

EXAMINING CULTURAL ORIENTATION AND REWARD MANAGEMENT PRACTICES IN MALAYSIAN PRIVATE ORGANIZATIONS

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Abstract: This study aims to focus on the dimensions of cultural orientation that may impact the perception held by employees of Malaysian private organizations towards non-monetary and monetary rewards. It further examines the link of the perceptions of non-monetary and monetary rewards with desired employee outcomes. The study adopted quantitative research approach. A questionnaire was distributed to 1000 employees working in private organizations of Malaysia out of which 329 questionnaires were collected. Hypotheses were tested through SEM-PLS. The statistical findings established that out of 12 hypotheses 8 hypotheses were significant and 4 hypotheses were insignificant. The study meaningfully contributes to the literature of Hofstede's findings by adding into significant and positive relationships of feminine orientation and perception of monetary and non-monetary rewards. Further, it added into the theory by providing significant findings of perception of monetary and non-monetary rewards towards employee contributions. The study is believed to benefit HR practitioners theoretically and practically by providing directions and suggestions in designing and implementing the non-monetary and monetary rewards for Malaysian private organizations. The study identified rewards alignment practices as a noticeable management tool to foster greater employee outcomes.

Key words: reward management practices, cultural orientation, monetary and non-monetary rewards, desired employee outcomes, Malaysian private organizations

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Introduction

Euroregions Culture is a '*powerful social construct*' (Boyacigiller et al., 2004: 99) and a vital issue with which an organization or a nation needs to deal with, e.g. resulting from an increasingly diverse and multicultural workforce (Doney et al., 1998) cited in Kittler et al. (2011). The prominent role of (national) culture has turned out to be gradually more important (Leung et al., 2005). Hofstede (2011) elucidated that national culture exists relatively in (visible and conscious) practices as regard to the way people perceive what is happening in their social environment. Further, professionals who are in non-Western countries or who address

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and support culturally diverse workforces may need to consider different results in various cultures when they adopt theories or programs developed on a different cultural foundation from those of the recipients (Kim and McLean, 2014). Considerable differences among national cultures have an effect on the values of people and behavior which are reflected in society's perception on competition, material wealth, equity, fairness, attitude towards change among others (Sanyal, 2005). However, in order to achieve improvements in performance, different reward programs must be applied by the respective organizations in line with their national culture and values. Andersson and Ericsson (2008) asserted that individuals' cultural belonging and values affect their preferences, for instance conducive working environment, grade of responsibility, recognition and fringe benefits. Hence, the authors also emphasized that it is of great importance reward programs should be designed as a motivator (Ismail and Ahmed, 2015) to encourage desired employee outcomes take in individual values and preferences into consideration. However, type of rewards may be preferred and apposite in some countries, while it may inappropriate in other countries. In the area of strategic management, the ultimate interest of managers in different national cultures and rewards systems should go beyond descriptive understanding and explanation to forecast and control (Herkenhoff, 2014). Similarly, Magnusson et al. (2014) studied the influence of national culture on rewards alignment/system and contended that dissimilar management practices vary in different cultural contexts. Further, they suggested it would be beneficial for managers to develop an organizational culture which is embedded with dominant societal values since organizational culture is partly pre-determined by nationality (Hofstede and Peterson, 2000) and the value system of the organization is a sub-system of the more generalized values of the country in which firms are embedded (Erez and Earley, 1993). Due to the growth in Malaysian economy and globalization process, it brings the integration of multi-cultural values, which may change the power distance influence between superiors and subordinates (Zainuddin et al., 2013). Further, their research proposed that current index of power distance (Hofstede's) may not be applicable in Malaysian context due to the globalization. Whereas, Magnusson et al. (2014) proposed future research may want to explore managerial actions/practices "reward management in this context" may be most beneficial in collective and feminine societies such as Malaysia. Consequently, studying cultural dimensions with reward management practices in Malaysian context is of the high importance due to the abovementioned reasons.

Most of the studies on motivation through reward programs have been conducted in Western developed countries. Still, contemporary western management theory veers towards an emphasis on tangible and economic rewards, even in the face of critical scholars linking such rewards to an essentially materialistic epistemology (Deckup et al., 2010). The effect of overarching value system on motivation through non-monetary rewards remains to be seen and is a focal point of this study, alongside cultural orientation and non-monetary/monetary rewards in

a predominantly Malaysian cultural context. Various aspects of human resource oriented studies relate cultural influences to managerial competency (Chong, 2008), performance appraisal (DeVoe and Iyengar, 2004), staffing and selection, motivation (Huo et al., 2002), cross cultural training (Okpara and Kabongo, 2010), career development (Stahl et al., 2002). However, it did not consider the broader spectrum of rewards in use such as monetary and non-monetary, extrinsic and intrinsic elements (Chiang and Birtch, 2006), and the impact of employees' perceptions towards desired employee outcomes in relation to culture dimensions. Taken together this area has received less attention from researchers (Chiang and Birtch, 2006), but it is of particular importance to reward programs as it affects desired employee outcomes in Malaysia. Thus, this paper aims to fill this vital gap.

Literature Review

Cultural Orientation

Culture is viewed in many ways by anthropologists. Adler (2002) explained the most comprehensive definition of culture is by Kroeber and Kluckhohn (1952). Culture is a learned phenomenon that is shared among people within the same social environment (Hofstede, 2001). A national culture is usually characterized by the values of the people who belong to that culture (Schuler & Rogovsky, 1998). Thus, culture is shared and transferable perceptions, values or practices which a group will not sustain itself without such shared notions (Hofstede, 2015). On the other hand, cross-cultural management studies seek to explain the behavior of people in organizations around the world. According to Hofstede (2011), every country has been positioned relative to other countries through a score on each dimension of the culture. He also explicated that the dimensions are statistically divergent and do occur in all possible combinations, though some combinations are more frequent than others. It is however considerate because of Hofstede's groundbreaking work on cultural values over the last forty years (Bergiel et al., 2012). This study adopts Hofstede's cultural dimension due to it is the vital framework in reward programs (Chiang and Birtch, 2006; Magnusson et al., 2014). Further, Magnusson et al. (2014) argued that applying reward management practices is particularly important in societies with high power distance and dominant feminine values such as Malaysia. This highlights the crucial roles of cultural dimensions in reward management practices. Hofstede (2001) revealed, in studying values researchers compare individuals, and in studying cultures researchers compare societies. Adler (2002) stated that the cultural orientation of a society reflects the complex interaction of values, attitudes and behaviors shown by its members. Hofstede et al. (2010) identified and examined six dimensions of national culture in a large multinational organization (IBM) in 76 countries and found they varied among countries. Although Hofstede's work has been recognized with little criticism, especially his early work, his later work has validated the cultural dimensions. Out of the six dimensions, this study specifically focus in-depth on two dimensions, power distance and feminine/masculine due to both

of these cultural dimensions are highly significant in Malaysian culture by way of the 6-D Model presented by Hofstede et al. (2010). Malaysia is recognized as high power distance country (Lalwani and Forcum, 2016; Zainuddin et al., 2013) and female workforce is higher in Malaysia '54.1%' (Malaysia Labor Force Survey Report, 2015) as compared to worldwide '39.60%' (World Bank Labor Force Survey Report, 2014). Malaysia is less masculine in that it places more value on qualities like modesty, humility, benevolence, interpersonal relationships and concern for the weak (Goodwin and Goodwin, 1999). It is believed that values of a society reflects in its behaviors and practices, for instance, in strong welfare states like 'Malaysia' culture emphasizes on nurturing feminine cultural values (Magnusson et al., 2014). Consequently, power distance and masculinity / femininity are believed to be the most significant cultural dimensions in Malaysian context are taken into account in the current study.

Power Distance and Rewards

First cultural dimension is power distance which is theoretically related to different solutions to the basic problem of human inequality (Hofstede, 2011), as income distribution in society very uneven for high power distance (Hofstede, 2011) and rather even for low power distance. Individuals from cultures with high power distance such as Malaysia (Hofstede, 1984; Lalwani and Forcum, 2016) usually accept the inequality of power, perceive differences between superiors and subordinates, are reluctant to disagree with superiors and believe that superiors are entitled to privileges (Hofstede and Bond, 1988). High power distance cultures value monetary rewards more than non-monetary rewards (Chiang and Birtch, 2006). In such culture, managers and subordinates accept their respective positions within the organizational hierarchy and rewards associated with the position, such as promotion, status, job title, and authority (Hofstede 1980). Thus, it is believed that high power distance negatively influence perception of non-monetary rewards.

Hypothesis 1a: "High Power Distance" negatively influences the "Perception of Non-Monetary Rewards"

Hypothesis 1b: "High Power Distance" positively influences the 'Perception of Monetary Rewards"

Masculinity / Femininity and Rewards

The second cultural dimension theoretically related to reward programs is masculinity-femininity that correlated to the division of emotional roles between women and men. Hofstede (2011) also described masculinity implies a society's preference for assertiveness, heroism, achievement and material reward for attaining success. As such, masculine societies tend to have a stronger association with advancement, challenge, recognition, greater earnings, performance, and competition among colleagues (Hofstede, 2001). In contrast, femininity represents a preference for modesty, cooperation, quality of life and caring for the weak that emphasis on the non-materialistic angles of success which leads to a more consensus-oriented society (Hofstede, 2011; Hofstede et al., 2010). Feminine

societies also desire a work environment that has a friendly atmosphere, where achievement is defined in terms of human contact, and with a greater emphasis on cooperation (Srite and Karahanna, 2006). Nevertheless, management practices, e.g. 'rewards practices' that reinforce national culture are more likely to yield predictable behaviors/outcomes like 'employee loyalty and turnover', self-efficacy and employee productivity and contribution in the form of high performance (Herkenhoff, 2014). Feminine culture is motivated more by liking what they do than by wanting to be the best. In such cultures, a high quality of life is the sign of success and it is not good to stand out from the crowd; therefore, material rewards may not be as useful (Graham, 2015). People in feminine societies tend to be less focused on the rewards that they get for work and place high value on the quality of life and caring for others (Hofstede, 1991). Thus, it is understood that feminine cultures positively related to perception of non-monetary rewards and negatively related to perception of monetary rewards.

Hypothesis 2a: *"Femininity Orientation" positively influences the "Perception of Non-Monetary Rewards"*

Hypothesis 2b: *"Femininity Orientation" negatively influences the "Perception of Monetary Rewards"*

Reward Programs (monetary and non-monetary)

Chiang and Birtch (2005) discovered that reward preference is tied to a reward ability to satisfy employee's needs and fit with cultural-bound values. Reward refers as the total amount of monetary and non-monetary rewards and benefits provided to an employee by an employer in return for work performed as required and as part of an employment relationship (Milkovich et al., 2010). Financial rewards are important to most individuals and have shown a strong desire for individual achievement and for self-interest in masculine countries such as United States and most other Western countries (Hofstede 2001). Ger and Belk (1996) further claimed that the consumption-based orientation to 'happiness-seeking' that is commonly labeled materialism has generally been seen as a Western trait. Materialism now seems to have diffused to ever more of the world's people (Ger and Belk, 1996). With the overall aim of material gain on the other hand, feminine cultures such as Malaysia (Goodwin and Goodwin, 1999) are characterized as having strong social needs, quality of life and moral integrity. In such cultural environments, non-monetary rewards of recognition and praise (Chiang and Birtch, 2005) are appreciated. Of particular interest to the notion of non-monetary rewards is Herzberg et al. (1959)'s two factor theory of motivation, containing, as a motivational factor, elements of recognition, responsibility, advancement, achievement and growth. An important aspect of this theory was that monetary and other tangible rewards serve the purpose of helping to prevent job dissatisfaction. These were labeled as 'hygiene' factors including supervisory effectiveness, co-worker relationships, pay, fringe benefits and physical work conditions. Several studies using Herzberg's Two-Factor Theory have been adapted to better suit

the specific context studied (Lundberg et al., 2009). It is observed that monetary reward plays a major role in motivating Malaysian employees compared to US employees are more preferred to appreciation and recognition. This concludes that money has been a predominantly preferred motivator amongst Malaysian employees (Islam and Ismail, 2008).

Desired Employee Outcomes - Employee Contribution and Rewards

Contribution can be based on education, job responsibility, seniority, or job performance, and different organizations may put different weights on these criteria (He et al., 2004). According to Mowday (1991), "*performance is the most important contribution in the work setting*" (cited by He et al., 2004). Therefore, organizations should invest in employees and recognize employees' contributions such as participation in decision making, fairness of rewards, and growth opportunities (Allen et al., 2003). According to Williamson (2008), employee decision making provides the opportunity for employees to use their tacit knowledge, which can encourage performance evaluation and reward systems that lead to better decisions for the firm. Di Primio (1988) suggests that organizations adopt reward systems that encourage employees' contribution by rewarding their competency, self-development, and supportive team effort, for example, developing, implementing, and encouraging employees and participation in profit sharing and cost-saving plans can encourage employees to contribute in organizational vision and mission.

Hypothesis 3a: "*Perception of Non-Monetary Rewards*" positively influences the "*Employee Contribution*"

Hypothesis 3b: "*Perception of Monetary Rewards*" positively influences the "*Employee Contribution*"

Employee Productivity and Rewards

The main purpose of a total reward approach is to increase productivity, boost morale and minimize frustrations (Longnecker and Shanklin, 2004). According to Camilleri (2002), reward systems are strategically designed when rewards are linked to activities, attributes and work outcomes that support the organization's strategic direction and that foster the achievement of strategic goals. Such linkages can lead to increased employee knowledge or skill development, flexibility, commitment, retention and productivity. Certainly pay is an employee relations issue where employees have the right to determine which values, culture and reward systems of the organizations match their own (Armstrong and Murlis, 2007). Longnecker and Shanklin (2004) declare that most organizations provide monetary reward to encourage employees to perform to their best abilities. Burchett and Willoughby (2004) claimed that it has always been difficult to develop a wage payment system that is tailored to each individual employee's productivity. Millea and Fuess (2005) conclude that pay increase can either be a reward for productivity gains or an incentive to improve labor efficiency. It is found that most of the increases in productivity occur immediately following

a wage increase and the effect may diminish rather quickly (Yang and DeBeaumont, 2010). They clarify that the interaction between pay and productivity differ as well as wage setting behavior differs across countries. Besides, many empirical studies show that employees' experience contributes to their productivity in the organization, which indicated by the wages they earn (De Grip and Sieben, 2005).

Hypothesis 4a: *“Perception of Non-Monetary Rewards” positively influences the “Employee Productivity”*

Hypothesis 4b: *“Perception of Monetary Rewards” positively influences the “Employee Productivity”*

Employee Loyalty and Rewards

The meaning of loyalty from a psychological perspective is referred to as a combination of commitment to the relationship and overt loyalty behaviors (Keh and Lee, 2006). Behavior defines loyalty and loyal employees are those whose commitment is evidenced by their actions (Voyles, 1999). There can be multiple objects of loyalty within an organization and an employee might be simultaneously involved in a complex web of loyalties within an organization (Schrag, 2001). Employee loyalty has long been a big concern of employers because of its link to behaviors such as attendance, turnover and organizational citizenship (Schalk and Freese, 1997). Schrag (2001) also explicates that the organization need to ensure that employees understand how their work fits in and how it contributes to the mission of the organization in order to enable employees to invest in the organization. Furthermore, this recognition allows all employees to view themselves as part of the organization and not merely as instruments of the corporation. Articulation and adherence should be cleared to amplify devotion and augment excellence in the organization so that employees can take pride in the organization and attach their loyalty to the company's excellence (Schrag, 2001). Thus, leaders need to create employee loyalty by communicating in a forthright manner, by making sure employees are well-trained as well as by listening attentively to employee input (Sujansky, 2007). The importance of employee loyalty has become increasingly salient, there has been a concurrent decrease in the availability of traditional approaches to promote it; long term job security, rapid advancement, and regular increases in compensation have become the immunity rather than the regulation. Employers are, consequently, searching for different rewards approaches to promote their loyalty (Hiltrop, 1995). Consequently, it is believed that perception of rewards can lead to employee loyalty.

Hypothesis 5a: *“Perception of Non-Monetary Rewards” positively influences the “Employee Loyalty”*

Hypothesis 5b: *“Perception of Monetary Rewards” positively influences the “Employee Loyalty”*

Employee Turnover and Rewards

Employees' turnover is a much studied phenomenon (Shaw et al., 1998 cited in Ongori, 2007). But there is no standard reason why people leave organization. Employee turnover is the rotation of workers around the labor market, between firms, jobs and occupations, and between the states of employment and unemployment. Frequently, managers refer to turnover as the entire process associated with filling a vacancy. Each time a position is vacated, either voluntarily or involuntarily, a new employee must be hired and trained. This term is also often utilized in efforts to measure relationships of employees in an organization as they leave, irrespective of the reason. Griffeth et al. (2000) noted that pay-related variables have a modest effect on turnover. They concluded that when high performers are insufficiently rewarded, they quit. If jobs provide adequate financial incentives the more likely employees remain with organization and vice versa. It is important to note that the cost of staff turnover can be significant both financially and also in terms of the impact on an organization's reputation and internal morale (Lanigan, 2008). Luna-Arocas and Camps (2008) report that staff retention has become the leading challenge facing many HR professionals. It is found that many extensive empirical researches have been carried out on the rewards practices and employee turnover (Boyens, 2008; Appelbaum and Kamal, 2000). Appelbaum and Kamal (2000) explained that employee motivation through non-monetary rewards may be accomplished by decision makers paying closer attention to the needs of their employees and this reflects the greater employee productivity and satisfaction and even lower employee turnover.

Hypothesis 6a: "Perception of Non-Monetary Rewards" negatively influences the "Employee Turnover"

Hypothesis 6b: "Perception of Monetary Rewards" negatively influences the "Employee Turnover"

Methodology***Research Design***

Structural Equation Modeling (SEM) – Partial Least Square (PLS) is used for the data analysis in this study. The individual item reliability, internal consistency and discriminant validity is examined in assessing the measurement model. On the other hand, the significance of the path loading is tested and the variance for each dependent construct is explained in assessing the structural model (Fareed et al., 2016). As to generate the sample frame, a detailed list of manufacturing organizations in Malaysia was obtained from The Federation of Malaysian Manufacturers (FMM Directory, 2014). The manufacturing industry was selected due to its higher contribution to GDP (13.9 percent) in Malaysian economy which was expected to grow at 6.0 percent during the year of 2013-14 (FMM Directory, 2014) and also because it was expected to reduce the shortage of labor in the manufacturing-based sectors (Report MOHR, 2006). The respondents selected

for the study were officers' level and above in the HR department of the manufacturing organizations. This study has utilized a non-probability sampling "purposive sampling method" as the sample of the study. The study has used non-probability sampling due to its subjective nature and because it is extremely useful when the researcher has limited resources, time and workforce (Etikan et al., 2016). Although, non-probability sampling technique has a lot of limitations due to the subjective nature in choosing the sample and therefore it is not good representative of the population, but it is extremely useful especially when randomization is impossible like when the population is very large or not well-defined (Etikan et al., 2016). Since population of the study was not well-identified either by the Statistics Department of Malaysia, Department of Labour Malaysia or even Ministry of Human Resources Malaysia, thus, classifying sample size for the current study was extremely challenging. Nevertheless, according to Krejcie and Morgan (1970) sample size remain constant at 384 units when population exceeds the 1,000,000 units. Therefore, it was presumed that the sample size of the current study should be at least 384 employees of Malaysian manufacturing companies. A questionnaire was distributed to 1000 employees out of whom 329 survey questionnaires were returned that translated to an effective response rate of approximately 32.9 percent. The overall response rate was low but not unusual, given that Malaysian managers and executives were typically reluctant to participate in surveys (Jusoh et al., 2008). Cultural orientation was measured by using two dimensions, namely, power distance and femininity orientation were taken from Hofstede et al. (1976) and Hofstede (1984) instrument. Non-monetary and monetary rewards measures were adopted from the Hofstede et al. (1976) and Armstrong and Murlis (2007) and was measured through 15 items. This study, adapted 14-item in desired employee outcomes from Hofstede et al. (1976), Hofstede (1984), Armstrong and Murlis (2007) and Schermerhorn et al. (1994), which was measured by utilizing four dimensions, i.e., employee contribution, productivity, loyalty and employee turnover.

Results and Discussion

The demographic analysis discovered that there are more male respondents (51.1%) compared to females (48.9%). Majority of respondents' race is Malay (64.1%). The larger part of respondents is from electronic industries (21.9%). Mainstream of respondents' length of service is 1 to 5 years (33.7%). The largest proportion is the group of respondents from officer or executive level (78.4%). The majority of respondents came from large organizations (67.8%). Lastly, majority of respondents are from local organizations (61.4%).

Confirmatory Factor Analysis (CFA) Result

Confirmatory factor analysis can be assessed through convergent and discriminant validities. The convergent validity is the degree to which a group of items converges to measure a specific construct (Hair et al., 2010). It can be examined by

factor loadings, composite reliability, and the average variance extracted (AVE). Factor loadings should be highly loaded and statistically significant in measuring the variables with the value of at least 0.7 for factor loadings, 0.5 for AVE and at least 0.7 for composite reliability (Hair et al., 2010). However, Hulland (1999) proposed the cut-off point of 0.4 for factor loadings and further expanded that each factor whose outer loading is smaller than 0.4 must be taken out from the measurement model. However, the researcher kept four items (HPD3, HPD5, EP1 and EL4) with loading above 0.65 (but less than 0.7 suggested by Hulland, 1999) due to the importance of the dimension to be measured.

Discriminant validity is defined as the extent to which a construct differs from other constructs in the model (Barclay et al., 1995). In other words, a construct's items should have variances between them more than the variance shared with other constructs. Test of discriminant validity criterion was suggested by Fornell and Larcker (1981) who suggested to use the square root of the AVE to assess the discriminant validity. However, Chin (1998) notes that if AVE is larger than the variance shared with other constructs then there is no need to calculate the square root as the results will automatically be larger than the AVE. The discriminant validity can be established if all the values in diagonal cells are higher than the values off diagonal cell positioned in the same row and columns. Table 3 illustrates that results of discriminant validity fulfill the said criterion confirming that the measurement model has the required discriminant validity.

Table 2. Confirmatory Factor Analysis (CFA) to test the Convergent Validity

Construct	Items	Loading	Composite Reliability	AVE
High Power Distance (HPD)	HPD3	0.678	0.787	0.555
	HPD4	0.847		
	HPD5	0.697		
Femininity Orientation (FO)	FO7	0.797	0.855	0.500
	FO8	0.842		
	FO9	0.864		
Perception of Non-Monetary Rewards (PNMR)	PNMR1	0.806	0.928	0.592
	PNMR2	0.836		
	PNMR4	0.806		
	PNMR5	0.803		
	PNMR6	0.733		
	PNMR7	0.804		
	PNMR8	0.757		
PNMR9	0.782			
Perception Monetary Rewards (PMR)	PMR1	0.766	0.913	0.637
	PMR2	0.853		
	PMR3	0.848		
	PMR4	0.817		
	PMR5	0.702		
	PMR6	0.792		
Employee Contribution (EC)	EC1	0.824	0.840	0.637

	EC2	0.755		
	EC3	0.813		
Employee Productivity (EP)	EP1	0.668	0.797	0.569
	EP2	0.730		
	EP3	0.853		
Employee Loyalty (EL)	EL2	0.879	0.830	0.553
	EL3	0.827		
	EL4	0.697		
Employee Turnover (ET)	ET1	0.890	0.866	0.763
	ET3	0.857		

Table 3. Correlations of Discriminant Validity

Constructs	HPD	FO	PNMR	PMR	EC	EP	EL	ET	AVE
HPD	0.745								0.555
FO	-0.481	0.707							0.500
PNMR	-0.386	0.655	0.769						0.592
PMR	-0.348	0.554	0.709	0.798					0.637
EC	-0.423	0.579	0.691	0.697	0.798				0.637
EP	-0.423	0.565	0.644	0.722	0.706	0.754			0.569
EL	-0.438	0.483	0.567	0.582	0.508	0.489	0.744		0.553
ET	-0.232	0.404	0.425	0.53	0.432	0.438	0.511	0.874	0.763

Assessment of Structural Model

The structural model was assessed using the PLS bootstrapping method in this study. This method is used to calculate the statistical significance of the loadings and path coefficients (Chin and Newsted, 1999). R² values were produced which measure the predictive power of the model for the endogenous constructs (Barclay et al., 1995; Hulland, 1999). The values of R² of observed constructs in the survey were acceptable with values greater than 0.5 and the minimum acceptable value of R² of 0.1% (Santosa et al., 2005). The R² values are acceptable with values ranging from 0.555 to 0.288 for all the constructs. However, it was still better than the minimum acceptable value of R² of 10% (Santosa et al., 2005).

Hypotheses Results and Discussion

As illustrated in Table 4, the study provides enough statistical support to the 8 out of 12 hypotheses. The standardized coefficient (β) for femininity orientation to perception of non-monetary rewards is 0.375 with the t-value of 5.1053 ($p < 0.001$), which indicated that femininity orientation has positive and significant impact on the perception of non-monetary rewards. The field study found that cultural orientation was feminine in nature. The results presented that feminine cultures, such as Malaysia place considerable value on human relationships, concern for others, support, and the quality of life. This is also consistent with the past researches that employees in feminine cultures valued non-monetary rewards more, such as intrinsic rewards (Chiang and Birtch, 2006).

Table 4. Result of Path coefficients and t-statistic results of the bootstrapping technique

Hypothesis	From	To	Path Coefficient	t-value	Decision
H1a(-)	HPD	PNMR	0.0460	1.1590	Rejected
H1b(+)	HPD	PMR	0.0640	1.3140	Rejected
H2a(+)	FO	PNMR	0.3750	5.1053***	Accepted
H2b(-)	FO	PMR	0.2200	4.7306***	Rejected
H3a (+)	PNMR	EC	0.3690	6.1361***	Accepted
H4a (+)	PNMR	EP	0.2380	3.8665***	Accepted
H5a(+)	PNMR	EL	0.2680	2.9936**	Accepted
H6a(-)	PNMR	ET	0.1180	1.5297	Rejected
H3b (+)	PMR	EC	0.4360	7.4366***	Accepted
H4b (+)	PMR	EP	0.5530	8.8006***	Accepted
H5b (+)	PMR	EL	0.3800	4.5868***	Accepted
H6b (-)	PMR	ET	-0.4460	6.0623***	Accepted

* Indicates significance at $t_{0,05} > 1.645$; ** Indicates significance at $t_{0,01} > 2.326$; *** Indicates significance at $t_{0,001} > 3.090$

However, there was no statistical evidence found in this study for a negative and significant relationship between femininity orientation to perception of monetary rewards; β for the path from femininity orientation to perception of monetary rewards was 0.220 with the t-value of 4.7306 ($p < 0.001$) which indicated that femininity orientation has positive and significant impact (opposite to the direction hypothesized) on the perception of monetary rewards and this is inconsistent with past researches such as (Hofstede 1980; Karande et al., 2002; Chiang and Birtch, 2005; Chiang and Birtch, 2006). This is surprisingly given past studies which identified that femininity orientation placed more importance on non-monetary rewards such as flexibility, challenging tasks, training opportunities, work-life balance, responsibility and fringe benefits. Remarkably findings of the study put forward additional and vital inputs in the theory of cultural orientation given by earlier scholars (Chiang and Birtch, 2006; De Mooij and Hofstede, 2010; Hofstede, 1984; Schuler and Rogovsky, 1998; Harrington and Ladge, 2009) by contradicting with the argument that feminine orientation has significant yet negative impact on perception of monetary-rewards in Malaysian context. Having said that there is an attempt to upgrade oneself and fulfill growth needs with money, cash bonuses, status and other compensation benefits. This is due to the belief that employees in Malaysia never find enough of monetary rewards to make them blissful because monetary rewards play a major role in motivating Malaysian employees especially the basic needs are really important (Noor et al., 2011). The standardized coefficient (β) for the path from perception of non-monetary rewards to employee contribution was 0.369 with the t-value of 6.1361 ($p < 0.001$), which indicated that perception of non-monetary rewards has positive and significant impact on the employee contribution. Similarly, the standardized structural coefficient (β) for the path from perception of monetary rewards to employee contribution was 0.436 with the t-value of 7.4366 ($p < 0.001$), which indicated that perception of monetary

rewards has positive and significant impact on the employee contribution. It is observed that perception of non-monetary and monetary rewards influences employee contribution (Herzberg et al., 1959; De Grip and Sieben, 2005). The non-monetary package that companies offered is influencing the employees' behavior as well as their contribution towards the company's goals. However, additional motivators include recognizing people publicly for what they have contributed and giving them highly visible projects and that gives them visibility and allows them to take credit for their work (Bolster, 2007). β for perception of non-monetary rewards to employee productivity is 0.238 with the t-value of 3.8665 ($p < 0.001$) which indicated that perception of non-monetary rewards has positive and significant impact on the employee productivity. This is expected as the finding is consistent with previous studies such as (Herzberg et al., 1959; Osborne, 2001; Armstrong and Murlis, 2007; Sachau, 2007; Seay, 2008) among many others. It is found the role of the money as a motivator to improved work performance is minimal, thus the major motivation to work is provided by the work itself and other non-monetary factors (Fein, 1983). This is supported by Greshing (1996), who stated that job enrichment (non-monetary rewards) is the best way to increase employee motivation and productivity. The possible explanation is it proved that employers are able to motivate and engage employees with non-monetary rewards either during difficult economic times or good time because cash or money is not necessarily the best way to motivate workers (Armstrong and Murlis, 2007; Longnecker and Shanklin, 2004). Likewise, β for the path from perception of monetary rewards to employee productivity was 0.553 with the t-value of 8.8006 ($p < 0.001$) which indicated that perception of monetary rewards also has positive and significant impact on the employee productivity. Organizations also were encouraged to use monetary rewards, but not to underestimate the power of non-monetary rewards in improving employees' productivity (Osborne, 2001). It is true that money is important to people because it is instrumental in satisfying a number of their most processing needs (Armstrong and Murlis, 2007). As Seay (2008) elucidated, the main purpose of an incentive reward plan is to increase productivity. Therefore, the organization needs to consider recognition programs, profit sharing and well-managed suggestions systems in order to improve employee performance and boost productivity. It is also discovered that β for perception of non-monetary rewards to employee loyalty was 0.268 with the t-value of 2.9936 ($p < 0.01$) which indicated that perception of non-monetary rewards has positive and significant impact on the employee loyalty in Malaysian private organizations; consistent with (Herzberg et al., 1959; Sujansky, 2007). Job recognition was cited as a most important factor in maintaining employee loyalty than increased pay, promotions, or challenging work (Moskal, 1993 cited by Shaw and Schneier, 1995). Some organizations know that monetary incentives alone aren't enough to ensure loyalty (Sujansky, 2007). The adoption of work/life policies such as non-monetary rewards (flexible work scheduling, family leave policies, child care assistance) will result in more loyal and committed employees (Roehling et al.,

2001). Research has also shown that non-monetary rewards are actually much more successful than money as an employee incentive as mentioned above. Thus, employers who offer non-monetary rewards will see higher retention rates than those that do not. β for the path from perception of monetary rewards to employee loyalty was 0.380 with the t-value of 4.5868 ($p < 0.001$) which also indicated that perception of monetary rewards has positive impact on the employee loyalty. It is also proven, Sujansky (2007) claimed that many organizations used to think that loyalty was one-way street as they believed that the only reason employees remained loyal was for the money and benefits. Furthermore, money will motivate to the extent that it is seen as being able to satisfy an individual's personal goals (Lawler, 1973 cited in Burke, 2017; Vroom, 1964). It is discovered that β for the path from perception of monetary rewards to employee turnover was -0.448 with the t-value of 6.0623 ($p < 0.001$), which indicates that perception of monetary rewards has negative impact on the employee turnover. Past studies (Chiboiwa et al., 2010; Luna-Arocas and Camps, 2008; Lanigan, 2008) that many organizations are adopting alternative monetary and non-monetary rewards and implementing rewards systems which link to new ways of doing business. Besides, the present study also found that a few companies were offering a form of monetary rewards such as retention bonuses to employees and only for selected positions. Another monetary strategy is to focus the cash on the top performing individuals, and no doubt that this is a tactic used by many organizations in Malaysia (Islam and Ismail, 2008; Noor et al., 2011). Even so, a poor pay practices can contribute to the employees' turnover (Branham, 2005). Surprisingly, an insignificant relationship between perception of non-monetary rewards and employee turnover was found as previous researches indicated that non-monetary rewards are negatively associated with employee turnover which are inconsistent with studies (Luna-Arocas and Camps, 2008; Trahan and Yearout, 2005; Lanigan, 2008; Ramli and Desa, 2014; Golparvar and Azarmonabadi, 2014; Sibanda et al., 2014; Oriaku and Oriaku, 2016; Ali et al., 2016; Nejad et al., 2017; Al Shamsi and Alsinani, 2018). Essentially, employee turnover could be reduced substantially through much less costly initiatives including the availability of career opportunities (Gross and Nalbantian, 2002). Continuing to recognize people for achievements or for nice things that the employees have done, either through an e-mail, a handwritten note, or a pat on the back, reduce employee turnover and improve employee morale (Bolster, 2007; Chowdhury and Shil, 2017; Romli and Ismail, 2014; Edriss and Chiunda, 2017). Appelbaum and Kamal (2000) also explained that other things that keep employees happy through non-monetary rewards such as work-life balance, recognition programs and career development opportunities. These rewards are an excellent way to pay closer attention to the needs of their employees. This reflects greater employee productivity and satisfaction and even lower employee turnover. The possible explanation is perhaps employees in private organizations value more monetary rewards rather than non-monetary rewards to fulfill their needs.

Research Implications

This paper contributes to the body of knowledge by enhancing the understanding of what national culture dimensions are perceived as favorable by the employees specifically officer level and above in Malaysian private organizations. As in terms of theoretical implication, past studies tested the Herzberg's Two-factor Theory but they did not investigate the cultural orientation that will affect the perceptions of non-monetary and monetary rewards. Researchers have examined the certain variables to test the Herzberg's Theory in different environment (Carrigan, 2010; Lundberg et al., 2009; Udechukwu, 2009; Miller et al., 2005; Halepota, 2005; Brislin et al., 2005; Ruthankoon and Ogunlana, 2003; Anyanwu et al., 2016; Okoli, 2017). Adding this dimension will enhance knowledge and give a better understanding of cultural orientation and non-monetary and monetary rewards that will, in turn, affect the employees' perceptions of reward systems in Malaysian environment. Besides, the theoretical contribution, the study is also important for HR practitioners and organizations, as it further enhances the managerial understanding on the importance of reward system 'monetary or non-monetary', cultural dimensions and employees' desired outcomes. However, findings provide suggestions and guidelines which can facilitate HR practitioners of Malaysian private organizations which are currently practicing non-monetary and monetary reward programs or are planning to embark the knowledge via understanding the cultural orientation, towards the non-monetary and monetary reward programs, and also providing them a checklist by referring to the vital desired employee outcomes in the organizations. Nowadays, the majority of the Malaysian organizations understand the importance of rewards; nonetheless, there is still room for improvement with the current rewards' strategies as many companies are struggling with the implementation and delivery of their reward systems. There are a few suggestions that employers can take to implement comprehensive rewards programs for maximizing the contribution of their employees by advancing effectiveness and loyalty via dropping employees' turnover. Organizations need to design a low-risk, cost-effective rewards system that will help them remain competitive and attract skilled employees in both local and foreign organizations. National culture can also underwrite important implication for practitioners and organizations to align their HR strategies with their business plans. Culture is a significant element that an organization can build its competitive advantage around and which competitors may have difficulty to prevail. Consequently, Malaysian organizations should design and develop appropriate and pertinent reward programs by observing the current needs of the employees which should be relevant as per national culture of Malaysia. Most employers in Malaysia are concerned about employees' retention and making plans to possess their employees engaged and productive through highly formalized and structured monetary reward programs with predetermined pay bands, scales, and ranges along with benefits package. This is due to the survival and sustainability of the organization in the competitive business environment.

Conclusion

Prior research is predominantly American in orientation (Balsam et al., 2011; Werner and Ward, 2004) and not so much in other Asian countries especially Malaysia. Despite there being a substantial amount of non-Malaysian literature specifically in Western context on this subject, there is a paucity of information concerning the extent of reward programs research in Malaysia. As there is a need and very important to understand the culture of Malaysia and how it can affect the values and behavior of people. It is believed that Malaysian work culture contribute in the formation of some unique management practices (Budhwar and Fadzil, 2000). The findings of this study informed that respondents in private organizations reported themselves as low power distance and feminine cultures. This is contrary to the literature, that Malaysia is high power distance country (Hofstede, 2001). Thus, this study disclosed the danger of assuming a direction for power distance. Employees also perceived and valued monetary rewards in Malaysian private organizations. This is due to the belief that people will never find enough on monetary rewards to make them pleasurable because monetary rewards especially the basic needs are equally important. Employers are able to motivate and engage employees with monetary rewards for performance and individuals who go above and beyond are recognized for their contributions and involvement via efforts as well as employed non-monetary rewards during difficult economic times. In future research, it would be necessary to investigate the Islamic principles in relation to reward systems in the Malaysian context which might be potentially useful for both academicians and practitioners alike. Notwithstanding, this move would also be in line with the nation's mission to implement an 'Islamization' process and promote Islam way of life in Malaysia (Rahman and Nurullah, 2012). It would be interesting also in future studies to know the different approaches in human resource management between Islamic organizations and non-Islamic organizations since both type of organizations share some common values, for instance; kindness, trustworthiness, honesty, dedication and hard work (Hashim, 2009). Similarly, future research can overwhelm the understanding that Islamization is a complete Malay phenomenon, since the tendency of the non-Malay community has been to treat anything to do with Islam as a 'Malay affair' (Mauzy and Milne, 1983). Future study can evaluate the relationship of Islamic HRM with other relevant factors through surveys or interviews. Having thus stated, future study also can attempt to discover the effects of these practices on the employees' productivity, contribution, loyalty, performance as well as employees' satisfaction and organizational commitment.

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BADANIE ORIENTACJI KULTUROWEJ I PRAKTYKI ZARZĄDZANIA WYNAGRADZANIEM W MALEZYJSKICH ORGANIZACJACH PRYWATNYCH

Streszczenie: W artykule skupiono się na wymiarach orientacji kulturowej, które mogą wpłynąć na postrzeganie korzyści pieniężnych i niepieniężnych przez pracowników malezyjskich organizacji prywatnych. Dokonano analizy powiązania postrzegania nagród niepieniężnych i pieniężnych z pożądanymi wynikami pracowników. W przeprowadzonym badaniu przyjęto podejście ilościowe. Kwestionariusze rozdano 1000 pracownikom prywatnych organizacji w Malezji, od których otrzymano 329 wypełnionych ankiet. Hipotezy badano za pomocą metody SEM-PLS. Na podstawie przeprowadzonej analizy ustalono, że spośród 12 hipotez, 8 było znaczących, a 4 hipotezy były nieistotne. Badanie wznaczący sposób przyczynia się do odkrycia dokonań Geerta Hofstede, dodając do znaczących i pozytywnych związków kobiecej orientacji i postrzegania pieniężnego i niepieniężnego wynagradzania. Co więcej, badanie to dostarczyło znaczących ustaleń dotyczących postrzegania pieniężnego i niepieniężnego wynagradzania w odniesieniu do składek pracowniczych. Uważa się, że badanie przynosi korzyści praktykom HR zarówno w kwestii teoretycznej jak i praktycznej, dostarczając wskazówek i sugestii dotyczących projektowania i wdrażania wynagradzania niepieniężnego i pieniężnego w malezyjskich organizacjach prywatnych. W badaniu zidentyfikowano praktyki dostosowywania wynagradzania jako zauważalne narzędzie zarządzania w celu zwiększenia wyników pracowników.

Słowa kluczowe: praktyki zarządzania wynagradzaniem, orientacja kulturowa, pieniężne i niepieniężne wynagradzanie, pożądane wyniki pracownicze, malezyjskie organizacje prywatne

在马来西亚私人组织中检查文化取向和奖励管理做法

摘要: 本研究旨在关注文化导向的维度, 这些维度可能会影响马来西亚私营组织员工对非货币和金钱奖励的看法。它进一步考察了非货币和金钱奖励与期望的员工结果之间的联系。该研究采用定量研究方法。向在马来西亚私人组织工作的1000名雇员分发了一份调查问卷, 其中收集了329份问卷。通过SEM-

PLS测试假设。统计结果表明, 在12个假设中, 8个假设是显著的, 4个假设是无关紧要的。该研究通过增加女性取向与货币和非货币奖励感知的重要和积极关系, 为Hofstede的研究结果提供了有意义的贡献。此外, 它通过提供对员工贡献的货币和非货币奖励感知的重要发现, 增加了理论。该研究被认为通过为马来西亚私人组织设计和实施非货币和金钱奖励提供指导和建议, 从理论上和实践上使人力资源从业者受益。该研究将奖励一致性实践确定为一种显著的管理工具, 以促进更大的员工成果。

关键词: 奖励管理实践, 文化取向, 货币和非货币奖励, 期望的员工结果, 马来西亚私人组织