistics (%)

Sr. No.	Questions	SA	A	N	D	SD
Questions related to extrinsic rewards						
1	Do you think extrinsic rewards or incentives motivate you to work harder and feel satisfied?	26	47	16	7	4
2	Does your attitude shifts when there is an extrinsic reward (like incentives) involve in your job nature?	32	38	19	5	6
3	Do you find a competitive environment whenever there is a subsequent tangible reward?	20	47	24	4	5
4	Does performance base increase in rewards ensure work productivity in employees?	35	36	19	7	3
5	Do you think extrinsic rewards supersedes other rewards such as a residence, vehicle, etc.?	32	40	18	5	5
6	Have you ever been involved in the discussion of tangible rewards at your workplace?	24	36	28	7	5
7	Do you think offering extrinsic reward or incentives make you work on official holidays?	35	38	16	7	4
8	Do you think rewards increase positive workplace environment?	30	40	20	5	5
9	Which one is more preferred to an employee individual reward or in percentage (group-wise)?	16	43	31	4	6
Questions related to Employees satisfaction						
10	Do you believe in the term “Extrinsic reward” to increase job satisfaction?	19	43	26	7	5
11	Do you think a reward is another way to enhance the job satisfaction of an employee?	22	40	26	6	6
12	Do you think handing out tangible rewards increases the satisfaction of employees towards their job?	26	49	16	6	3
13	Do you think you can make yourself work greater than before when you introduce or plan to give a reward?	26	41	25	6	2
14	Do you believe employees choose to stay at the workplace longer if the employer agrees to pay extra than the usual pay scale?	31	35	25	6	3
15	Do you agree that paying rewards regularly motivates an employee to have enhanced workplace attire?	33	36	23	8	0

SA, Strongly Agree; A, Agree; N, Neutral; D, Disagree; Strongly Disagree