

STUDENTS PERCEPTION OF THE IMPORTANCE OF REWARDS IN PROFESSIONAL MOTIVATION

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Abstract

This study delves into understanding how students perceive the role of rewards in motivating their career choices. It employs a comprehensive approach, examining both financial and non-financial incentives, by conducting a survey using specifically designed student questionnaires. The analysis of the collected data is carried out using an advanced multiple econometric model. This method allows for a nuanced exploration of the relationship between various types of rewards and the career motivation of students. The findings of this research are significant, as they shed light on the intricate array of motivational factors that influence young individuals' career decisions. This research offers valuable insights for both employers and educators, aiding them in better understanding and supporting the career development of young people.

Keywords: Financial rewards; Human resources; Motivation; Non-financial rewards; Survey.

JEL Classification: M41

I. INTRODUCTION

At the heart of all businesses is a universally accepted truth, human resources are the central pillar of success and innovation. This is not just an assertion, but a reality recognised globally by many researchers and practitioners (Felix et al., 2023). Thus, human resources not only generate tangible value, but also fuel the engine of technological progress, delivering new products, services and strategies. Therefore, we can consider that human resources transform enterprises, creating goods and services through a symbiosis between people and organisations (Awadhi et al., 2023; Yasin et al., 2023).

So the efficiency and effectiveness of every economic entity is intrinsically linked to the behaviour and decisions of human resources. In a diverse economic environment, businesses that are similarly endowed financially and informationally can perform dramatically differently, underlining the importance of human capital. In this context, employee motivation emerges as a cornerstone of modern management and an area of interest in the literature. Moreover, motivation influences not only individual performance but also the functionality of the entire management system. Management decisions, methods, techniques and procedures are all shaped by the level of staff motivation (Hoang et al., 2023).

Given this context and the crucial role of motivation in companies, this paper aims to explore and analyse the impact of financial and non-financial rewards on the motivation of future employees. In doing so, we set the following objectives: O1: Conceptual and theoretical exploration of human resource management by reviewing existing literature on rewards and their impact on performance; O2: Application of a questionnaire to understand how employee motivation is influenced by different types of rewards and intrinsic motivation.

The results of this research will not only illuminate students' perspectives on rewards and motivation, but will also provide valuable insights for practitioners and theorists in the field, thus contributing to the continued evolution and refinement of human resource management.

II. LITERATURE REVIEW

Conducting a literature review helps us to understand the research better, thus forming a clearer picture for the chosen topic. The management system has intrinsic and extrinsic rewards, which are in fact non-financial and financial rewards. Motivation has the ability to increase performance because human behaviour tends to achieve a certain goal. The study by Manzoor et al. (2021) found that intrinsic motivation has the greatest influence on individual performance. Many employees respond positively when monetary reward intervenes, but after the bonus is consumed,

performance decreases. Maintaining motivation therefore requires a combination of tangible rewards and rewards related to appreciation and praise, which are the ones that bring longer-term benefits.

The strength or weakness of employee motivation will determine employee performance. [Sitopu et al. \(2021\)](#) are of the opinion that good performance is ensured through discipline in addition to adequate motivation. Employee awareness and desire are seen as a key to success with the help of which the entity achieves its goals at a high level ([Bougoulia et al., 2023](#)). We conducted a meta-analysis of the literature on the role of rewards in boosting performance.

Table 1. Meta-analysis on the Role of Rewards

Author (an)	Title	Purpose of the work	Results	Impact
Kumari K. et al. (2021)	Examining the Role of Motivation and Reward in Employees' Job Performance through Mediating Effect of Job Satisfaction: An Empirical Evidence	The main aim is to investigate how motivation and rewards influence employee performance at work. The mediating effect of job satisfaction was also investigated between motivation, rewards and job performance using a five-point Likert scale on a sample of 422 empirical responses.	The results indicated that rewards and motivation positively affect employees' job performance. However, dimensional analysis indicated an insignificant impact of intrinsic and extrinsic motivation on contextual performance. In addition, the findings support that the relationship between rewards, motivation and employee job performance depends on job satisfaction.	The current research provides valuable information to senior management of manufacturing and service firms on how they can enhance employee job satisfaction and performance by following different motivational and reward approaches in firms of different sizes. The findings argue that the relationship between rewards, motivation and employee job performance depends on job satisfaction.
Gu, Q., Hu, D. and Hempel, P. (2021)	Team reward interdependence and team performance: roles of shared leadership and psychological ownership	Building on the Motivated Information Processing in Groups (MIP-G) model, the purpose of this paper is to explore the relationship between team reward interdependence and team performance, treating shared leadership as a mediator and average psychological ownership per team position as a moderator	The interdependence of team rewards was positively related to team performance through shared leadership. The average psychological property of a moderated team job moderated both the relationship between team reward interdependence and joint leadership and the indirect relationship between team reward interdependence and team performance.	This study sheds light on the antecedents of shared leadership from the perspective of motivated information processing and examines antecedent boundary conditions through their role as moderators of the psychological property of an average team workplace.
Matloob S. et al. (2021)	Employee and Organisational Performance: Employees Perception of Intrinsic and Extrinsic Rewards System.	This paper aims to evaluate the effect of financial and non-financial rewards on employee motivation, along with the mediating effect of employee commitment on the relationship between financial and non-financial rewards and employee motivation in the pharmaceutical industry in Indonesia.	This research found that an increase in reward levels also increases employee commitment to the organization and engagement is extremely important in sales force teams. The current study found a significant effect of non-financial rewards in direct relation to motivation, and financial rewards have a significant effect through employee engagement on employee motivation...	The current study helps researchers and scholars on the effects of rewards and engagement on employee motivation.
Emmanuel, N., & Nwuzor, J. (2021)	Employee and Organisational Performance: Employees	The study aimed to assess employees' perceptions of both intrinsic and extrinsic reward systems and whether	The result showed that both extrinsic and intrinsic rewards have a positive and significant impact on employee	The implication of the study is that managers alike should pay close attention to their reward

	Perception of Intrinsic and Extrinsic Rewards System.	the reward system affects their performance and the performance of the organisation in general.	performance, although, extrinsic rewards seem stronger than intrinsic rewards. A large percentage of managers surveyed said that extrinsic rewards such as high pay, salary increases and bonuses influence performance to a greater extent, but career advancement, recognition, learning opportunities and increased responsibility are also significant as intrinsic reward tools used.	system, not only to retain the best talent, but also to boost the innovative ability that will keep them ahead. competitors
Sitopu, YB, et al. (2021)	The Influence of Motivation, Work Discipline, and Compensation on Employee Performance	The study aims to understand and analyse the effect of motivation, work discipline and compensation on employee performance both partially and simultaneously.	The result of this study states that motivation, leadership and compensation have a significant effect on employee performance with a sig value < 0.001. Factors affecting performance include job discipline, compensation and motivation. Partial compensation has a positive and significant effect on employee performance. Next, motivation affects employee performance partially negatively and insignificantly.	The study helps company management discover how employees can be motivated and also how motivation affects the fulfilment of all workplace responsibilities. The importance of rewards for employees dramatically affects their behaviour and performance.
Alansari, RM and Javed, U. (2021)	The impact of rewards and compensation on employees' performance	This study aims to establish the relationship between compensation and employee performance. The study aims to find out how satisfactory compensation improves employee performance.	This study suggests that there is no best way to improve employee performance. Human needs are dynamic in nature, let alone complex. Rewards influencing the workforce to perform can be fictitious and exaggerated. For sustainability, a compensation strategy should also illuminate the link between compensation, salaries and reimbursements with the crucial dynamics of business success.	The impact of this work is high because of the suggestions to transform the raw potential of all the employees offered into a qualified result, thus forming an effective programme of organization and improvement of the quality of human resources.
Manzoor, F. et al. (2021)	Intrinsic Rewards and Employee's Performance With the Mediating Mechanism of Employee's Motivation	The main purpose of this paper is to analyze the impact of intrinsic rewards on an employee's performance. It also focuses on the role of employee motivation as an intervening factor	The results reveal that intrinsic rewards have a significant positive impact on employee motivation and performance. Without a good reward management system, their employees will become demotivated and their performance will suffer and be diminished.	The study is useful in understanding the role and importance of intrinsic rewards on motivation. It is also useful in understanding the problems that organisations can face if they do not have a good reward management system.
Thneibat MM, et al. (2022)	Promoting Radical Innovation Through Performance-Based Rewards:	The aim of this paper is to study the effect of performance-based rewards on radical innovation. In doing so, it explores the role of knowledge acquisition	Results indicate that performance-based rewards positively affect knowledge acquisition. In addition, knowledge acquisition mediates the link between	This paper is one of the first to examine how radical innovation can be promoted and how it contributes to motivation. It provides

	The Mediating Role of Knowledge Acquisition and Innovative Work Behavior	and innovative work behavior (IWB) as possible mechanisms underlying the relationship between performance-based rewards and radical innovation. The subsequent effect of IWB on the promotion of radical innovation is explored. The study uses data from 235 unit managers in manufacturing and technology firms in Jordan.	performance-based rewards and IWB. IWB is also significant and positive in promoting radical innovation.	insights and contributions to the literature on the role of performance-based rewards in stimulating radical innovation through the mediating effect of knowledge acquisition and the subsequent impact of IWB on radical innovation.
Kankisingi, GM & Dhliwayo, S. (2022)	Rewards and Innovation in Manufacturing Small and Medium Enterprises (SMEs)	The study investigated the types of rewards SMEs offered to intrapreneurs and how these (rewards) contribute to innovation performance (IP). A questionnaire was administered to a sample of 300 SME owner-managers in the industrial spatial distribution areas of the Kwa-Zulu Natal province of South Africa.	The study concludes that efforts that can lead to innovation performance are overlooked in SMEs. Although, rewarding employees through promotion (37.1%) and giving salary increases (31.7%) and giving bonuses (29%) are relatively the top 3 rewards offered (other than regular salary), these are still low adoption rates and reaffirm the resource constraint of SMEs and the lack of opportunities for employee growth. Rewards should be selected strategically, given the limited financial resources of SMEs.	The importance arises from the fact that this study provides information on SMEs, which are often characterised by no or limited information on the effect of rewards on innovation performance, and the efficiency-based economic framework, which is not normally characterised by 'innovation performance'. The study also shows how innovation performance (IP) can be achieved with appropriate rewards.
Nurimansjah, RA. et al. (2022)	The intervention of job satisfaction in influencing the empowering leadership and talentmanagement toward staff performance	This research investigates whether and how empowering leadership and talent management influence mediator variables (employee job satisfaction) in the organizational context. It also examines how mediators should influence employee job performance . 575 employees were recruited for a survey study, and structural equation modeling was used to test the research hypotheses	The result of this study has some contributions to employee ethics and decision making. The research model provides a better understanding of leadership empowerment and talent management, which lacks studies that validate the concept of job satisfaction, job performance and concurrent employee engagement in the private sector. Finally, the recent study also illuminates the concept of human resource management to predict factors (e.g., managerial empowerment in leadership and talent management) that influence employee satisfaction, engagement, and frequency behavior.	The present study reinforces the concept of human resource management to demonstrate that leaders are an important point for their workers' psychology and their job satisfaction and engagement, which mediated their leadership, empowering leadership and talent management for employees' job performance.

Source: author's own processing

Following the meta-analysis we can see that rewards are viewed from two angles: financial and non-financial. The two together play an important role in convincing employees to continue working for the employing firm, which leads to increased performance and productivity. Adequate remuneration commensurate with the effort put in will prolong the period in which the employee will invest his own resources ([Kumari et. al., 2021](#)). Fulfilling attractive

tasks followed by receiving rewards and compensation helps to change the behaviour of the employee, who becomes a role model for other workers to put in their maximum effort to achieve the desired position.

III. METHODOLOGY

In this work we have resorted to the development of a qualitative research, based on a questionnaire that was applied to students at the University Stefan cel Mare Suceava.

The questionnaire consists of 16 questions, 15 of which are closed-ended and one open-ended question which was completed by 86 respondents. The inclusion criterion for respondents is that they are students of the Faculty of Economics, Administration and Business. The results of the questionnaire were centralized, after which the data were processed and filtered with the statistical program Minitab, using which we developed a multiple linear econometric model. In order to meet the objective of this paper, we grouped most of the questionnaire responses into four specific clusters reflecting respondents' perceptions:

- Group 1: Reluctance to change jobs (question 15);
- Group 2: Intrinsic motivation to perform (questions 8,9,10,11,12);
- Group 3: Importance of financial rewards (questions 5,6,7);
- Group 4: Importance of non-financial rewards (questions 13,14);
- The questions that have not been grouped are 1, 2, 3, 4 and 16.

The model we have made has the following linear dependence relationship:

$$Group\ 1 = -0,163 + 0,8336 * Group2 + 0,323 * Group3 + 0,2578 * Group4 - 0,257 * GenulRespondentului + 0,360 * Motiva\c ieAngajare \quad (1)$$

Where:

- The variable called "MotivationEmployment" represents the answers to the question "Are you employed or do you want to be employed in the near future?"
 - The variable labeled "RespondentGender" represents the responses to the question, "What is your gender?"
- Results and conclusions of the model are discussed in the next section.

IV. DISCUSSIONS AND RESULTS

The results of the questionnaire were grouped and calculated as a percentage, as shown in Table 2.

Table 2. Results of the student questionnaire

No.	Question	Answer	Frequency	Percent
1	Are you a student at the Faculty of Economics, Administration and Business?	From	86	100%
		No	-	-
2	What is your gender?	Male	12	13,95%
		Female	69	80,23%
		No answer	5	5,82%
3	Are you employed or do you want to get employed in the near future?	From	46	53,5%
		No	40	46,5%
4	The field in which you specialise involves work....	Simple	45	52,32%
		With few responsibilities	16	18,60%
		With many responsibilities	25	29,08%
5	Is the possibility of promotion at work important to you?	From	52	60,46%
		No	34	39,54%
6	Are financial bonuses/rewards at work important to you? (1- very little / 5 - very much)	1	9	10,48%
		2	8	9,30%
		3	16	18,60%
		4	29	33,72%
		5	24	27,90%
7	How important is the financial reward to you? (1 - very little / 5 - very much)	1	7	8,13%
		2	12	13,95%

		3	14	16,27%
		4	31	36,04%
		5	22	25,58%
8	Do you consider the results of your work to be important? (1- very little / 5 - very much)	1	13	15,11
		2	8	9,30
		3	15	17,44%
		4	21	24,41%
		5	29	33,72%
9	Are you a person who pays close attention to the tasks you have to do at work? (1- very little / 5 - very much)	1	7	8,13%
		2	6	6,97%
		3	32	37,20%
		4	26	30,23%
		5	15	17,44%
10	Are you a person who gets involved at work? (1- very little / 5 - very much)	From	53	61,62%
		No	33	38,38%
11	Do you consider yourself a perfectionist? (1- very little / 5 - very much)	1	9	10,46
		2	20	23,25%
		3	37	43,02%
		4	12	13,95%
		5	8	9,30
12	Do you want to be recognised for your work performance? (1- very little / 5 - very much)	1	15	17,44%
		2	16	18,60%
		3	14	16,27%
		4	19	22,09%
		5	22	25,58%
13	Do you consider non-financial incentives to be important in your current/future job?	From	46	53,48%
		No	40	32,52%
14	Do you want your employer to create development opportunities for you versus offering financial rewards? (1- very little / 5 - very much)	1	8	9,30%
		2	12	13,95%
		3	20	23,25%
		4	15	17,44%
		5	32	37,20%
15	How often do you find it necessary to change jobs in a 5-year period?	6+	12	13,95%
		4-6	15	17,44%
		3-4	24	27,90%
		1-2	35	40,69%
16	List three types of rewards that you consider important and that would motivate you at your current/ future workplace	-	Open question	

Source: author's own processing

The results of the questionnaire were processed using Minitab statistics software in order to identify an econometric model that could confirm other relevant aspects of financial and non-financial rewards.

After processing, we identified a multiple linear econometric model that can explain a significant relationship between the dependent variable (group 1 - reluctance to change jobs) and the independent variables: Cluster 2 (Intrinsic motivation to perform - questions 8,9,10,11,12), Cluster 3 (Importance of financial rewards - questions 5,6,7), Cluster 4 (Importance of non-financial rewards - questions 13,14) and questions 2 (Respondent gender) and 3 (Are you employed or do you want to be employed in the near future?).

Next we have the Model Summary table (Table 3) for the model created, which shows that there is a significant relationship between the selected variables.

Table 3. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.780 ^a	.513	.270	1.228
a. Predictors: (Constant), MotivationEmployment, Group 3, Group 4, Group 2, RespondentGender				
b. Dependent variable: Group 1				

Source: Author's own processing in Minitab statistics

In the Model Summary table, we observe a significant relationship between the dependent variable (group 1) and the independent variables (questions 2, 3 and groups 2,3,4), with a correlation coefficient R of 0.7804 and a coefficient of determination of 0.513. Thus, reluctance to change jobs (group 1) is significantly influenced by respondents' intrinsic motivation (group 2), the importance of financial reward (group 3) and the importance of non-financial reward (group 4) by 78.04%. Gender and employment status have less influence.

Model validation was performed using the information in Table 4 (ANOVA).

Table 4. Anova

Model		Sum of Squares	df	Mean Square	Test F	Mr
1	Regression	54.961	5	10.992	7.290	.000 ^b
	Reziduu	120.621	80	1.508		
	Total	175.581	85			
a. Dependent Variable: Group 1						
b. Predictors: (Constant), MotivationEmployment, Group 3, Group 4, Group 2, RespondentGender						

Source: Author's own processing in Minitab statistics

In the anova table, we note that the Sig value is less than 0.05, thus the model is econometrically valid. The coefficients of the variables can be seen in the following table, based on which we also form the equation of the model.

Table 5. Value of coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Mr
		B	Std. Error	Beta		
1	(Constant)	.794	.746		1.065	.290
	Group 2	-.011	.097	-.011	-.117	.407
	Group 3	.569	.167	.322	3.419	.001
	Group 4	.465	.104	.426	4.486	.000
	GenderRespondent	-.197	.291	-.065	-.679	.499
	MotivationHiring	.233	.273	.081	.854	.396
a. Dependent variable: Group 1 (Job change)						

Source: Author's own processing in Minitab statistics

Thus, after processing the data we arrived at the following linear econometric model of the form:

$$Group\ 1 = 0.794 + 0,465 * Group4 + 0,569 * Group3 - 0,11 * Group2 - 0,197 * GenderRespondent + 0,233 * MotivationHiring \quad (2)$$

As we can see the most significant influence on the reluctance to change jobs is non-financial rewards (group 4), with the lowest Sig value. The influence is of a positive nature and can be explained from an economic point of view by the fact that (I) people who do not want to change jobs often will attach more importance to non-financial rewards, because the latter give them more satisfaction in the long run (e.g. development courses, workshops, expeditions, titles, etc.) or (II) non-financial rewards motivate employees to keep their jobs.

The next variable that exerts a significant influence on reluctance to change jobs is the importance of financial rewards (cluster 3). This exerts a positive influence, which is in line with economic reality, i.e. increasing financial rewards have an important influence on the decision to change or not to change current/future job.

The 3rd variable in order of influence on job change is intrinsic motivation (cluster 2). This variable has a negative influence on job change, which can be explained by the fact that people who have an intrinsic motivation to perform increasingly want more from themselves, including their job. Therefore, the higher a person's intrinsic motivation, the more likely they will be to change jobs, thus explaining the negative correlation between these two variables.

The next variable has less influence on the reluctance to change jobs and has to do with respondents' gender. The negative value of the coefficient reveals that men are more likely to change jobs, as it is easier for them and more culturally acceptable.

The final variable influencing job change is current employment status, i.e. people who are employed are more reluctant to change jobs. This can be explained by the fact that (I) they have found satisfying jobs or (II) they have a different view of things as current employees preferring financial security and being more reluctant to change jobs.

Finally, we decided to include the histogram of the model residual, which can be seen in Figure 1.

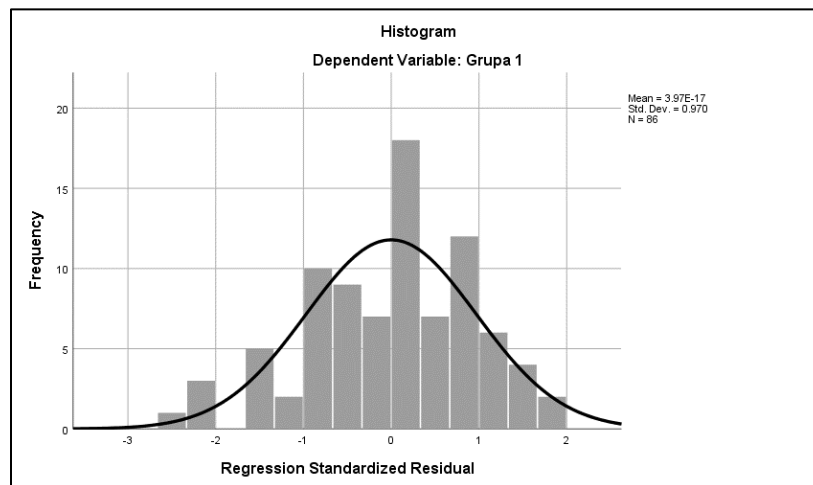


Figure 1. Histogram of the residue
Source: author's own processing

As we can see, the histogram has a left-skewed distribution. Therefore, there are some irregularities in the residual, but these will not be explained in the present study as they are not of interest for the present work.

V. CONCLUSIONS

The findings of the article highlight that both financial and non-financial rewards have a significant impact on students' motivation in the professional context. It is noted that non-financial rewards, such as recognition and professional development, have a strong influence on career loyalty and satisfaction. The study also highlights the importance of balancing intrinsic and extrinsic motivation, suggesting that effective reward management can improve employee engagement and performance. These findings provide valuable insights for organisations in their strategies to motivate their young workforce.

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