

DO MONETARY REWARD AND JOB SATISFACTION INFLUENCE EMPLOYEE PERFORMANCE? EVIDENCE FROM MALAYSIA

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ABSTRACT

This quantitative study investigated the direct effect of monetary motivation on employees' job performance and mediating effect of job satisfaction on the relationship between monetary motivation and employees' job performance at oil and gas offshore production facilities in Malaysia. Data were collected using self-administered survey questionnaire from convenience-sampled 341 employees of selected oil and gas companies in Malaysia. Data analyses were performed using the Statistical Product and Service Solution 21. The results of regression analysis and Sobel's calculation showed that, at the .05 level, there was a significant direct effect of monetary motivation on employees' job performance, and job satisfaction partially mediated the relationship between monetary motivation and employees' job performance. The results of this study could assist employers and human resource managers in the development and implementation of their remuneration policy and strategy.

Keywords: Job satisfaction, monetary motivation, job performance, mediating effect, Malaysia

1. Introduction

Oil and gas (O&G) industry has been a key contributor, and will continue to play an important role in fuelling Malaysian's economy. Malaysian economic dependence on O&G was aptly summarised by The Edge Singapore in its December 2014 issue, "*As the only net exporter of oil and gas in Asia, Malaysia appears most vulnerable say economists who have spoken to The Edge Singapore in recent days. "Whichever way you look at it, low oil prices are a huge bonanza for all of Asia, except Malaysia," said Jehangir Aziz, chief emerging-Asia economist for JP Morgan in Singapore*" (Shameen, 2014). The industry makes up around 75% of the energy sources for Malaysia, and in terms of national annual income it contributes approximately 20% of total export earnings (Siu & Adams, 2012 cited in Met & Ali, 2014a).

In view of its importance to Malaysia economy, production of O&G must be carried out safely, efficiently and reliably in order to sustain a steady stream of revenue for the nation. To this end, O&G companies must have motivated employees, especially those working at offshore production facilities. Employees working on offshore production facilities have direct impact on production of O&G. Motivated employees were linked to high level of job satisfaction (Zaidi & Abbas, 2011) while Sharma and Bajpai (2011) noted that motivated employees were associated to high performance. Furthermore, motivated employees are also more likely to stay in the company (Dhiman & Mohanty, 2010) hence, attrition of skilled employees could be eradicated and associated recruitment cost could be reduced. On the contrary, unmotivated employees may lead to underperformance that in turn may result in other undesirable effect such as task and activity back-logs, increase in risk associated with the operation and maintenance of ageing facilities (Met & Ali, 2014b).

Unfortunately, motivation of employees working at offshore production facilities has been reportedly low and a concern for several years and also monetary reward has been quoted as one of the factors that influenced employees' motivation (Met & Ali, 2014b). In order to address motivational issue, O&G employers in Malaysia have resorted to monetary reward on the premise that money is a motivator of performance (Lawler, 1990) and more specifically, Podolinsky (2013) noted that Asians were motivated by money more than other nationalities.

However, extant literature suggests that the relationship amongst the variables job satisfaction, monetary reward and job performance is mixed for example: Khan, Ahmad, Aleem, & Hamed (2011) reported a significant positive correlation among the three variables; Mustapha (2013) found a significant and positive correlation between pay and job satisfaction while Judge, Thoresen, Bono and Patton (2001) found a weak correlation between job satisfaction and performance.

In stark contrast, Fehr and Falk (2002) recorded a negative correlation between monetary incentive and performance, while Ibrahim, Al Sejini and Al Qassimi (2004) and Pinto (2011) reported no correlation among the three variables. These mixed outcomes was aptly summarised by Springer (2011), who stated that despite numerous studies on the correlation of motivation, job satisfaction and job performance, their relational strength and direction remains unclear.

Previous studies on the relationship among the three variables had been conducted predominantly in western societies and non-O&G industries. Furthermore, to the best of one's knowledge, existing literature offers no empirical evidences on the direct effect of monetary motivation on employees' job performance and mediating effect of job satisfaction on the relationship between monetary motivation and employees' job performance at O&G offshore production facilities in Malaysia.

Thus, the purpose of this study is to address this gap in existing literature. More specifically, this study aims to answer the two research questions namely:

1. Is there a significant direct effect of monetary motivation on employees' job performance at O&G offshore production facilities in Malaysia?
2. Is there a significant mediating effect of job satisfaction on the relationship between monetary motivation and employees' job performance at O&G offshore production facilities in Malaysia?

The results of this study could help employers and human resource managers, especially for O&G companies in Malaysia, in the development and implementation of their remuneration policy and strategy.

The remaining part of this article will cover literature review, research method, findings and discussion, implications of the study outcomes, limitations of study, and conclusion.

2. Literature Review

2.1 The importance of money and its motivational power

Tang (2007) reported that money is an instrument of commerce and Baumeister (2008), professor of psychology at Florida State University, states that money is a resource that contains a remarkable power to influence the social system. Therefore, money is important to human society (Choe, Lau, & Tan, 2011) and its importance has significantly increased in the US and around the world (Milkovich & Newman, 2008). For example, in 2006, 69% of freshmen in the US reported that they went to college because they wanted to make more money – an increase of 19.1% compare to the survey conducted in 1976 (Higher Education Research Institute University of California Los Angeles, 2008).

Met and Ali (2014b) noted that most researchers agree that people places different meaning on money, that is, the utility of money varies according to individual's perception and attitude toward money. For instance, Furnham (1994) stated that young workers in Far East and Middle East, who were more driven to raise their living standard, placed higher value on money than did their counterparts in North and South Americas.

While the value of money varies across the societies, its importance is not controversial. It is generally undisputed that money could be used to gratify one's physiological and psychological needs. Because of its utility and importance, employers and human resource managers have relied on the motivational power of money to attract, motivate and retain employees (Met & Ali, 2014b).

Motivational power of money or monetary motivation is a measure of individual's drive to achieve something in exchange of money (Met & Ali, 2014a). Individual's motivation (or drive to attain goals) affects one's behaviour and performance (Malik, 2010 cited in Met & Ali, 2014b).

While some scholars (e.g., Lawler, 1990) advocate that money is a motivator for job satisfaction and performance, others (e.g., Kramer & Amabile, 2011; Pink, 2009) are of the view that money is not a good motivator especially when one perceives that the amount of monetary reward is not sufficiently large (i.e., if less than 25% of employee's pay) to excite oneself (Pouliakas, 2008).

2.2 Job performance and its relationship with monetary motivation

Job performance bears several definitions. Campbell, McCloy, Oppler, and Sager (1993) state that job performance is a multidimensional concept that encompasses both task-related (e.g., job specific proficiency) and contextual performance factors (e.g., maintaining personal discipline), which include social skills of individuals (e.g., written and oral communication). Lawler and Worley (2006, p.237) suggest that individual job performance is the product of one's motivation and ability. Zaidi and Abbas (2011, p. 984) extended the definition by stating that employee performance is a function of three variables: Ability, work environment, and motivation.

Extrinsic reward (e.g., money) was initially thought as the prime factor of employees' motivation. However, the Hawthorne studies conducted at the Hawthorne plant of Western Electric by Elton Mayo and his Harvard co-workers from 1924 to 1932 altered the way of thinking about employees' motivation. According to these studies, employees require much more than just money if they were to be motivated. The Hawthorne studies, which ushered in the new era of human relations, facilitated the understanding of factors that helped in motivating employees (Malik, 2010 cited in Met & Ali, 2014b).

Several researchers (Gbadamosi & Joubert, 2005; Springer, 2011; Zaidi & Abbas, 2011) have reported that monetary motivation correlated with job performance. For example, Gbadamosi and Joubert (2005) found that money ethic is significantly and positively related to job performance of employees in the public sector in Swaziland ($r = .36, p < .01$). Zaidi and Abbas (2011) reported that monetary rewards ($r = .80, p < .01$) have higher correlation with motivation than non-monetary ($r = .77, p < .01$). According to Zaidi and Abbas, motivated employees in turn perform well in their job. Springer (2011) supports the view that monetary reward and performance are positively correlated. He argues that pay-incentives appear to increase productivity of employees regardless of what job they do.

In stark contrast, Adeogun (2008) reported that money as a motivator decreases job performance of employees at multicultural for-profit institutions of higher learning in the US. Several other researchers (e.g., Akuoko & Donkor, 2012) also reported that money is not a prime motivator of performance.

Based on preceding discussion, it was hypothesised that there is a significant direct effect of monetary motivation on employees' job performance at O&G offshore production facilities in Malaysia. Thus, the hypothesis for the first research question, restated herewith for easy reference, is:

Question 1. Is there a significant direct effect of monetary motivation on employees' job performance at O&G offshore production facilities in Malaysia?

H1: There is a significant direct effect of monetary motivation on employees' job performance at oil and gas offshore production facilities in Malaysia.

2.3 Job satisfaction and its relationship with monetary motivation

Job satisfaction is a multi-facet construct thus, it has multiple definitions. The definition that is widely referenced is the one conjectured by Locke and Latham (1976) that describes job satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one's job experience.

With regards to the relationship between monetary motivation and job satisfaction, Santhapparaj and Alam (2005) reported that monetary reward was one of the most important explanatory variables for job satisfaction. Tang, Luna-Arocas, and Sutarso (2005) argued that individual's satisfaction with pay depends on his love for money and how he compares with referent others. The argument goes to suggest that one's strong love of money may create a strong desire for money that will lead to high pay dissatisfaction, which in turn contributes to low job satisfaction because job satisfaction consists of satisfaction with a number of factors that include pay. This appears to receive support from Tan and Waheed (2011), who found that the love of money moderates job satisfaction of employees in the Malaysian retail sector. Elsewhere, Adeogun (2008) noted that employees at multicultural for-profit institutions of higher learning in the US recorded higher job satisfaction as monetary reward increased. And Wietzel (2009) reported in his doctoral study that, at the .05 level of significance, there was compelling evidence to support the correlation between pay and job satisfaction ($r = .37, p < .05$) among workers in government service in the US.

In contrast, Pinto (2011) found that wages did not significantly influence motivation and satisfaction of employees of eight companies of diverse economic segments in Brazil.

2.4 Job satisfaction and job performance

Job satisfaction plays a vital role for organisational performance (Bashir, Liao, Zhao, Ghazanfar, & Khan, 2011), and organisation's success (Tan & Waheed, 2011). According to Judge et al (2001), the relationship between job satisfaction and job performance is one of the most researched areas in the field of industrial organisational psychology and managerial studies.

There are studies that support positive correlation between job satisfaction and job performance. For example, Gbadamosi and Joubert (2005) reported that job satisfaction of employees in the public sector in Swaziland was positively and significantly related to job performance ($r = .24, p < .05$). Similarly, Springer (2011) also reported a significant correlation between job satisfaction and job performance ($r = .29, p < .05$) among bank employees in the US. Biswas and Varma (2012) found that job satisfaction was positively correlated with employee performance ($r = .67, p < .01$) in Indian organisations. Biswas and Varma posited that an employee who is satisfied with his job will definitely not wish to run down his status quo instead, would strive to maintain the level of high job satisfaction by displaying continuous improvement in his overall job performance.

However, Wietzel (2009) found that there was no significant correlation between job satisfaction and job performance ($r = .23, p > .05$) among government employees in the US.

Zeffane, Ibrahim and Al Mehairi (2008) commented that although several researchers have attempted to address the relationship between job satisfaction and job performance, their study outcomes offer no agreement on the strength of the relationship or its direction.

2.5 Mediating effect of job satisfaction on monetary motivation-job performance relationship

Preceding literature review suggests that there are significant correlations among the three variables: Monetary motivation, job satisfaction and job performance. On the basis of deductive reasoning, it is sensible to hypothesise that there is a significant mediating effect of job satisfaction on the relationship between monetary motivation and employees' job performance at O&G offshore production facilities in Malaysia. Thus, the hypothesis for the second research question, which is restated below for easy reference, is:

Question 2. Is there a significant mediating effect of job satisfaction on the relationship between monetary motivation and employees' job performance at O&G offshore production facilities in Malaysia?

H2: There is a significant mediating effect of job satisfaction on the relationship between monetary motivation and employees' job performance at O&G offshore production facilities in Malaysia.

2.6 Theoretical framework of the study

The theoretical framework (Figure 1) of the study is constructed based on outcomes of literature review and the guiding theories of the study. Specifically, there are four theories that guide this study.

The first one is the theory advocated by Lawler (1990) that states monetary reward is effective for motivating employees to achieve high performance.

The second theory is based on the two job satisfaction-job performance models developed by Judge et al. (2001) – one model suggests that job satisfaction that results from extrinsic means such as money leads to performance improvement, while the other model states that positive attitudes (e.g., due to job satisfaction) toward one's job can contribute to a high degree of job performance.

The third theory is Vroom's (1995) expectancy theory that suggests that employee is motivated if he views his effort will lead to performance, and that performance will be duly rewarded in such a manner that the reward meets or exceeds his expectation. Further, Vroom advocated that money serves as an instrument

for achieving other outcomes. This theory suggests that one could use money to gratify one's physiological and psychological needs, if it is available at one's disposal.

The fourth theory is Maslow's (1987) hierarchy of needs. This theory suggests that individual is motivated to satisfy his needs from the most basic needs (physiological needs e.g., need for food and shelter) before moving up the rung, eventually to psychological needs e.g., self-actualisation need (the highest hierarchy of needs).

Monetary motivation is the independent variable and job performance is the dependent variable while job satisfaction is the mediating variable. Mediating variable is a variable that alters (or intervenes) the direct effect of an independent variable on a dependent variable or in other words, a variable through which an independent variable is able to influence a dependent variable (Baron & Kenny, 1986).

Monetary motivation is measured using the Money Ethic Scale (developed by Professor Tang, 1992) that measures one's perception about money i.e., money is perceived as having good values, one needs to budget money, money is perceived as associated to evil. Job performance is assessed using the Job Involvement Scale (developed by Lodahl & Kejnar, 1965) that evaluates how involved one is to his/her job and how motivated one is to perform his/her job. Job satisfaction is measured using the Minnesota Satisfaction Questionnaire (developed by Weiss, Dawis, England, and Lofquist, 1967) that assesses one's intrinsic, extrinsic and general satisfaction levels.

The relationships among the variables are shown in Figure 1 and stated in the two hypotheses that this study seeks to test.

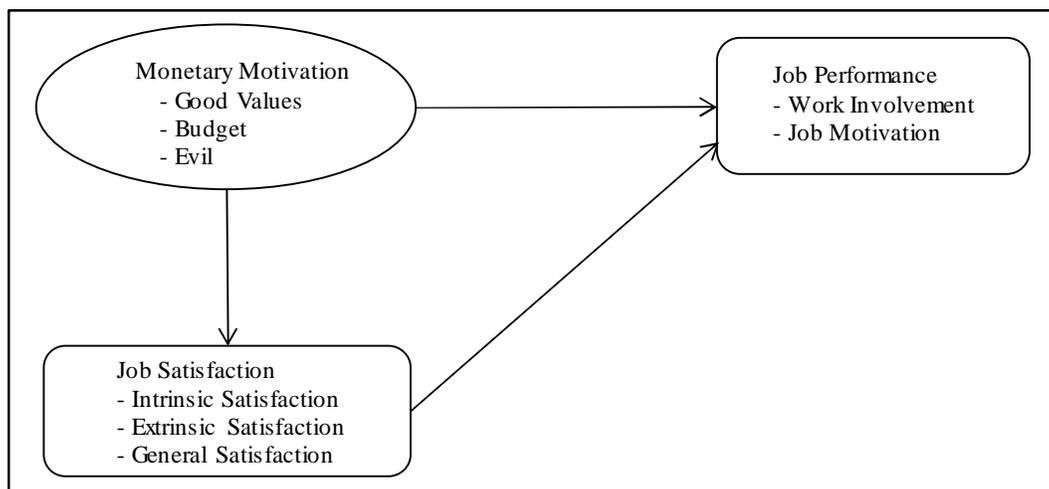


Figure 1. Theoretical framework of the study

2.7 Testing mediating effect of job satisfaction

Mediating effect is tested based on the method suggested by Chinna (2013). The test involves two steps: 1) Simultaneously regress dependent variable (job performance) onto independent variable (monetary motivation) and mediator (job satisfaction); 2) regress mediator (job satisfaction) onto independent variable (monetary motivation). According to Chinna, if indirect effect (IE) of mediating factor is less than 0.08 then the factor is a non-mediator, when $IE > 0.08$ and direct effect (DE) is significant then the factor is a partial mediator, and if $IE > 0.08$ and DE is not significant then the factor is a total mediator.

3. Research Method

3.1 Study design

This study used quantitative survey research method to investigate the direct effect of monetary motivation on employees' job performance and mediating effect of job satisfaction on the relationship between monetary motivation and employees' job performance at O&G offshore production facilities in Malaysia. Online questionnaire was administered via Survey Monkey website.

3.2 Target population, subjects, and sampling

The target population and subjects were employees working at O&G offshore production facilities in four selected O&G companies in Malaysia – three international oil companies and one national oil company. The target population and subjects were selected because they have direct involvement in the operation and maintenance of O&G offshore production facilities. Using convenience sampling method, email addresses of the subjects were obtained from company's HR system and through convenient contacts of the researchers. Survey invitation was sent via email to all the subjects.

Data were collected using 46-item survey questionnaire, distributed to around 800 respondents via electronic means (email with web-link access to online survey monkey) in two phases – pilot phase from 25th June 2013 to 17th August 2013, and main survey phase from 6th December 2013 to 31st January 2014. Discounted one extreme outlier from 342 useable questionnaires that were gathered, a total of 341 questionnaires were used for analysis.

3.3 Instruments, their reliability and validity

A 7-point Likert scale was employed with the objective to encourage respondents to use full width of opinion and avoid errors of central tendency (Ssesenga & Garrett, 2005). Descriptions of 7-point Likert scale were adopted from Vagias' (2006) Likert-type scale response anchors. Reliability was measured using Cronbach's coefficient alpha. According to Adeogun (2008), Cronbach's coefficient alpha of .70 or higher is considered reliable.

Monetary motivation. Monetary motivation was measured using the short-form 12-item Money Ethic Scale (MES), which was grouped into three groups namely good values (i.e., achievement, respect, good, and freedom), budget, and evil. Each question is measured on a 7-point Likert scale with "1" denotes strongly disagree, and "7" denote strongly agree. The MES was developed by Professor Tang (1992) in order to measure money attitudes of individuals in organisation and work settings. Reliability and validity of the short form MES have been proven by many scholars (Gbadamosi and Joubert, 2005; Adeogun, 2008). In this study, the MES registered a Cronbach's coefficient alpha of .82, which corresponded to good reliability.

Job performance. Job performance was measured using the short-form 9-item Job Involvement Scale (JIS), developed by Lodahl and Kejnar (1965). According to Lodahl and Kejnar, the purpose of the JIS is to measure an individual's work involvement and job motivation. Work involvement is the extent to which the individual personally identifies with his job, while job motivation concerns the extent that the individual wants to perform well in the job. Each question was measured on a 7-point Likert scale with "1" denotes strongly disagree, and "7" denote strongly agree. Many scholars (Adeogun, 2008; Omolayo and Ajila, 2012) have used the short form of the JIS to measure job performance. The Cronbach's coefficient alpha of the JIS in this study was .80, which indicated good reliability.

Job satisfaction. Job Satisfaction was measured using the short-form 20-item Minnesota Satisfaction Questionnaire (MSQ), developed by Weiss et al (1967). The MSQ measures three categories of job satisfaction namely intrinsic, extrinsic and general satisfactions. The purpose of the MSQ was to give respondents a chance to express their opinion about their job. Each question is measured on a 7-point Likert

scale with “1” denotes completely dissatisfied, “2” denotes mostly dissatisfied, “3” denotes somewhat dissatisfied, “4” denotes neither satisfied nor dissatisfied, “5” denotes somewhat satisfied, “6” denotes mostly satisfied, and “7” denotes completely satisfied. The 20-item MSQ is a well-established tool that has been used to measure job satisfaction by many scholars (Adeogun, 2008; Campbell, 2007; Omolayo & Ajila, 2012). In this study, the MSQ registered a Cronbach’s coefficient alpha .90, which corresponded to good reliability.

3.4 Data analysis methods

For this study, data were analysed using the Statistical Product and Service Solution 21. Descriptive and inferential analyses were conducted.

Descriptive statistical analysis. This technique was used for organising, summarising, and presenting data in an informative manner (Lind, Marchal, & Wathen, 2010, p. 6). In short, descriptive statistics provide the “look and feel” for the data.

Prior to performing regression analysis, the data were tested and confirmed to have met the four assumptions: 1) The relationship is linear; 2) the errors are normally distributed; 3) the errors are independent of each other; and 4) the error variances are homogeneous. It is important to satisfy the assumptions in order to ensure that the analysis utilises all of the information available from the patterns in the data. The linear relationship was confirmed using the scatter plot diagram, the normal distribution of errors was confirmed using the normal probability p-p plot, the errors were confirmed to be independent of each other as the Dublin-Watson (DW) values ($DW = 1.90$) fell within the acceptable range of 1.50 to 2.50 (Alam, Ahmed Saeed, Sahabuddin, & Akter, 2013), and homogeneity of variances was confirmed by the results of the Levene’s test ($p > .05$).

Inferential statistical analysis. According to Baron and Kenny (1986), there must be a significant relationship between the independent variable (predictor) and the dependent variable before testing for a mediating effect. Thus, Pearson’s correlation analysis was performed to understand the correlation among the variables. Subsequently, linear regression analysis was used to test: 1) The direct effect of monetary motivation on employees’ job performance; 2) the mediating effect of job satisfaction on the relationship between monetary motivation and employees’ job performance.

4. Findings and Discussion

4.1 Respondents’ demographics

The 341 respondents were made up of 90.9% males and 9.1% females; 9% managers, 31.4% supervisors, and 59.2% technicians. In term of age demography, about 60% were 40 years or younger primarily employees who were recruited in the last decade (as reflected by 58.9% employees with tenure of 10 years or less) as part of solutions to address resourcing issue associated with attrition. Respondents’ profiles (Table 1) reflected the demographics of employees at O&G offshore production facilities in Malaysia where the workforce was dominated by males and frontline operational employees (supervisors and technicians), and about half of the population were made up by employees with 10 years or less in their current organisation.

4.2 Results and discussion

This study sought to answer the two research questions by testing two hypotheses – one hypothesis for each question. Thus, the findings were presented as answers to the research questions. In terms of presentation, the research question is restated, followed by the hypothesis and the test outcomes.

Before performing linear regression analysis, correlations among the variables were determined using Pearson’s correlation method. It is important to have significant correlations among the variables (monetary

motivation-job performance, monetary motivation-job satisfaction, and job satisfaction-job performance) otherwise one could not proceed to test the mediating effect of job satisfaction on the relationship between monetary motivation and employees' job performance. The outcomes of Pearson's correlation analysis are presented in Table 2. According to Cohen (1988), correlations coefficients of .10, .30, and .50 are weak, moderate, and strong respectively. Based on the Pearson's correlation coefficients in Table 2, one concluded that the correlations among the variables were significantly moderate, at the .01 level of significance.

Table 1. *Frequencies*

Demographic Factors	Frequency	Percent	Cumulative Percent
Age: 30 years and below	123	36.1	36.1
Age: 31-40 years	72	21.1	57.2
Age: 41-50 years	63	18.5	75.7
Age: 51 years and above	83	24.3	100.0
Age: Total	341	100.0	
Gender: Male	310	90.9	90.9
Gender: Female	31	9.1	100.0
Gender: Total	341	100.0	
Education: Secondary school certificate & below	76	22.3	22.3
Education: High school certificate or diploma	206	60.4	82.7
Education: Bachelor degree or higher	59	17.3	100.0
Education: Total	341	100.0	
Tenure: 10 years or less	201	58.9	58.9
Tenure: 11-20 years	29	8.5	67.4
Tenure: 21-30 years	43	12.6	80.1
Tenure: 31 years or more	68	19.9	100.0
Tenure: Total	341	100.0	
Job Level: Manager	32	9.4	9.4
Job Level: Supervisor	107	31.4	40.8
Job Level: Technician	202	59.2	100.0
Job Level: Total	341	100.0	

A positive and significant correlation between monetary motivation and job performance ($r = .33$, $p < .01$), albeit moderate one, was not a surprise as similar outcomes were also reported by Gbadamosi & Joubert (2005), Springer (2011) and Zaidi and Abbas (2011). Employees may have been motivated by monetary reward to perform their job (Lawler, 1990) probably because the monetary rewards that they received have met their expectation (Vroom, 1995).

The positive correlation between monetary motivation and job satisfaction ($r = .35$, $p < .01$) found in this study is concomitant with the findings of Adeogun (2008), Santhapparaj and Alam (2005), Tan and Waheed (2011), Tang et al (2005), and Wietzel (2009). One could argue that the subjects' love for money may have induced monetary motivation because they perceived that money could be exchanged for other goods and services (Vroom, 1995) that in turn satisfy their various needs (Maslow, 1987). Thus, quite naturally, monetary reward influenced their job satisfaction.

The positive correlation between job satisfaction and job performance ($r = .43, p < .01$) of this study is consistent with the reports by Judge et al (2001), Gbadamosi and Joubert (2005), Springer (2011), and Biswas and Varma (2012). The study outcomes suggest that employees who are satisfied with their job are more likely to improve their job performance. These outcomes validated the theory by Judge et al, who advocated that job satisfaction that resulted from extrinsic means such as monetary reward leads to one's performance enhancement.

Table 2. *Correlation between monetary motivation, job satisfaction and job performance*

	Monetary motivation	Job performance	Job satisfaction
Monetary motivation	–		
Job performance	.33*	–	
Job satisfaction	.35*	.43*	–
Mean	5.04	4.98	5.14
Standard deviation	.86	.75	.65
N	341	341	341

* Correlation is significant at the .01 level (2-tailed)

Question 1. Is there a significant direct effect of monetary motivation on employees' job performance at O&G offshore production facilities in Malaysia?

H1: There is a significant direct effect of monetary motivation on employees' job performance at O&G offshore production facilities in Malaysia.

Test outcome: The outcomes of regression analysis (Table 3) suggested that monetary motivation has a significant direct effect (DE) on employees' job performance ($t = 4.08, \beta = .21, p < .001$). Thus, the study outcomes support the hypothesis that predicts a significant direct effect of monetary motivation on employees' job performance at O&G offshore production facilities in Malaysia.

The study outcomes suggest that employees at O&G offshore production facilities in Malaysia were motivated by their monetary reward for a number of probable reasons: 1) The reward may have met or exceeded their expectation (Vroom, 1995); 2) their love for money has positively influenced their motivation to improve job performance (Tan & Waheed, 2011; Tang et al., 2005); 3) their love for money was driven by their belief that money could be utilised to exchange for other goods and services (Vroom, 1995) to meet their physiological and psychological needs (Maslow, 1987).

Outcomes of this study receive support from Lawler (1990), who advocates that monetary reward serves as good motivator to improve one's job performance. In addition, the study outcomes are also consistent with Springer's (2011) report that conjectures a positive and significant influence of monetary reward on performance of bank employees in the US.

Table 3. *Coefficients – Job Performance Regressed onto Monetary Motivation and Job Satisfaction*

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		β	Std. Error	β		
1	(Constant)	2.42	.29		8.23	.00
	Job satisfaction	.50	.06	.43	8.79	.00
2	(Constant)	1.93	.31		6.21	.00
	Job satisfaction	.41	.06	.36	7.00	.00
	Monetary motivation	.18	.05	.21	4.08	.00

Dependent Variable: Job performance

Question 2. Is there a significant mediating effect of job satisfaction on the relationship between monetary motivation and employees' job performance at O&G offshore production facilities in Malaysia?

H2: There is a significant mediating effect of job satisfaction on the relationship between monetary motivation and employees' job performance at O&G offshore production facilities in Malaysia.

Test outcome: The mediating effect was determined based on the value of the indirect effect (IE). The indirect effect (IE) was calculated by multiplying the regression coefficient of job performance onto job satisfaction ($\beta = .36$, see Table 3) and the regression coefficient of job satisfaction onto monetary motivation ($\beta = .35$, see Table 4). Hence, $IE = .36 \times .35 = .13$. Total effect (TE) is the summation of DE and IE, that is, $TE = DE + IE = .21 + .13 = .34$. The test outcomes revealed that IE was significant at the .001 level ($IE > .08$) and DE was also significant at the .001 level.

Table 4. *Coefficient – Job Satisfaction Regressed onto Monetary Motivation*

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		β	Std. Error	β		
1	(Constant)	3.81	.20		19.36	.00
	Monetary motivation	.27	.04	.35	6.87	.00

Dependent Variable: Job satisfaction

Overall outcomes of the regression analysis are summarised in Figure 2. The significant direct effect of monetary motivation on employees' job performance is shown by $\beta_a = .21$, $p < .001$. The significant indirect effect of job satisfaction on the relationship between monetary motivation and employees' job performance is indicated by $\beta_d = .13$ (i.e., $\beta_b \times \beta_c$). Thus, total effect is the summation of direct and indirect effects, that is, $.34 (= .21 + .13)$.

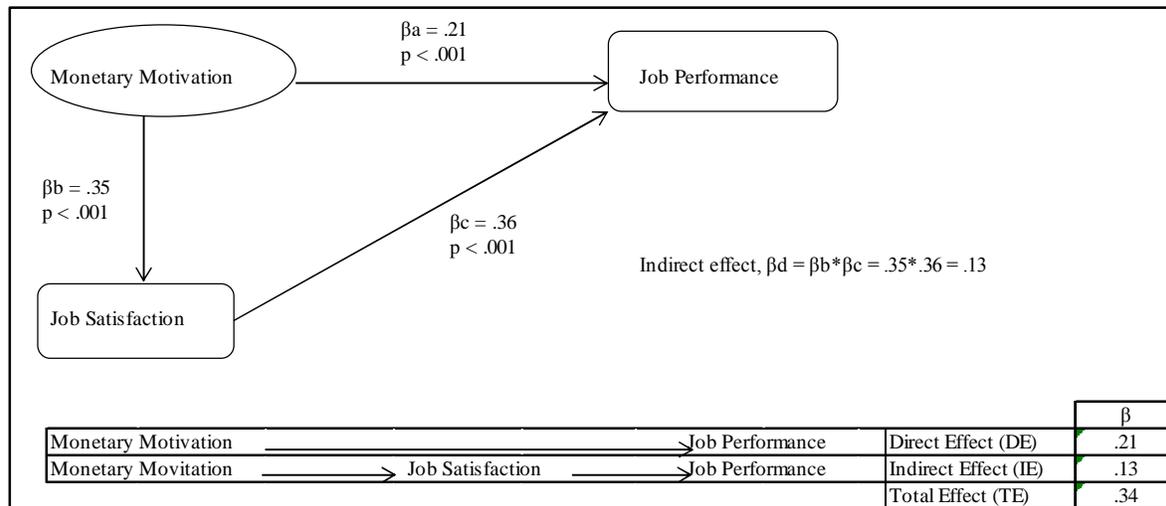


Figure 2. Summary of the outcomes of linear regression analysis

The mediating effect of job satisfaction on the relationship between monetary motivation and employees' job performance was further examined using Sobel's method – a method that provides a more accurate computation of the mediating effect (Chinna, 2013). Figure 3 shows summary of the analysis using Sobel's method. Unstandardised coefficients and standard errors (denoted by S_a , S_b , and S_c) were used to perform Sobel's calculations. DE was significant ($DE = .18$, $p < .001$). $IE = \beta b * \beta c = .27 * .41 = .11$. Variance in $IE = (\beta b * S_b)^2 + (\beta c * S_c)^2 = (.27 * .04)^2 + (.41 * .06)^2 = .0007$. Thus, standard error (SE) in $IE = \sqrt{.0007} = .03$. $Z = \frac{IE}{SE} = \frac{.11}{.03} = 3.67$. From the statistical table, one observed that the probability of finding a z-value of 3.67 or more is .001 (found by .500 - .499), that is, $p = .001$, which suggested that IE was significant since $p < .05$. Outcomes of Sobel's calculations lent support to the outcomes of the regression analysis that suggested job satisfaction partially mediated the relationship between monetary motivation and employees' job performance.

Based on the outcomes of regression analysis and Sobel's calculation, it was concluded that job satisfaction partially mediated the relationship between monetary motivation and employees' job performance at O&G offshore production facilities in Malaysia. The results of this study support the hypothesis that proposes a significant mediating effect of job satisfaction on the relationship between monetary motivation and employees' job performance at O&G offshore production facilities in Malaysia.

Partial as it may, the significant mediating effect further explains the positive correlations among the three variables – monetary motivation, employees' job satisfaction and job performance. The outcomes of this study suggest that employees, who are satisfied with their job as a result of monetary reward, are more likely to perform better in their job compare to others who are less satisfied with their job (Lawler, 1990). This phenomenon could be explained from two possible perspectives: 1) The employees may have assigned high value to money because they recognised the importance of money (Choe, et al., 2011) as an instrument to achieve other means (Vroom, 1995) for instance, to obtain other intangible values such as social recognition (Glen, 2005). Thus, the monetary reward that they received for doing their job has been a source of their satisfaction, which in turn has primed them up to further improve their job performance (Judge et al, 2001); 2) the employees, who were rewarded higher compare to referent others may have perceived that their organisation has placed higher value on them (Robbins, 2001), a perception that makes one to be "over the moon." This feeling of "over the moon" or overjoy could induce positive energy that raises one's motivational level to enhance one's job performance.

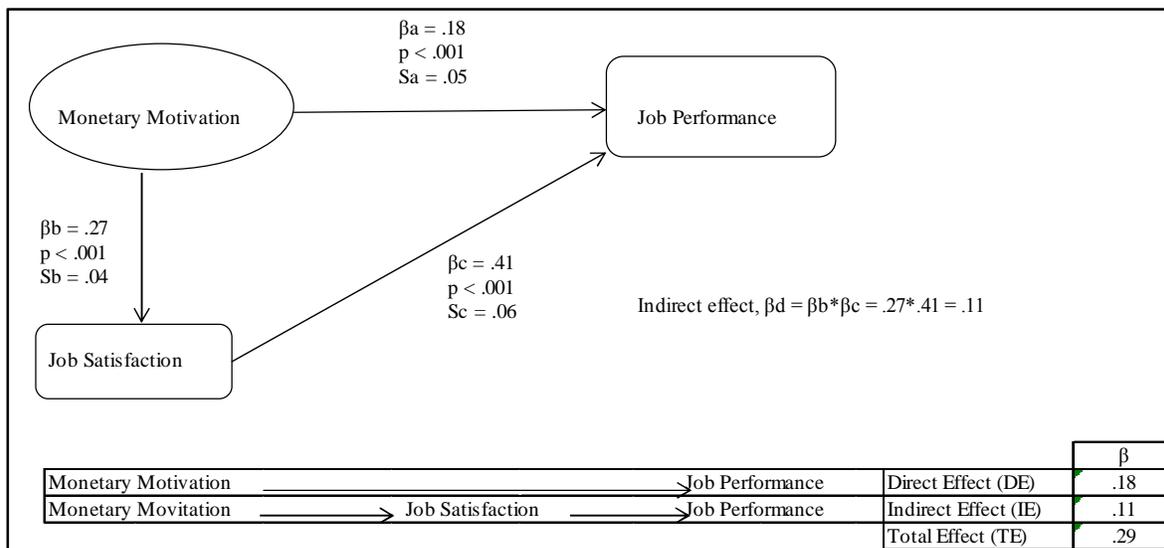


Figure 3. Summary of the analysis using Sobel's method

5. Implications of the study outcomes

The study outcomes have both theoretical and practical implications.

5.1 Theoretical implication

The outcomes of this study will certainly serve as new addition into the reservoir of knowledge especially in human resource management and managerial studies in two specific areas namely: direct effect of monetary reward on employees' job performance, and mediating effect of job satisfaction on the relationship between monetary motivation and employees' job performance at O&G offshore production facilities in Malaysia. The outcomes also validate outcomes of previous studies that were predominantly conducted in western society settings.

5.2 Practical implication

Employers and Human Resource managers (HRMs) of O&G companies in Malaysia could use the outcomes of this study as guidance when formulating their remuneration policy and strategy. For instance, they need to ensure that monetary rewards are sufficiently differentiated among employees and are closely linked to employee's job performance, that is, high performers receive significantly higher monetary reward than low performer otherwise the motivational power of money would be undermined. They also need to ensure that organisational remuneration policy and strategy are communicated in a transparent and succinct manner so that it is understood by employees at large. Clear understanding of policy and strategy would facilitate employees to set a realistic expectation on monetary reward for their job performance. By so doing, employers and HRMs would have better chance of increasing job satisfaction among employees when monetary rewards are administered appropriately thereby motivating employees to improve job performance.

Employers and HRMs should capitalise on employees' perception that monetary reward is associated with the value (i.e., human capital value of individual) that their organisation assigned to them – for instance, monetary reward could be used as retention tool for retaining employees, who are considered top talent.

In short, employers and HRMs of O&G companies could use the outcomes of the study to facilitate decision on how best to administer monetary rewards in order to retain, motivate, and get the most out of their valued employees.

6. Limitations of study

The survey questionnaires were self-administered therefore, subjected to the understanding, bias and prejudices of the respondents. Hence, one could not assure the highest degree of accuracy albeit best endeavour. Generalisation of the findings was restricted by the convenience sampling method, which limits the application of the study outcomes to O&G offshore production facilities in Malaysia.

7. Conclusion

The results of this study showed that monetary motivation has a significant direct effect on employees' job performance at O&G offshore production facilities in Malaysia. Job satisfaction was found to have partial mediating effect on the relationship between monetary motivation and employees' job performance.

The outcomes of this study have met the researchers' expectations in two specific aspects: 1) The outcomes add new insights into the reservoir of knowledge specifically in O&G industry in Malaysia; 2) Employers and HRMs of O&G companies in Malaysia could use the outcomes of the study to facilitate decision on how best to administer monetary rewards in order to retain, motivate, and get the most out of their valued employees.

It is recommended that future study to consider triangulation research method and probable sampling technique on broader O&G population in Malaysia. Triangulation method could unravel more underlying factors that affect employees' job satisfaction and performance while probable sampling will render the study outcomes to be generalizable.

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