

Examining how Monetary and Non-Monetary Rewards can Influence Voluntary and Involuntary Turnover in Fast-Food Restaurants in Port Harcourt

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Abstract

This paper examines the extent to which reward systems in the fast-food industry can determine employee voluntary and involuntary mobility where organizational climate is a moderating variable. 200 copies of the questionnaire were distributed to 10 fast-food restaurants and 163 copies were returned and useful for analyses. This study realized the fact that employees within the fast-food restaurants place more value on non-monetary rewards than they do for monetary rewards.

Keywords: *Monetary reward, Non-monetary reward, voluntary mobility, involuntary mobility, organizational climate*

1.0 Introduction

The movement of employees from their organizations to other organizations has always been a concern for managers within fast food restaurants located in Port Harcourt. Most of these movements are done out of the volition of the employees due to their attraction to other organizations' offer. However, involuntary mobility has been on the increase, especially with the emergence of global financial crises all over the world (Simon et al, 2013). Today, involuntary mobility has been assumed to be gaining relevance in research topics because it is a factor that also determines the health of such organization. Job mobility is often influenced by various factors such as the characteristics of the workers, the characteristics of the job, as well as the level of synergy or congruence which exists between the job and the worker. In other words, there must be that level of satisfaction that must exist within the employee to make him remain in the organization.

This mobility has often been predetermined by various factors, but this study would be concerned with how the reward system within an organization can influence the movement of employees. Take for example; most employees are committed to their organizations because of the reward they receive for their service. Most of these rewards could be in monetary form, while the others could come in non-monetary form such as recognition as well as additional responsibilities. However, Ukandu and Ukperre (2014) have opined that every employee has a need that can be met using an organization's reward system in any organization. Parker and Wright, (2001) also assert that the kind of reward system in any organization would determine to a large extent the attraction and retainment of organizational talents. Authors like Hausknecht and Trevor, (2011) also revealed that in 2009, the rate of involuntary turnover had suppressed

voluntary turnover by over 39% due to the pressure from the economic recession that affected virtually all the economies of the world. This does not mean a total elimination of voluntary mobility as talented employees who feel there are better options and safer havens for them outside their organizations would still leave to find greener pastures.

In considering the role of climate, we would consider organizational climate as a measure of employees' perception or feeling about his or her organization (Adenike, 2011). Workers within the fast-food restaurants in Port Harcourt often move from their jobs because of the moderating role of climate. This could come in the form of unchallenging jobs, shortage of personnel, etc. Several authors like Friedlander and Marquies, (2006) as well as Johnson and McIntye, (2008) have proposed that climate plays a very huge role in determining the retention of or the mobility of staff to other organizations. The type of climate an employee works under also goes a long way in affecting his productivity as well as his ability to work passionately for his organization.

1.1 Statement of the Problem

The growth of the fast-food sub-sector of the economy has grown reasonably to a whopping worth of over two hundred and fifty billion Naira with a forecasted growth, which is analysed to be next to the petroleum industry (Mathias and David, 2015). This industry has to its credit, the employment of over 6000 employees at all levels of production as well as sales. This is because Nigeria is an emerging market, which is also a fertile ground for economic and welfare development. Port Harcourt metropolis has been one of the major cities in Nigeria that have benefited from this growth in the fast-food sub-sector. In Port Harcourt, there are almost quarterly emergences of new fast food outlets within major areas of the town. The big players often attract the employees from smaller outlets and the rate of competition is getting very high and every outlet want to outshine the other. This has also been a factor affecting the retention of employees.

The movement of employees within this sector is on the increase as not up to 10 % of the workforce remains after five years. Most times, they are being laid off because of improper management of the outlet. Most of the managers sideline jobs that are meant for the organization and at the end of the day, they move out to open their own outlets and most times they carry some employees along with promises of better pay and conditions of service. There are, most times, no structure on the ground that takes care of the remuneration of workers as well as other forms of responsibilities that could motivate the workers to remain in the organization.

This has posed a serious question mark on the retention of employees in the fast-food sub-sector. Most employees still work with one leg in the organization and the other leg outside the organization trying to see the next place that has a better opportunity for them. Most times, employees are also asked to leave the organization for obvious reasons which often ranges from the downsizing of the outlet due to low customer patronage.

1.2 Research Hypotheses

HO₁ There is no significant relationship between monetary rewards and voluntary job mobility

HO₂ There is no significant relationship between non-monetary rewards and voluntary job mobility

HO₃ There is no significant relationship between monetary rewards and involuntary job mobility

HO₄ There is no significant relationship between non-monetary rewards and involuntary job mobility

HO₅ Organizational climate does not moderate the relationship between reward systems and job mobility

OPERATIONAL FRAMEWORK

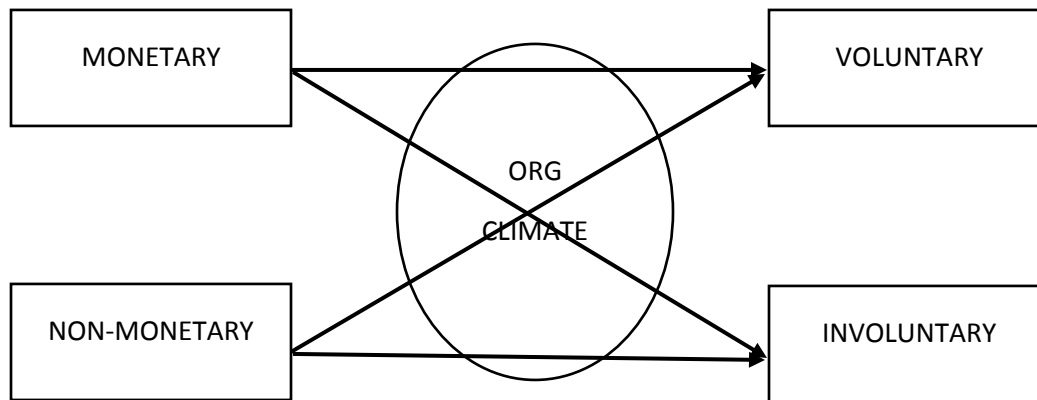


Fig. 1.1 Researcher's conceptualization (2017)

1.3 Significance of the study

This work would be among the few empirical works that would expose its readers on how the movement of workers in the fast food sub sector in Port Harcourt is predicated upon reward systems which could be monetary or non-monetary in nature. This work will expose owners of fast food restaurants towards applying reward strategies in a timely manner so as to ensure they still have the loyalty of their employees because when such loyalty is lost, the rate of turnover would increase.

The significance would also be extended to scholars in the field of management, especially human resource management. It would enable them establish theories that would facilitate the retention of employees in organizations.

The general public would also benefit from this work as they would be guided in their thinking, especially when they observe such incidence of workers moving from one organization to the other.

1.4 Scope of the study

- i. Content scope: the content scope of this work lies within reward systems as well as job mobility. Reward system is further looked at within the perspective of monetary and non-monetary rewards while job mobility is considered within the perspective of voluntary and involuntary mobility. The study also studies organizational climate as a moderating variable.
- ii. Geographical scope: This study was conducted within fast food restaurants located in Port Harcourt metropolis.
- iii. Study Unit scope: This study would be conducted at the individual level, which covered all the employees in the selected fast food restaurants under focus.

2.0 Theoretical Framework

This work is structured by two motivational theories which are the expectancy theory of motivation as well as Herzberg's two-factor theory of job satisfaction.

2.1 Herzberg's Two-Factor Theory

Herzberg's two factor theory was developed by Fredrick Herzberg in 1959. He also proposed that the satisfaction received in a job as well as the dissatisfaction are usually pre-determined by two factors which are Hygiene factors and Motivational factors (Stello, 2011). Herzberg further described hygiene factors as satisfiers which include salary, conditions of work, supervision, interpersonal relationship, the policies, culture and climate of organizations as well as job security (Enyia, 2015). Furthermore, he categorized motivational factors to be recognition, achievement as well as opportunity for growth and progress.

Herzberg's two-factor theory is one of the content theories of motivation because it attempts to unveil those factors that can motivate employees through the identification and satisfaction of their personal needs and desires as well as aims that are pursued to satisfy those desires (Ball, 2003). The unique features of Herzberg's theory are that the main factors that motivate are in the intrinsic values as well as the satisfaction that is derived from the job itself and not in the job environment.

2.2 Expectancy theory:

This theory was developed out of Victor Vroom's dissatisfaction with Herzberg's two-factor theory. This theory is unique in the sense that it believes that the motivation of individuals such as employees towards an action would be determined by the employees' perception and anticipation of the values of all expected outcomes (Jaja, 2003). It can be further stated that expectancy theory postulates that employee motivation is driven by the expectations of employees towards expected outcomes. Vroom further explained this theory in a mathematical form as $F = V \times E$.

Where, **F** = Force (Strength of employee motivation)

V = Valence (strength of the employee preference for an action)

E = Expectancy (this explains in probabilistic terms, the probability that a given action would lead to a desired result.

Lunenburg (2011) further explains that the Vroom's expectancy theory is built on four basic assumptions which include;

- i. Employees engage themselves with organizations with some expectations which relates to their motivations, need, as well as their past experience and these will certainly influence the reaction of the individual towards the organization.
- ii. Employees' behaviours are as a result of their violation.
- iii. Employees expect several things from their organization such as advancement, job satisfaction, job security, good salary, etc.
- iv. Employees would always choose from among alternatives, the best that would optimize their personal outcome.

These theories of motivation suggest to us that the question of whether to leave the organization or not is dependent upon how motivated and satisfied the employees of fast-food restaurants are in the present job. Where employees feel that they are no longer valued by the management of their organization, they would always want to find greener pastures elsewhere.

2.3 Reward systems

According to Holmes et al (2010), Reward systems are seen as the structured methods used by organizations in evaluating as well as compensating the performance of its employees. As part of the tools in motivation, workers can be made to remain satisfied within the organization if such structures are kept in place. Most times, these compensations are given out in monetary forms and at other times, it is given out in non-monetary forms. A monetary form of rewards can come in the form of fringe benefits, salary/wage, etc. While non-monetary form of reward could also come in the form of recognition, additional responsibility, etc. It is for these reasons that the researchers have decided to evaluate how such systems could make the employees leave or want to remain in the organization.

2.4 Monetary Reward

It is very unfortunate that various works of behavioural scientists such as Herzberg have affected the mindset of most employees in thinking that feedback, challenging jobs, cohesive teams and several other non-monetary factors are the factors that stimulate the motivation (Harunavamwe and Kanengom, 2013). This could be true for some developed nations, but not countries like Nigeria and some other developing economies. The fast-food restaurants make so much money, but they spend very little percentage for employee financial incentives.

Pfeffer (1998); Armstrong; (2007) further affirms that employees actually work for money rather than a good working environment. Employees do not just want to work for big fast food restaurants because they give them meals every day, they work in these restaurants because they actually want to take care of themselves and their families. Employees within the south-east and south-south region of Nigeria do not really care about their work environment; they care about how they could survive in the environment they have found themselves. This form of reward provides some form of power to the employee which can make him afford luxuries and necessities of life as well as keep him satisfied (Enyia, 2015). Just like the general saying that money rules the world, without money, most employees would not be respected in their homes, especially where they are the breadwinner.

2.5 Non-monetary Reward

While monetary rewards seem to be more important, we must also understand that every organization must try to create a system which rewards employees equitably. Non-monetary rewards may come in form of promotion, extended leave, child care facilities, medical facilities and lots more (Terera and Ngirande, 2014). Non-monetary rewards are given to employees, to appreciate them for their efforts beyond performance expectation (Enyia, 2015). Most times, simple appreciation by managers to employees for a job well done could go a long way in creating a mindset of value inside the employee. He would feel that he is being appreciated and that the organization values his presence.

Non-cash rewards do not involve any direct payment of money and they can be either tangible or intangible. Those regarded as intangible cannot be seen, but can be felt just like providing employees autonomy in their job, assigning employees to challenging jobs, allowing employees to participate in decision making, etc., while those rewards that are tangible could come in the form of award plaque, letter of appreciation, tickets to restaurants, etc (Lumumba, 2012). Yavuz (2004) also suggests that non-monetary incentives have some elements emanating from the environment of work such as leadership styles, having consideration for group interactions as would include both formal and informal groups in the organization. The way in which managers

greet their subordinates count a lot in the mind of the employee as it shows either a sign of acceptance or rejection. Appreciating the employees' good work, providing feedback as well as seeking the opinion of employees are some of the ways organizations can provide non-monetary rewards to employees.

2.6 Concept of Job Mobility

Job mobility can be referred to as the intra and inter-organizational transitions over the course of an individual's working life (Hall,1996; Sullivan, 1999; Ng et al, 2007). Today, with the increasing rate of downsizing and retrenchment, employees tend not to last long in their organizations. Most times, some employees who are exceptionally different from other employees tender resignation letters and move ahead to other organizations that meet their needs and wants. During recessions, people tend to accept whatever job that come their way, even if those jobs are lower than the once they initially had (Enyia, 2015). In whichever way the pendulum dangles, there is always that effect on both the employee and the organization, none is free from its resultant effect. On the part of the organization, there would be a vacuum created, especially if the employee was exceptional among his colleagues in the organization. On the part of the employee, when it is voluntary, then it could be of less effect. But when it occurs involuntarily, the person would find it difficult in the labour market, especially where the labour supply market is over flooded.

2.7 Voluntary Job Mobility

This type of mobility has to do with the employees' decision to end his employment relationship with his employer (Dess, 2001). The cost associated with voluntary mobility can never be over-emphasized as it constitutes a human capital debt in the organization where the employees are moving from. This type of mobility often comes when the employee has got a better job offer compared to the job they are currently doing. This is because every individual crave for growth and this growth could cover so many areas of their work life. Employees who tend to leave their jobs voluntarily are often times those who have special skills required by the job and other organizations in need of such skills would normally attract such employee with those benefits that could change his decision of staying in his present organization. Voluntary mobility often eliminates return on investment on organizations' employees. It is a loss of a productive employee and this would naturally have a decreasing effect on the organization's productivity.

2.8 Involuntary Job Mobility

Involuntary mobility is often not good to the employees as they are being forced to leave the organization. Sometimes because of poor performance, downsizing of the work force due to economic crises, etc. Involuntary termination or mobility often reflects a bad hiring decision made by organizations that have to be corrected. It has its etiological dynamics, costs as well as consequences which are completely opposite from voluntary mobility (Shaw et al, 1998). Most times, organizations hurriedly hire workers into the work force and later, they realize that such workers do not meet the requirement for such job. However, the organization that carefully select employee may not need to discharge such employees except in cases of extreme economic recession where retrenchment and layoff are the only remedy.

Because of the influx of applicants in the Nigerian labour market, employees seem to be choosier so as to select the best employees, but when most fast food employers try to employ every employee that come to apply, there is a higher probability that mistakes would occur in the

recruitment and selection process. This could also lead to involuntary job loss and at this point, the organization must have spent reasonably in the induction, training and development of such employee.

2.9 Organizational climate

Organizational climate can be described as the values, attitudes and practices that can be used in characterizing employees of a given organization. It is the social process, attitude and feelings of organizations (Low, 1997; Adenike, 2011). Organizational climate is usually that feeling that is conveyed by the physical layout which could mean the manner in which employees conduct themselves internally as well as how they communicate with customers (Luthans, 1998; Adenike, 2011). This implies that new employees can see for themselves whether organizational climate is positive or negative by just looking at how other employees interact within themselves. The climate of organizations has overtime been regarded as a predictor of both individual, group as well as organizational output (Enyia, 2016). The climate in organizations can come in the form of safety climate, climate for innovation, climate of fear, climate of silence, etc and the presence of these factors have a long run effect on the perception of employees in the fast food restaurants.

Some fast food restaurants have such climate which does not allow employees perform jobs with their own discretion, they would rather want the employees to take permission before they could do whatsoever. Only a few of fast food outlets give employees such job autonomy and it is sometimes monitored to avoid deviation from organizational objective.

With the proper climate in place, employees would give out the best as well as become very productive to their organizations. Most employers who overlook the impact of the climate their employees work under often experience high job turnover from employees and thus also have an impact on their profitability as well as sustainability. Therefore, we shall in this study see how organizational climate can act as a moderating variable in determining the impact of reward systems on employee job mobility.

2.10 Reward Systems and Job Mobility

Based on our literature, we have seen that reward systems if effectively put in place can help motivate employees in the fast food restaurants to put on their best as well as make them want to remain in the organization. We have seen that employees do not just want to work for organizations because of those non-monetary features which these fast food restaurants can boast of such as offering free meals to their employees daily. Rather, they want to be able to take care of their families in order to have a place in the wider society.

These factors create satisfaction within employees and it makes them want to put in their best which would in the long run manifest in high profitability and low turnover.

3.1 Sample size Determination

This study adopted a purposive sampling technique so as to reach out to those organizations where data was easily assessed. Twenty (20) copies of the questionnaire were distributed to each of the three branches of Genesis fast-food restaurants were studied, namely; Choba, Rumuokwuta and Agip branches respectively.

Twenty (20) copies of the questionnaire were also distributed each to two branches of Kilimanjaro namely; Uniport and Agip branches. For Sammies, only one branch was studied with twenty (20) copies of the questionnaire distributed. Mr. Biggs, Jevinik, Peperoni and The

Promise also had one branch each in this study and twenty copies of the questionnaire were distributed to each of them.

Table 3.1 Copies of questionnaire distributed

Organization	No. of branches studied	No of copies distributed	No of copies returned
Genesis	3	60	49
Kilimanjaro	2	40	33
Sammies	1	20	16
The promise	1	20	19
Mr. Biggs	1	20	15
Pepperoni	1	20	14
Jevnik	1	20	17
TOTAL	10	200	163

4.0 Data Analyses and Findings

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.004	1.066		7.507	.000
	MONETARY_REWARD	.039	.057	.031	.684	.495
	NON_MONETARY_REWARD	.934	.057	.745	16.272	.000

a. Dependent Variable: VOLUNTARY_MOBILITY

Fig. 4.1

H0₁: Our first hypothesis shows a negative relationship existing between monetary reward and voluntary mobility with a coefficient of 0.031 which is very weak and a p-value of 0.495 which is greater than alpha of 0.05. We therefore reject the null hypothesis. This implies that employees within fast food restaurants in Port Harcourt do not leave their organization just because of insufficient pay, but other factors found within their working environment. (See fig 4.1)

H0₂: Our second hypothesis shows a positive relationship existing between Non-Monetary rewards and voluntary mobility with a coefficient of 0.745 which is perfect as well as a p-value of 0.000 which is less than alpha level of 0.05. We would therefore reject the null hypothesis. This implies that employees are more concerned with the intangible benefits they derive from the organization more than they value the monetary rewards.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.603	.711		12.106	.000
	MONETARY_REWARD	-.199	.038	-.303	-5.268	.000
	NON_MONETARY_REWARD	.482	.038	.726	12.606	.000

a. Dependent Variable: INVOLUNTARY_MOBILITY

Fig. 4.2

H0₃ our third hypothesis shows a significant relationship existing between monetary reward and involuntary mobility with a weak coefficient of -0.303 and a corresponding p-value of 0.000 which is less than 0.05 alpha level. For this reason, we would reject the null hypothesis.

H0₄ Hypothesis four also shows a significant relationship existing between non-monetary reward and involuntary mobility with a strong coefficient of 0.726 and a p-value of 0.000 which is also less than 0.05 alpha level. We would also reject the null hypothesis

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.209	.825		1.466	.144
	MONETARY_REWARD	-.041	.036	-.020	-1.135	.257
	NON_MONETARY_REWARD	2.154	.052	1.041	41.055	.000
	VOLUNTARY_MOBILITY	.100	.034	.060	2.924	.004
	INVOLUNTARY_MOBILITY	-.709	.051	-.228	-13.848	.000

a. CLIMATE

Fig. 4.3

Our final hypothesis shows the coefficients when organizational climate is being introduced. It shows that every other hypotheses had a p-value which is less than 0.05 except the effect on monetary reward, but this time, the p-value is 0.257 against 0.495 in our first hypothesis. Therefore, we would reject the null hypothesis

5.0 Conclusion

This work clearly examined the extent to which both monetary and non-monetary rewards would affect employees' voluntary and non-voluntary mobility in fast food restaurants in Port Harcourt. We realized that employees within this industry are more focused on non-monetary rewards than they care about the monetary rewards. Such non-monetary rewards could come in the form of recognition, work environment, superior-subordinate relationship, etc. Workers often like to feel valued in the organization irrespective of the pay they get and this form part of the reason why they remain in the organization. This study also shows the extent to which organizational climate moderates the relationship between our variables and it also revealed that employees also place more value on non-monetary rewards with a slight difference in the p-value. Therefore,

organizations such as Fast-food restaurants must also make provisions for rewards and recognitions to the best performing employees, awards can also be given to the best employees of the year so as to motivate the others towards performance consciousness.

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