

# EMPLOYEE REWARDS AND MOTIVATION IN PORTUGUESE MERCIES

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## ABSTRACT

**Goal** – *This study aims to investigate the influence of rewards on work motivation in Portuguese mercies.*

**Method** - *To achieve our goal a quantitative descriptive study was carried out based on an online survey. A convenience sample of 132 collaborators of the Portuguese mercies was used.*

**Results** - *The results show that intrinsic task and knowledge rewards as well as extrinsic social rewards have a positive impact on autonomous motivation.*

**Discussion** - *There was no significant evidence regarding the impact of intrinsic and extrinsic rewards on controlled motivation. Having found that perceptions of intrinsic rewards are more positive than those of extrinsic rewards; and, that employees have higher levels of autonomous motivation than controlled motivation.*

**Conclusion** - *The present study allowed us to assess which rewards had the greatest impact on mercies employees' motivation, contributing to the understanding of the most appropriate instruments for an effective management of human resources motivation in these institutions.*

**Keywords:** Work Motivation, Self-Determination Theory, Intrinsic Rewards, Extrinsic Rewards, Mercies

## INTRODUCTION

Portugal has been living in a context marked by profound social transformations characterized by an aging population, inequality, and social exclusion. Added to this is the progressive inability of the welfare state to respond efficiently to these changes. Consequently, we are witnessing a greater intervention by civil society to overcome these obstacles and promote greater social cohesion (Lima, 2013). In this context the role of Private Institutions of Social Solidarity (PISS), with emphasis on mercies, play an increasingly important role in the fight against poverty, disease, disability, and the difficulties created by old age (Conta Satélite Da Economia Social (CSES) - CASES - Cooperativa António Sérgio Para a Economia Social, 2019)

Since the added value of this type of organizations is mainly based on their human resources (Weisberg & Dent, 2016), productivity and efficiency are evaluated from a human and relational point of view (Borzaga & Tortia, 2006), it is essential to assess the main factors of employees' motivation to improve performance of the services they provide, both to their users and to society in general.

“Rewards are recognized as the main motivators of employees since organization began” (Werner & Ward, 2004). This view is consensual in the field of organizational behaviour, the great debate is centred around the rewards that stimulate quality motivation. On the other hand, due to the higher level of skills and training of workers in today's societies (Kuvaas et al., 2016), the paradigm of work motivation experienced a “Copernican revolution” (Rigby & Ryan, 2018), so that it is no longer based on factors external to the function, such as salary, incentives, and benefits, but is based on internal factors, related to the interest and pleasure in the work itself (Gagné & Deci, 2005; Rigby & Ryan, 2018; Deci et al., 2017). In this context, the literature distinguishes two major types of rewards: intrinsic and extrinsic. The former is inherent to the work or, more specifically, to the characteristics of their tasks. As for the latter, they have an instrumental character and result from factors external to the work (De Getier et al., 2008; Gagné & Forest, 2011; Mottaz, 1985). According to the Self-Determination Theory (SDT), the former are at the origin of quality motivation, while the latter can be a source of stress (Gagné & Déci, 2005; Ryan & Deci, 1985).

On the other hand, perceptions about rewards and motivation may vary depending on the organizational context (De Getier et al., 2008; Gagné & Deci, 2005). Studies indicate that employees of non-profit organizations have high levels of satisfaction and well-being at work, even in the presence of lower wages, compared to their peers in private organizations (Benz, 2005; Borzaga & Tortia, 2006). Indeed, employees of that type of organizations denote some characteristics that distinguish them from those in the private sector, as they are inserted in a context that has a different approach to economic activity, they are more focused on people and public service, as well as on factors directly related to the mission and tasks of the work (Borzaga & Tortia, 2006; LeRoux & Feeney, 2013; Park & Word, 2012). In other words, psychological and social rewards are more important (Jessen, 2010; Schepers et al., 2005).

The main objective of the present investigation is to evaluate the determinants of motivation in PISS, taking the example of Portugal mercies. To this end, the Self Determination Theory of motivation is used, as it advocates a model that assesses the effect of satisfying those needs on quality motivation (Ryan & Déci, 1985; Gagné & Déci, 2005). As for the methodology, a descriptive quantitative approach was adopted, using the online survey.

This study brings important contributions. On the one hand, because there is little literature on the study of rewards and motivation in non-profit organizations (Schepers et al., 2005), especially in Portuguese mercies. On the other hand, because it brings knowledge to the managers of these institutions about the most adequate instruments for the effective management of motivation of their human resources.

- a) Theoretical Approach
- b) Social Economy Concept

Social economy designates economic activity based on private non-profit organizations that finance themselves and aim to satisfy social nature needs that the public sector does not intend to solve, and the private sector does not see lucrative interests (Caeiro, 2008). Thus, those organizations play an important role in the production of certain goods and services that have an impact on sustainability and economic growth, in the enhancement of economic activity in the service of social needs, in the more equitable distribution of wealth, in job creation, as well as in correction of social imbalances (Penalver et al., 2012).

Social economy organizations have two common characteristics: concern for individuals and social aspects. Thus, they have a different approach to the purely economic activity as they are not just producers of goods and services and favour people over capital (Observatório Da Economia Social Portuguesa (OBESP) - CASES - Cooperativa António Sérgio Para a Economia Social, n.d.).

## Social Economy Organizations

Social economy organizations can be divided into three groups

1. Cooperatives
2. Private institutions of social solidarity (piss) (barros, 2003; penalver et al., 2011)
3. Other associations.

The IPSS exert a fundamental dynamic in the development of the social economy (Caeiro, 2008).

They are constituted by the initiative of individuals with the purpose of giving organized expression to the moral duty of solidarity and justice among individuals, who are not administered by the State, or by a municipal body, to pursue, among others, objectives of social support to the family, children and youth, social and community integration, through the concession of goods and the provision of services (Instituto da Seguran Social, 2014 (ISS)).

In an analysis of the importance of different organization types for the social economy, the CSES report (2019) states that of the 72 thousand entities considered, 93% represent associations with altruistic purposes, accounting for 60% of GVA and 65% of paid employment. Mercies form the second group with the greatest weight in terms of paid employment, and the purpose of this article is to assess the rewards and motivation in mercies.

### **Mercies: A particular kind of PISS**

Mercies represent the oldest organizations in the social economy in Portugal. It dates from 15th August 1498, the foundation of the first mercy by Queen Dona Leonor, in Lisbon.

Currently, 387 mercies are active, supporting around 167,000 people. For this purpose, they have around 45 thousand direct employees and thousands of indirect employees (UMP, 2020)

The increasing pace of population aging, and social exclusion of some population groups represent a challenge for these institutions in terms of management of their human resources in order to adapt to new realities and seeking to maintain the mission for which they are governed for more than 500 years.

### **Rewards System Concept**

Rewards are a key element in the exchange relationship between an organization and its employees. From the organization's side, they are an instrument that allows aligning the behaviour of the latter with the organization's objectives, strategy, and culture, attracting, motivating and retaining them. On the employees' side, they represent the compensation that the organization provides them in exchange for their effort, skills, and performance (Camara, 2016; Werner & Ward, 2004). The main objective of a reward system is, therefore, to keep employees motivated and satisfied, to achieve the best performance standards in pursuit of the organization's goals (Borzaga & Tortia, 2006; Bustman, Sook & Abdullah, 2014; De Gieter, De Cooman, Pepermans & Je.g. ers, 2008; Gagné & Forest, 2011; Hofmans, De Gieter & Pepermans, 2012).

So, an effective reward system must answer the following key question: "what kind of stimuli does the organization need to give a person in order for him to feel satisfied at work?" (Abreu, 2000). We can find in the literature several types of rewards. Despite the diversity of typologies, there is a consensus that the principles by which they are governed are very similar (Chiang & Birtch, 2006; De Gieter et al., 2008). Many of them, inspired by Herzberg's Bifactorial Model (1968), fall into two broad categories: intrinsic and extrinsic (Camara, 2016; Chiang & Birtch, 2006; Ghazi et al., 2013; Gitamo et al., 2016; Mehta et al., 2000; Morgan et al., 2013; Mottaz, 1985; Tippet & Kluver, 2009; Weisberg & Dent, 2016).

### **Intrinsic Rewards**

Intrinsic rewards are the effects produced by the function itself rather than its external results (Treville & Antonakis, 2006) and thus emanate from the work itself, its content, or more

specifically from its characteristics (De Gieter et al., 2008; Jessen, 2010; Mottaz, 1985). Based on the model of Hackman & Oldham (1975, 1976), Morgeson & Humphrey (2007) typified the characteristics of work into two categories: characteristics of tasks and characteristics of knowledge. The characteristics of the tasks include the characteristics of autonomy, meaning of tasks, identity of tasks, variety of tasks and feedback from the tasks themselves.

The characteristics of knowledge will be described below. Regarding the complexity of the function, this refers to the degree of complexity and difficulty in performing the tasks, which is manifested in two characteristics:

- a) Complex tasks have several paths to reach a solution
- b) Does not have objective evaluation criteria (byron & khazanchi, 2012).

## Extrinsic Rewards

Extrinsic rewards emanate from factors external to the activity. They have an instrumental character as they serve to obtain a result or avoid punishment (Chiang & Birtch, 2006; De Gieter et al., 2008; Gagné & Forest, 2011; Mottaz, 1985). Extrinsic rewards can be classified into social and organizational (Jessen, 2010; Mottaz, 1985).

The extrinsic social rewards consist of the interpersonal relationships that the employee has with their superiors and colleagues (Borzaga & Tortia, 2016; De Gieter et al., 2008; Lyons et al., 2006). And we can categorize them into three dimensions: feedback, social recognition and emotional support. Although these components are interconnected, they have different goals (De Gieter et al., 2008). Organizational extrinsic rewards refer to those that benefit employees in a financial or material way (Chiang & Birtch, 2008; De Gieter et al., 2008).

Financial rewards are provided in a monetary form, such as salary, incentives, and benefits (Chiang & Birtch, 2008). Money is considered the reward with the highest instrumental value (Kuvaas et al., 2016), as it can indirectly satisfy a wide range of needs, from the most basic (food, housing) to the highest (social status) (Rynes, Gerhart & Kathleen, 2004).

## Motivation at Work

Motivation at work is a multidisciplinary construct on which we can find different conceptions (Cunha, et al., 2016). Solomon, et al., (2006, 90), consider that “motivation refers to the psychological process that triggers a certain behaviour in people”. A widely adopted definition (Hausser, 2014) is given by Pinder (1998, 11). The same refers that motivation at work is "the set of energetic forces, originating either in the individual or outside him, that shape work behaviour, determining its form, direction, intensity and duration".

## Self-determination Theory (SDT)

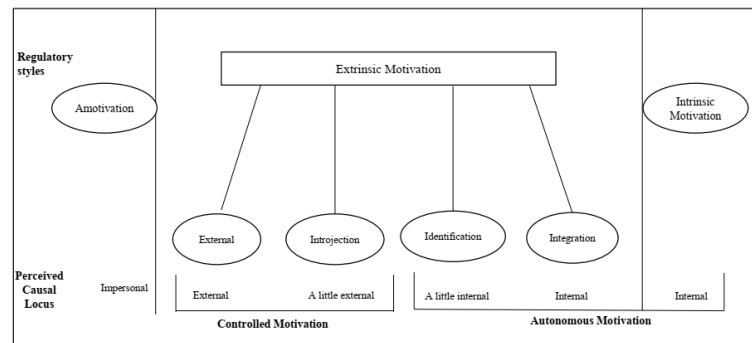
The Self-Determination Theory (SDT) has as its central assumption that there is an innate tendency of individuals to develop “a feeling of autonomy in the choice of initiation and regulation of their individual actions” (Deci, Connel & Ryan, 1989, 268) or, in other words, to control the causal locus of their behaviours (Ryan & Deci, 2000). This appetite is called self-determination (Deci, et al., 1989; Gagné & Deci, 2005; Ryan & Deci, 2000).

Deci & Ryan (1985) (cited in Ryan & Deci, 2000) developed TAD from Deci's (1971) seminal work on Cognitive Assessment Theory. This distinguishes intrinsic motivation from extrinsic motivation. The first reflects the desire to do something for the interest and pleasure of the task itself, that is, where the “motivation resides in the behaviour itself” (Deci et al., 2017). This is the case of the worker who enjoys work or identifies with its values and goals. In extrinsic motivation, the motivational force to perform an activity comes from an objective external to it. This is the case of the worker who tries harder to receive a performance bonus (Gagné & Deci, 2005; Ryan & Deci, 2000).

## Motivation Continuum

Contrary to other theories (e.g., Theory of Needs, Expectation, Goal Setting) that only consider the quantitative and one-dimensional character of motivation, TAD argues that it presents qualitative differences depending on the degrees of autonomy of individuals' actions (Gagné & Deci, 2005; Rigby & Ryan, 2018). It is important to emphasize that autonomy is seen here as “a behaviour with a sense of volition and experience of choice” (Gagné & Deci, 2005).

This theory goes beyond the intrinsic/extrinsic dichotomy, conceiving different forms of motivation in a continuum that range from the most dynamic (*i.e.*, intrinsic or autonomous) to the poorest (*i.e.*, extrinsic or controlled), as shown in Figure 1 (Gagné & Deci, 2005; Rigby & Ryan, 2018).



**FIGURE 1**  
**MOTIVATION CONTINUUM BY SDT**

Source: authors, adapted from Ryan & Deci (2000)

## Intrinsic Motivation

Intrinsic motivation (*i.e.*, autonomous) designates a natural tendency of individuals to develop activities that are interesting and generate pleasure (Gagné & Deci, 2005; Le.g. ault, 2016; Ryan & Deci, 2000). Motivation is directly stimulated by the needs, values and interests of individuals. Thus, as can be seen in Figure 1, the perceived causality locus is internal. By nature, intrinsic motivation is only possible if it is interesting and pleasant, as it has to be rewarding in itself (Gagné & Deci, 2005; Le.g. ault, 2016; Ryan & Deci, 2000). In this type of motivation, the workers' individual goals converge with the organization's goals (Deci et al., 2017; Rigby & Ryan, 2018).

## Extrinsic Motivation

When activities are not interesting or intrinsically motivational, behaviours are stimulated by extrinsic motivation. In these contexts, motivation depends on external contingencies, such as a material reward or approval. Thus, extrinsic motivation has an instrumental value, referring to the execution of an activity for the expected result. Thus, the perceived causality locus is external (Gagné & Deci, 2005; Le.g. ault, 2016; Ryan & Deci, 2000).

However, SDT proposes a continuum extrinsic motivation model based on the degree of regulation of internalized behaviour.

## Amotivation

Amotivation designates the absence of an intention or behaviour. This happens if the individual does not feel competent to perform it or does not believe that their action will produce

result (Ryan & Deci, 2000; Gagné & Deci, 2005).

## **Basic Psychological Needs as a Motivational Force**

SDT argues that the development of autonomous motivation (intrinsic and internalized) depends on meeting three basic needs that facilitate the internalization process: autonomy, competence and relationship (Broeck, Lens, De Witte & Coillie, 2013; Deci et al., 2017; Gagné & Deci, 2005; Ryan & Deci, 2000).

## **Rewards and Motivation from the SDT Perspective**

SDT defends that autonomous motivation is crucial for better levels of satisfaction, well-being, and performance. In contrast, controlled motivation is associated with higher levels of stress and dissatisfaction (Deci et al., 2017; Gagné & Deci, 2005; Houkes et al., 2001; Rigby & Ryan, 2018).

Regarding rewards, TAD considers that they have two functions: informing and controlling (Deci et al., 2017). The informative aspect refers to the knowledge of the performance and meaning of the task.

## **Rewards and Motivation in Non-Profit Organizations**

The economic theory of non-profit organizations considers that this sector has particularities that are reflected in the motivation of its employees (Borzaga & Tortia, 2006; LeRoux & Feeney, 2013; Lyons et al., 2016; Park & Word, 2012).

With regard to work motivations, most studies do not find significant differences between public and non-profit organizations, but especially between these two types and those from the private sector (Borzaga & Tortia, 2006; LeRoux & Feeney, 2013; Lyons et al., 2016; Park & Word, 2012; Wittmer, 1991). In fact, despite their business nature, non-profit organizations are very similar to public organizations in terms of work motivation, as both share the concern to serve the community and civil society. Private organizations, on the other hand, are highly concerned about obtaining profit (Park & Word, 2012; LeRoux & Feeney, 2013; Tippet & Kluver, 2009; Wittmer, 1991). Social economy workers demonstrate a motivation to serve the community that is intrinsic to work and that goes beyond this being a way of “making a living” (Parker & Word, 2012).

## **Methods**

### **Research Question and Main Objectives**

Considering the literature review, the present research aims to answer the following research question: "To what extent do different types of intrinsic and extrinsic rewards affect autonomous motivation and controlled motivation in IPSS such as mercies?"

The research question is embodied in the following research objectives

1. Identify the main dimensions of rewards in mercies.
2. To assess the work motivation of mercies' employees.
3. Assess the influence of intrinsic and extrinsic rewards on autonomous motivation.
4. Assess the influence of extrinsic rewards on controlled motivation.

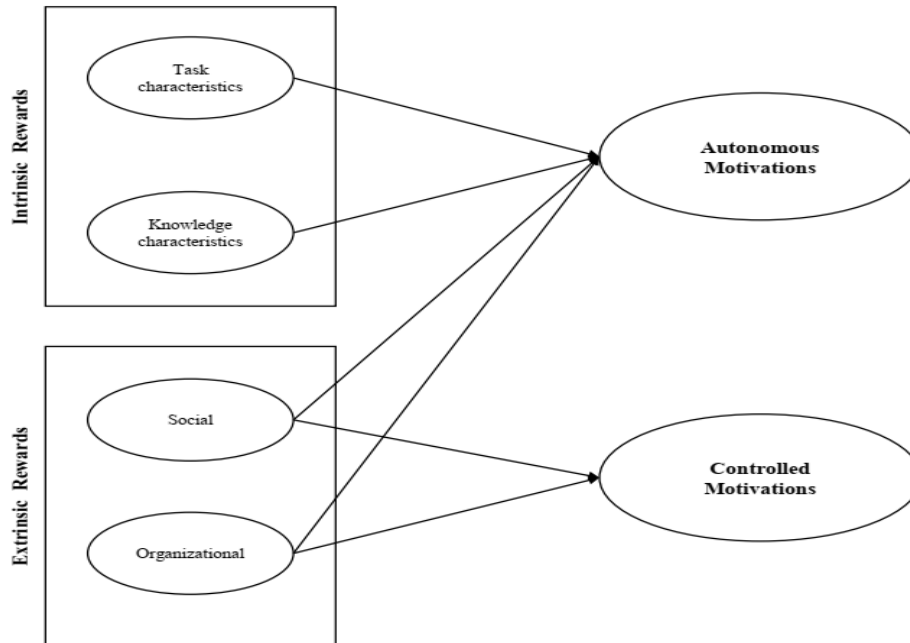
### **Research Model and Hypotheses**

Figure 2 translates the model adopted in the present research. It is based on the models reviewed in the literature. In relation to reward systems, we followed the typology of most

authors who divide them into intrinsic and extrinsic.

Regarding intrinsic rewards, we followed the model of Morgeson & Humphrey (2006) which, in turn, is divided into task characteristics and knowledge characteristics. About extrinsic rewards the division into organisational and social rewards (Mottaz, 1985) was adopted due to the importance of the latter in non-profit organisations.

As for the assessment of autonomous and controlled motivations, the TAD model adapted for the work context was adopted (Gagné et al., 2014).



**FIGURE 2  
RESEARCH MODEL**

Source: authors

Considering the research objectives, the following hypotheses are presented:

- H1: the characteristics of the tasks have a positive influence on autonomous motivation;*
- H2: the characteristics of knowledge have a positive influence on autonomous motivation.*
- H3: social rewards have a positive influence on autonomous motivation.*
- H4: organisational rewards have a negative influence on autonomous motivation.*
- H5: social rewards have a positive influence on controlled motivation.*
- H6: organisational rewards have a positive influence on controlled motivation.*
- H7: autonomous motivation is, on average, higher than controlled motivation.*

## Procedures

This is a cross-sectional descriptive study, being suitable to explain the relationship between variables where there is already prior knowledge (Malhotra, 2004). In line with this type of study, a hypothetico-deductive approach was followed, *i.e.*, where hypotheses emanating from theoretical formulation are tested (Sekaran, 2003).

## Sample

The population of this study is composed of employees of IPSS, namely of Mercies in the national territory. It is estimated that there are approximately 45,000 employees in these institutions (UMP, 2020). The convenience sample was used, which consists of selecting the individuals who are easier to contact and motivate to participate in the study (Malhotra, 2004).

The participation of middle and senior management was sought with the aim of avoiding bias in the responses. Indeed, the literature indicates that job level is a variable that can impact on perceptions of rewards and work motivation. (e.g., Jessen, 2010; Lyons et al., 2006; Mottaz, 1985).

### Data collection

About the primary data collection method, we opted for the structured and self-administered questionnaire survey, which is suitable for studying perceptions (Malhotra, 2004).

The questionnaire consisted of 56 questions, distributed into three sections. A first section aimed at assessing perceptions as to rewards at mercies (intrinsic and extrinsic rewards). The second section in which the aim was to assess the work motivation of employees at mercies (autonomous and controlled motivation) and the relationship between rewards and motivation. The third section asked personal questions that aimed to characterise the respondents from a sociodemographic point of view.

### Data Collection Instruments

Composite variables of the scales were created according to the literature. For intrinsic rewards two scales were created: task characteristics and knowledge characteristics. For extrinsic rewards, several scales of organisational rewards and social rewards were created. Regarding motivation, two scales were also created, one for autonomous motivation and one for controlled motivation. The reliability of the scales was assessed by Cronbach's Alpha, which show reasonable to very good reliability, with Cronbach's Alphas between 0.734 and 0.949.

## RESULTS AND DISCUSSION

The present study reached a sample of 132 respondents, most of whom are female (77%). The mean age is 42 years. As for education, the majority has undergraduate or bachelor's degree (42%), followed by master's degree or postgraduate (39%), secondary education (16%). Only a minority has basic education (2%). Regarding the length of time working in the institution, the great majority has worked for more than 5 years (72%), with the remainder divided between less than one year, and one to five years (with 14% each).

Finally, it should be noted that the average satisfaction with the work is well above the midpoint of the scale ( $M=3.72$ ;  $SD=0.89$ ) of five points. In fact, most respondents are satisfied (67.4%) or very satisfied (10.6%) with their work.

Table 1 SUM UP OF HYPOTHESIS RESULTS		
H#	Hypotheses	Results
H1	Characteristics of the tasks → Autonomous	Accepted
H2	Characteristics of knowledge → Autonomous	Accepted
H3	Social Rewards → Autonomous motivation	Accepted
H4	Organisational rewards → Autonomous	Rejected
H5	Social Rewards → Controlled motivation	Rejected
H6	Organisational rewards → Controlled motivation	Rejected
H7	Autonomous motivation > Controlled motivation	Accepted
Source: authors		

Given that the overall objective of this study was to assess the influence of intrinsic and extrinsic rewards on autonomous and controlled motivation in IPSS, taking the example of the mercies in Portugal, we opted to divide the same into three specific objectives.



As to the first, it consisted in identifying the main dimensions of rewards. In line with the literature (Chiang & Birtch, 2006; De Gieter et al., 2008) two major types of rewards were identified: intrinsic, which are subdivided into task and knowledge characteristics; and extrinsic which are subdivided into social and organisational. It was found, in line with the literature on non-profit organisations (Borgaza & Tortia, 2006; Jessen, 2010; LeRoux & Feeney, 2013; Lyon et al., 2006; Schepers et al., 2005; Weisberg & Dent, 2016; Wittmer, 2016) that the two types of intrinsic rewards - task characteristics and knowledge characteristics - as well as social extrinsic rewards (De Gieter et al., 2008; Jessen, 2010; Mottaz, 1985; Smith & Shields, 2013) are perceived in a more positive way compared to organisational extrinsic rewards. In fact, as the previous mentioned studies point out, the present research confirmed that task characteristics such as autonomy, meaning, altruism, variety, identity, feedback; as well as relationships with supervisors and peers, are positively enhanced than rewards such as salary, benefits, incentives, and career opportunities.

The second specific objective was to assess work motivation. Contrary to most classical theories (e.g., Need Theory, Equity Theory, Expectancy Theory, Goal Setting Theory) but in line with TAD, the present study found that work motivation should not be viewed in a unidimensional way, as there are different forms of motivation depending on the degree of control and information individuals have over their behaviours (Deci et al., 2017; Gagné & Déci, 2005; Rigby & Ryan, 2018). Similar to what has been done in other studies (e.g. Fernet et al., 2012; Gagné & Forest, 2011; Gagné et al., 2014; Haivas et al., 2014; Kuvaas et al., 2016; Trépanier et al., 2013; Vansteenkiste et al., 2009) the different levels of motivation quality were aggregated into two dimensions - autonomous motivation and controlled motivation. In line with Haivas, et al., (2012); Park & Word (2012), who studied motivation in non-profit organisations using this model, significant differences between the two dimensions were found in the present study, *i.e.*, employees of mercies show high levels of autonomous motivation and much higher than those of controlled motivation. In fact, and in line with the mentioned authors, this study demonstrated that the employees of these organisations present high motivation that is intrinsic to the work itself and not to external factors such as money (Benz, 2005). Additionally, and in line with what is argued in the literature (Gagné & Deci, 2005; Deci et al., 2017; Rigby & Ryan, 2018), high levels of autonomous motivation correspond to higher levels of job satisfaction. It is no coincidence that employees at mercies have high levels of job satisfaction, as they have autonomous motivation that is much higher than controlled motivation.

The third specific objective was to assess the effects of intrinsic and extrinsic rewards on autonomous motivation. Regarding the influence of intrinsic rewards, it was found that task characteristics initially developed by Hackman & Oldham (1975) and later by Morgeson & Humphrey (2007) such as autonomy, task variety, task meaning and job feedback, have a positive influence on autonomous motivation. In other words, as argued by Camara (2016); Deci et al., (2017); Gagné & Deci (2005); Rigby & Ryan (2018), it was found that these types of task characteristics can be a source of enjoyment and interest in work and therefore increase levels of autonomous motivation. The present study highlighted the importance that the knowledge characteristics developed by Morgeson & Humphrey (2007) exert on autonomous motivation. In line with the considerations of Gagné & Deci (2005); Deci et al., (2017); Rigby & Ryan (2018) it was found that job functions that stimulate perceived competence such as complex task execution, information processing, the need for problem solving and specialisation (Morgeson & Humphrey, 2007) have a positive influence on autonomous motivation.

Finally, the fourth specific objective was to assess the influence of social and organisational extrinsic rewards on controlled motivation. Contrary to what was expected (Deci et al., 2017; Gagné & Forest, 2011; Kuvaas et al., 2014; Rigby & Ryan, 2018), the present study found no significant influence of these two types of rewards on controlled motivation. This may be explained by the fact that most of the respondents are at higher management levels, so satisfaction of basic material needs (through salary and other benefits) are not the main motivational factors of work.

For more than five centuries, mercies have played an important role responding to social problems such as poverty, illness, social exclusion, old age and orphanhood; a role that has gained increasing importance due to the progressive fall of the welfare state. It is urgent to study and develop models of efficiency in the provision of services by these organizations to respond to these challenges. It is essentially on people that the added value of mercies, it is important that these models establish strategies that attract, motivate, and retain skilled labour.

There is a consensus that rewards are the main motivation element for employees in organizations. Economic theory considers that employees of non-profit organizations have particular characteristics that distinguish them of the private sector, and which are reflected in their motivation. Effectively, those are inserted in a sector that has a different approach from the purely economic activity, being more motivated by intrinsic aspects of work and people.

Thus, using the Self-Determination Theory of (SDT), this study evaluated the perceptions about the rewards and motivation of the collaborators of mercies in their intrinsic, extrinsic, and relational aspects. We have seen that SDT defends that autonomous motivation translates into self-determined behaviours, that is, whose causality and orientation originates from factors intrinsic to work. These, in turn, can be internalized with the satisfaction of three basic psychological needs: autonomy, competence and relationship.

Based on this conceptual framework, this study concluded that in the context of mercies, rewards that support the sense of volition and self-determined behaviours (intrinsic rewards) are considerably more important than instrumental rewards (extrinsic rewards). Rewards linked to relational aspects (social rewards) also play a fundamental role in quality motivation. Thus, it was found that the intrinsic rewards of tasks and knowledge, such as autonomy at work, the meaning that has in the lives of other people through public service, altruism, knowledge and exercise of complex tasks; as well as extrinsic social rewards such as working with and for people were perceived more positively than rewards dependent on factors external to work (*i.e.*, extrinsic rewards) such as salary, incentives and benefits.

Regarding motivation, TSD tells us that there are higher levels of quality of motivation that are at the origin of higher levels of satisfaction, well-being, performance and loyalty. This study tried to understand which type of motivation is more accentuated in work contexts such as mercies and what is its relationship with the different types of rewards. It was concluded that autonomous motivation has substantially higher levels compared to lower quality motivation (*i.e.*, controlled motivation).

Thus, it is not surprising that job satisfaction averages quite high in mercies, even when perceptions about salary and other financial incentives are quite negative. On the other hand, it was concluded that the rewards that satisfy the basic psychological needs are the intrinsic task and knowledge rewards, as well as the extrinsic social rewards, because, together, they present a direct and positive influence on autonomous motivation.

As a corollary of this study, it was concluded that in organizations such as mercies, the financial components are not the main elements available to managers to motivate their employees. These are essentially motivated by factors inherent to the activity and social relationship, as they are part of a sector that privileges people over profit. Thus, it is the effective management of a package of intrinsic and social rewards, that is, meeting the psychological needs of autonomy, competence, and relationship, which are at the origin of quality motivation.

That is, the motivation that generates pleasure and interest in the work, consequently, satisfaction, commitment, and better performance (Gagné & Déci, 2005; Deci et al., 2017; Rigby & Ryan, 2018). The psychological need for autonomy can be satisfied by providing employees with greater responsibility, decision-making power, planning capacity and judgment in their work. In turn, the need for competence can be satisfied giving the possibility to perform different tasks and skills, highlight the identity, meaning and altruism of the work, provide feedback on performance and design functions that stimulate creativity, information processing and problem-solving skills.

Finally, the need for a relationship can be filled by giving praise about work and encouraging social contact. It is up to the mercies to create conditions that facilitate the

fulfilment of these needs in a self-determined manner, so that employees feel better motivated in the workplace and thus know better performance in the exercise of their functions.

## Contributions

This research brings contributions from both an academic and practical point of view. From an academic point of view, it assesses work motivation in non-profit organizations using TSD theory as a basis, in complementarity with previous studies who adopt classic models of motivation or assess the direct relationship of rewards with job satisfaction and performance (Deci et al., 2017), it also adds to intrinsic rewards model the characteristics of knowledge from Morgeson & Humphrey (2007), complementing previous studies that only assess the function characteristics of Hackman & Oldham (1975).

In other hand it highlights the importance of social rewards, by studying them separately from extrinsic (Camara, 2016) & intrinsic (e.g. Morgan et al., 2013) rewards, in complementarity with other studies that indistinctly aggregate social rewards with the other two dimensions.

From a practical point of view, this study brings knowledge to IPSS managers about the most appropriate instruments for an effective management of the motivation of their human capital, this work is based above all on psychological and social rewards. In this way, it is expected that professionals in this sector will feel more motivated to offer a quality service to their users and society in general.

Finally, this research addressed the issue of rewards and work motivation in a type of Portuguese organization such as the mercies, complementing most of the studies that concern other types of organizations and countries.

## LIMITATIONS AND FUTURE RESEARCH

Our study presents some limitations, first, the influence of sociodemographic variables was not evaluated, it is recommended to study the variables in samples with different levels of management in order to understand their impact on perceptions and work motivation. Regarding the effect of other sociodemographic variables such as age, education, sex, the literature is not consensual regarding their impact on the modelling of variables, which is why its study is also recommended.

It also would be important to assess the relationship between the different types of rewards and motivation in other types of organizations (or professional classes), such as cooperatives, mutual societies, foundations, and other types of IPSS.

As for other types of future research, it would be important to assess the mediating role that the satisfaction of the needs for autonomy, competence and relationship plays in the influence of rewards on both types of motivation (autonomous and controlled); as well as their influence on job satisfaction, loyalty, and employee performance (dependent variables).

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