

# The Relationship between Reward System, Employee Motivation and Employees Performance in Car Dealers Located in Kingdom of Bahrain

Khalid Abdulla AlBelal  
MBA - AMA International University

**Abstract:-** The basis of the research is the relationship between rewarding system and employees' motivation and their performance in car dealers in the Kingdom of Bahrain, that is in fact very current management topic for research and it's not only trendy in the Kingdom of Bahrain but globally as well. Smart rewards frameworks help give workers positive input and give inspiration to keep on performing excellently. For the managers it is important to apply the best management strategy for motivating the employees to work harder and show better performance at their work.

As many car dealers applied different kind of rewarding system to their employees, it brings the rationale to this research to analyze the influence and effects of current rewarding system to the motivation of employees at car dealers in the Kingdom of Bahrain.

The current study is done through evaluation of primary data using questionnaires. The respondents of the study are the employees at car dealers across the Kingdom of Bahrain. The method of analysis is purposive sampling; with the ideal sample size is 385 respondents. The statistical techniques applied in the research are Test of Normality, Liner Regression and Coefficient Regression by using five point Liker scale. The research concludes that current Employees Rewards, do play a significant role in motivating the employees to perform better in car dealers companies in the Kingdom of Bahrain. From the model summary analysis was discovered that R square was 0.24 that is 24%, shows that the independent variables can predict the performance of employees in car dealers in the Kingdom of Bahrain.

**Keywords:-** Direct Reward, Indirect Reward, Performance, Motivation.

## I. INTRODUCTION

The purpose of exploring the rewarding system in car dealers in the Kingdom of Bahrain is that it is current topic and a lot of businesses are dependent on motivation of employees. Employees are considered the main assets of a company. Reward of employee is one technique to change the habit of employee and increase the profit of the business (Murphy, 2018). Entrepreneurs should not be trained therapists to know what motivates workers. Reasonable pay rates are not any more satisfactory reward framework to keep them faithful. According to Patterson (2015), leaders should think about workers satisfaction. Hoole and Hotz (2016) have given different theories for the reward system such as Content Theories of Motivation, Process Theories of Motivation and Total Reward System. Rewards and reward frameworks persuade most parts of the workers at the organization x.

The research is focused in exploring the impact of reward system on employee performance in car dealers in the Kingdom of Bahrain. This chapter will provide an overview of this research, including statement of the problem, hypothesis, significance of the study, scope and limitation, theoretical framework and conceptual framework.

## II. STATEMENT OF PROBLEM

The following are the main problems analyzed in this study:

- What are the effects of direct rewards in employee's performance for work in car dealer's industry in the Kingdom of Bahrain?
- What are the effects of indirect rewards in employee's performance for work in car dealer's industry in the Kingdom of Bahrain?
- What are the effects of motivation in an employee's performance for work in car dealer's industry in the Kingdom of Bahrain?

**III. HYPOTHESIS**

The hypotheses that I will deliberate in this research are:

- H1: There is significant impact of direct rewards on employee’s performance for work in car dealer’s industry in the Kingdom of Bahrain.
- H2: There is significant impact of indirect rewards on employee’s performance for work in car dealer’s industry in the Kingdom of Bahrain.
- H3: There is impact of motivation on employee performance for work in car dealer’s industry in the Kingdom of Bahrain. Significant

**IV. SIGNIFICANCE OF THE STUDY**

The information and findings of this research will be beneficial to the AMAIUB. The study will be beneficial for the general population that live in the Kingdom of Bahrain or wider, through which the research will bring towards identification of rewarding system and the employees motivation in the Kingdom of Bahrain. The research will give specific contribution to the managers of car dealer’s industry.

**V. SCOPE AND LIMITATION**

During the research we will face the following impacts in our study:

- Time constraints – a short time to do a thorough study,
- Cost implications
- The questionnaires are filled unanimously and therefore are analyzed in general and not in individual basis.
- The sample of the study is including employees in various departments, as such the study is not focused in a single department; it is including different positions; and it is covering different locations, operating in the Kingdom of Bahrain.
- The sample of the study is including all car dealer companies in the Kingdom of Bahrain, therefore it’s not covering specific car brand.

➤ *Theoretical Framework*

The needs of individuals are given in the figure 1 above and they are organized in the form of pyramid starting from the physiological needs up to the more advanced needs. The duty of managers is to find methods of motivation of employees in each category by providing different rewards to the employees.

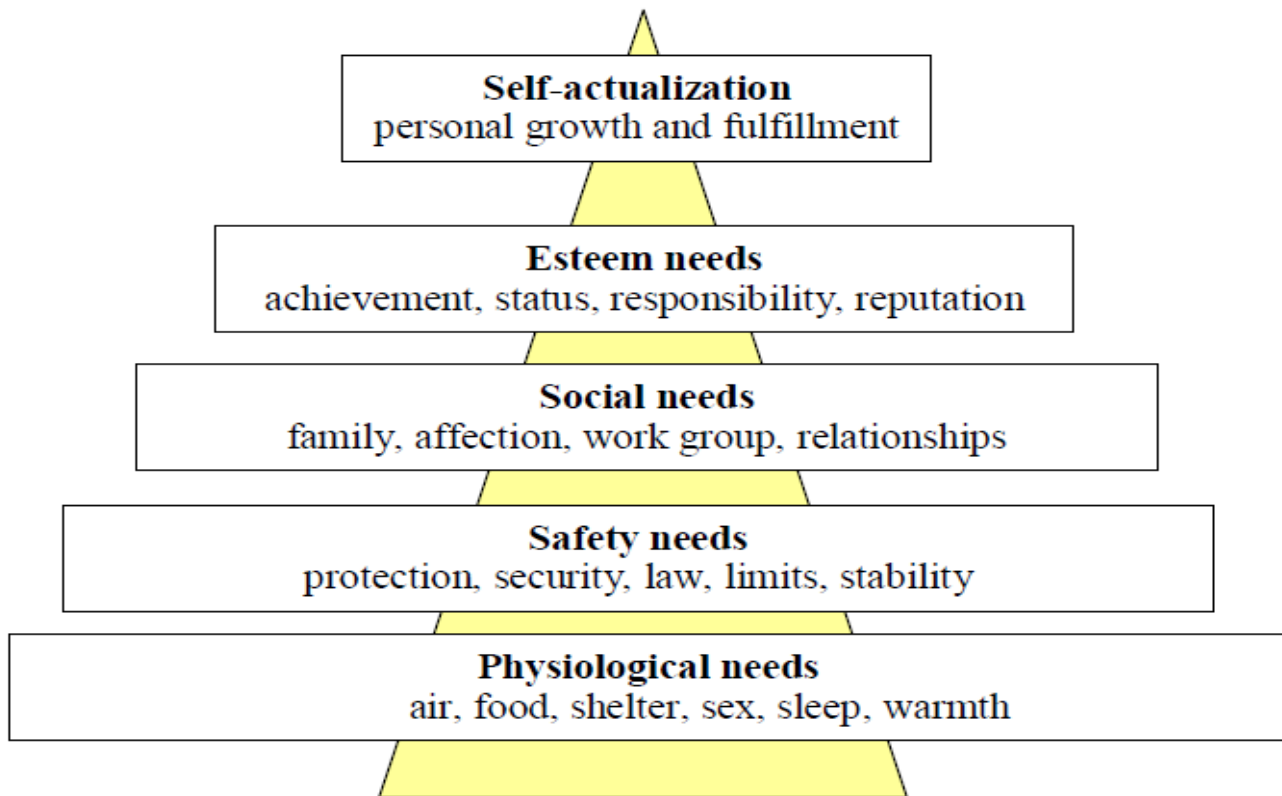


Fig 1:- Maslow's hierarchy of needs (Beardwell and Claydon)

➤ *Conceptual Framework*

The independent variables are total rewards and employee motivation and dependent variable is employee performance which relationship is illustrated in the figure 2.

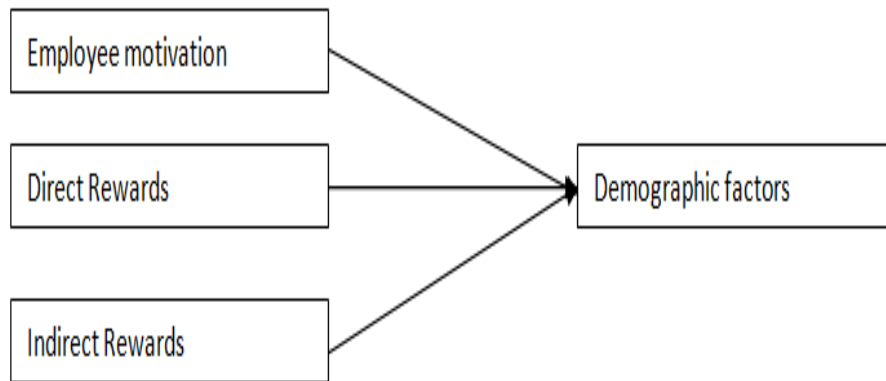


Fig 2:- Conceptual Framework

**VI. RESEARCH METHODOLOGY**

The method of research is done through a survey as a representative sample. The subject of the study is based on car dealers in Kingdom of Bahrain. The applied technique in this study is purposive sampling that is actually a non-probability sampling by the characteristics of the population and the objective of the study. The questionnaires are distributed randomly to the employees of car dealers in Kingdom of Bahrain. This sample size is calculated based on confidence level of 95%, margin of error of 5% and standard deviation of 0.5. The population size is unknown. The ideal sample size is 385. In order to check for any mistakes or problems during the completing of the questionnaire to five random employees are given pilot testing of the questionnaire. The ANOVA analysis will be applied in the research, five point Likert Scale, Pearson Correlation, Multiple Regression Analyses, and the T-test.

null hypothesis. Additional to that, the test is done for second null hypothesis that “There is no significant relationship between the indirect rewards and employee’s motivation for work”. The data shows that most of the means of p-values are above 0.05, therefore we keep the null hypothesis. The test of normality is based on the third hypothesis that “There is no significant impact of reward system on employee performance”. The data shows that most of the means of p-values are below 0.05, therefore we reject the null hypothesis.

The number that we are most interested in is Cronbach’s Alpha value as given in the table 1 with the value of .786 for Employee Performance, .684 for Employee Motivation, .674 for Employee Direct Rewards and .573 for Employee Indirect Rewards. If the value of Cronbach’s Alpha is closer to 1, the more reliable it is, in other words all these items are measuring the same construct. The rule is that if the results are above 0.7 it is considered to be adequate, therefore the closer to one the better it is.

**VII. DATA ANALYSIS, INTERPRETATION AND DISCUSSION**

The outcomes of the questionnaires shows that all 385 questionnaires are valid from these 217 (56.4%) individuals from the respondents were male while female respondents were 168 (43.6%). The study demonstrated, “20-30” (50.6%) of the respondents have the most surprising attended to the questionnaire than any of the age range; Considering the group that the respondents belong, with asian background are 186 (48.3%). Respondents with time of 10-15 are the largest number, 131 (34%).

	Cronbach's Alpha
Employee Performance	0.786
Employee Motivation	0.684
Employee Direct Rewards	0.674
Employee Indirect Rewards	0.573

Table 1:- Test of Reliability Statistics

The first check is made with the category of Employee motivation. The Shapiro-Wilk test statistics is applied for test of normality that is based on the first null hypothesis that “There is no significant relationship between the direct rewards and employee’s motivation for work”. Also for this case most of scales are below 0.05, therefore we reject the

A strong correlation is between the Employee Motivation and Employee Performance with .449 that is higher than .3, but the correlation between Employee Performance and Employee Direct Rewards and Employee Indirect Rewards is .165, actually -.15 that shows weak correlation with each other and measurement is weak. This correlation is given in table 2.

	Employee Performance	Employee Motivation	Employee Direct Rewards	Employee Indirect Rewards
Employee Performance	1	0.449**	0.165**	-0.150**
Employee Motivation	0.449**	1	0.108*	-0.037
Employee Direct Rewards	0.165**	0.108*	1	0.167**
Employee Indirect Rewards	-0.150**	-0.037	0.167**	1

Table 2:- Test of Inter-Item Correlation Matrix

In the following table 3, the independent variables are put as a set or a group called predictors to predict the dependent variable that is Employee Performance of workers in car dealers located in the Kingdom of Bahrain. The model summary table represents that the R Square and adjusted R

Square are 24% (.240) and 23.4% (.234), and these are acceptable results in explanatory research, for explaining the variance in the performance of employees working in car dealers in the Kingdom of Bahrain.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.490 <sup>a</sup>	0.240	0.234	0.39163
a. Predictors: (Constant), Employee Indirect Rewards, Employee Motivation, Employee Direct Rewards				

Table 3:- Model Summary

In the following table 4 is given ANOVA analysis if the R Square represented is significantly greater than zero. The last column in ANOVA is given the significance that illustrates if p value is less than 0.05 that means that the test is significant, the regression is significant, in other words R Square is significantly greater than zero. Since significance in our case is less than 0.05, that is 0.000, we know that the

value of R Square is significantly 24%, or 0.24 that means that our independent variables (predictors) are able to account for a significant amount of variance in employee performance in car dealers. In other words, overall the regression model it was statistically significant. The independent variables can predict the performance of employees in car dealers in the Kingdom of Bahrain.

Model <sup>a</sup>		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.466	3	6.155	40.132	0.000 <sup>b</sup>
	Residual	58.436	381	0.153		
	Total	76.902	384			
a. Dependent Variable: Employee Performance						
b. Predictors: (Constant), Employee Indirect Rewards , Employee Motivation, Employee Direct Rewards						

Table 4:- ANOVA

In the following table 5 is given ANOVA analysis if the R Square represented is significantly greater than zero. The last column in ANOVA is given the significance that illustrates if p value is less than 0.05 that means that the test is significant, the regression is significant, in other words R Square is significantly greater than zero. Since significance in our case is less than 0.05, that is 0.000, we know that the

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Table 5:- ANOVA

In coefficient analysis shown in table 6, the first column is the constant that is not important, but we are focused on p values that are given with the label “Sig.” for each independent variable, starting from Employee Motivation up to the Employee Indirect Rewards. All independent variables

are statistically significant for predicting the employee performance as a dependent variable, because they are less than 0.05. All independent variables explain a unique variance in employee performance in car dealers.

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.148	0.251		8.560	0.000
	Employee Motivation	0.379	0.040	0.428	9.506	0.000
	Employee Direct Rewards	0.167	0.052	0.145	3.190	0.002
	Employee Indirect Rewards	-0.108	0.031	-0.159	-3.504	0.001

a. Dependent Variable: Employee Performance

Table 6:- Coefficient test

➤ *Employee Motivation and Employee Performance*

The Standardized Beta for Employee Motivation is .428 that shows in fact a statistical significant correlation between Employee Motivation and Employee Performance. Additional to that, any increase in Employee motivation by one unit, the Employee Performance will increase by .379 that is given in Unstandardized Beta in table 6. The significance of Employee Motivation is .0 that means less than .05, shows that it is statistically significant for predicting Employee Performance.

➤ *Employee Direct Rewards and Employee Performance*

The Standardized Beta for Employee Direct Rewards is .145 that shows in fact also statistical significant correlation between Employee Direct Rewards and Employee Performance. Further to that, any increase in Employee Direct Rewards by one unit, the Employee Performance will increase by .167 that is given in Unstandardized Beta in table 6. The significance of Employee Direct Rewards is .002 that means less than .05, shows that it is statistically significant for predicting Employee Performance.

The first hypothesis provided in this study says that “There is significant relationship between the direct rewards and employee’s motivation for work”. Also for this case the p-value is below 0.05, therefore the first null hypothesis it is accepted, and it is concluded that there is significant relationship between the direct rewards and employee’s motivation for work.

The third Standardized Beta is for Employee Indirect Rewards that is negative .159 that shows in fact not statistical significant correlation between Employee Indirect Rewards and Employee Performance. It means that, any increase in Employee Indirect Rewards by one unit, the Employee Performance will decrease by .108 that is given in Unstandardized Beta in table 6. The significance of Employee Indirect Rewards is .001 that means less than .05, shows that it is statistically significant for predicting Employee Performance.

Additional to that, in the research is given the second null hypothesis that “There is significant relationship between the indirect rewards and employee’s motivation for work”. The data for p-value also shows that the p-value is below 0.05, therefore the second null hypothesis it is accepted. Further, in the study is given the third hypothesis that “There is significant impact of reward system on employee performance”. The data of p-value shows that the p-value is below 0.05, therefore the third null hypothesis it is accepted.

**VIII. FINDINGS, CONCLUSION AND RECOMMENDATION**

It was uncovered that up to this point, that in total Employees Rewards as a mean of both Indirect and Direct rewards, have significant influence in employees performance in car dealers in Kingdom of Bahrain from the regression analysis that are implemented in this study. current Employees Rewards, do play and an imperative job in motivating the employees to perform better in car dealers companies in the Kingdom of Bahrain. From the model summary analysis was discovered that R square was 0.24 that is 24%, shows that the independent variables can predict the performance of employees in car dealers in the Kingdom of Bahrain. All three hypotheses were accepted.

It is recommended for car dealers to consider and augment improvement in rewarding strategies for their workers to influence in improving the performance of the workers in their car dealers shops. The subject is open for further analysis by other researchers to apply different variables since it is a trend in the current business world. It is similarly suggested that the future researchers on similar theme to amplify different respondent characteristics from this study, such as more female respondents, different age, probably implementing the research in other GCC countries.

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