



Munich Personal RePEc Archive

Herzberg's motivation-hygiene theory and job satisfaction in the malaysian retail sector: the mediating effect of love of money

Tan, Teck Hong and Waheed, Amna
Sunway University Malaysia

15. January 2011

Online at <http://mpa.ub.uni-muenchen.de/30419/>
MPRA Paper No. 30419, posted 26. April 2011 / 01:24

HERZBERG'S MOTIVATION-HYGIENE AND JOB SATISFACTION IN THE MALAYSIAN RETAIL SECTOR: MEDIATING EFFECT OF LOVE OF MONEY

Tan Teck-Hong* and Amna Waheed

*Sunway University, School of Business
5, Jalan Universiti, Bandar Sunway 46150 Petaling Jaya,
Selangor, Malaysia*

*Corresponding author: waltert@sunway.edu.my

ABSTRACT

This paper examines what motivates employees in the retail industry, and their level of job satisfaction using Herzberg's hygiene factors and motivators. In this study, sales personnel were selected from ladies clothes stores in the shopping mall of Bandar Sunway, Selangor using convenient sampling. The results have showed that hygiene factors dominated motivators in terms of job satisfaction of sales personnel in Malaysia. The working condition was the most significant factor in motivating sales personnel. Recognition was second, followed by company policy, and salary. There is a need to dwell deeper into the reasons behind why salespeople placed such high importance on salary. Further analysis was performed to assess to what extent the love for money mediates the relationship between salary and job satisfaction. Based on the general test for mediation, the love of money could explain why there is a relation between salary and job satisfaction. The main implication of this study is that sales personnel who value money highly are satisfied with their salary and job when they receive a desired raise.

Keywords: Herzberg's Motivation-Hygiene; Job Satisfaction; Love of Money, Pay Satisfaction, Mediator, Retailing, Malaysia

INTRODUCTION

This paper explores the effect of motivational variables on job satisfaction of salespeople in the Malaysian retail sector. Retailing is a crucial element to most economies, mainly because of its large scale and importance at local, national and even international levels. The retailing sector in Malaysia has undergone continuous and significant changes over the past few decades. New facilities ranging from superstores to retail warehouses have widened the retail landscape (Market Research, 2009). Retailing has become one of the most dynamic sub-divisions in the Malaysian economy because it is not only 20% of Malaysia's entire population employed in this sector, but the retail division is the second largest contributor to the national GDP, contributing about US 35 billion in 2009 with a projection of US 58 billion in 2014 (PWC, 2009). Furthermore, tourism in Malaysia greatly adds to its retail sales growth as shopping is the second highest contributor to the country's tourism receipts with shopping revenue equivalent to US 4.6 billion in 2008 (Market Research, 2009). Thus, the retailing industry has been identified as a significant contributor to the growth, economy and stability of Malaysia.

The retailing industry is subject to various problems and challenges. First, intense competition has resulted in price wars between foreign and local retailers. The majority of modern retail formats are foreign based and located in urban areas, whereas traditional local stores dominate outside urban areas. Foreign retailers in Malaysia include Daily Farm (Giant), TESCO, Jaya Jusco, and Carrefour. As reported by Bailey (2009), Giant has the greatest market share with 8%, followed by TESCO (4%), Jusco (3%), and Carrefour (2%). Most local retailers are not geared to meet the challenges of the impact of globalization, and have inadequate and insufficient knowledge to compete with foreign-based retailers. Second, consumers nowadays prefer spacious shopping

space, attractive and trendy products, and ample parking space. All of these requirements are the main concern of many retail stores in an attempt to manage and fight the competition. Third, consumer demands and shopping patterns are changing. Retailers are struggling to change their modes of marketing strategy to suit the preferences of these purchasers. Malaysians shoppers have now become more knowledgeable and discerning, and are not easily influenced by advertisements and promotions. They are not only price and quality conscious, but they concern the service they receive when they make a purchase. According to ACNielsen (2006), 75% of customer purchase decisions were influenced by the service they have received.

With the expansion of the retail industry, there comes into play the issue of how retailers are striving to capture and retain their best staffs. The effort and contribution of their employees is the key feature to the competitive advantage and business success of the firm (Bent & Freathy, 1997). In any institution, whether it is in the retail industry or any other industry, it is important for the management to increase workers' productivity by allowing workers to achieve their maximum potential. Keeping sales people inspired is one of the most difficult tasks faced by retail organizations.

In the retail sector, employees have a direct responsibility on the customer relationship, and this relationship is a powerful factor in a company's success. Salespeople deal directly with their customers, thus their attitudes, behaviors and treatments towards their customers will determine whether customers will become loyal toward the retailers. Companies have been spending millions every year in recruiting, training and compensating their sales personnel so that they would be highly encouraged and inspired to perform well, and hence increased levels of profits of the company (Susan, 2003). In general, the consequences of a de-motivated workforce can be briefly

explained in terms of high sales force supervision costs, absenteeism, and turnover rates. In the case of Malaysia, the sales jobs are far from being exciting, and majority of the retailers employ a large number of part time staff for poor paid positions, which may contribute to low morale and high turnover. Organizations, regardless of their sizes, are facing retention challenges (Ramlall, 2004). Sempane (2002) mentioned that voluntary turnover is a major problem for companies in Malaysia, and job hopping has in fraction, become culture.

The aim of this paper is to explore what motivates sales personnel in the retail industry, and their levels of job satisfaction using Herzberg's motivation-hygiene factor theory. Senior managers may benefit from this research because they could alter their reward systems in order to motivate their staffs better so that it leads to high job satisfaction, and performance. Based on previous research, salary seems to play an imperative role in the lives of salespeople. However, it is reasonable to believe that the results of such findings by different scholars over a period of time may be overstated. Therefore, further analysis has been conducted to examine whether there is a mediator variable affecting the relationship between salary and job satisfaction. As pointed by Tang, Luna-Arocas, Sutarso, and Tang (2004), one of such mediating variables is the love of money.

LITERATURE REVIEW

Herzberg's Motivation-Hygiene Theory of Motivation

As pointed by Vroom (1964), motivation is derived from the Latin word "movere", which means "to move". It is an internal force, dependant on an individual's needs which drive him/her to achieve. Schulze and Steyn (2003) affirmed that in order to understand people's behavior at work,

managers or supervisors must be aware of the concept of needs or motives, which will help ‘move’ their staffs to act. According to Robbins (2001), motivation is a needs-satisfying process which means that when an individual’s needs are satisfied or motivated by certain factors, the individual will exert superior effort toward attaining organizational goals.

Theories of motivation can be divided to explain the behavior and attitude of employees (Rowley, 1996; Weaver, 1998). These include content theories, based on the assumption that people have individual needs which motivate their actions, and theorists such as Maslow (1954), McClelland (1961), Herzberg (1966) and Alderfer (1969) are renowned for their works in this field. In contrast to content theories, process theories identified relations among variables which make up motivation and involve works from Heider (1958), Vroom (1964), Adams (1965), Locke (1976), and Lawler (1973). The main focus of this paper, however, is on Herzberg’s theory of motivation.

Herzberg’s motivation-hygiene theory, also known as the two-factor theory has received widespread attention of having a practical approach toward motivating employees. In 1959, Herzberg published his analysis of feelings of 200 engineers and accountants from over nine companies in the United States. These professionals were asked to describe job experiences where they felt either extremely bad or exceptionally good about their jobs and rated their feelings on these experiences. Responses about good feelings are generally related to job content (motivators), and responses about bad feelings are associated with job context (hygiene factor). Motivators came about with factors built into the job itself, such as achievement, recognition, responsibility and advancement. Hygiene factors were related to feelings of dissatisfaction within the employees and were extrinsic to the job, such as interpersonal relations, salary, supervision and company policy (Herzberg, 1966).

In the case of the retail setting, Winer and Schiff (1980) have conducted a number of studies using Herzberg's dual factor theory. They found that 'achievement' variable was the highest rated motivator. Likewise, 'making more money' received second highest rating in the study, followed by 'chances of promotion' and 'recognition.' In contrast, Lucas (1985) discovered that 'supervisor-employee relationship' was a significant factor of worker satisfaction in a study of US retail store, and two hygiene factors were reported significantly, namely 'company policy,' and 'relationship with peers'.

A main point to be noted from Herzberg research was that he perceived motivational and hygiene factors to be separated into two different dimensions affecting separate aspects of job satisfaction. This belief was very much different from the traditional approach of viewing job satisfaction and dissatisfaction as opposite ends of the same continuum (Herzberg, 1966). Hygiene factors prevent dissatisfaction but they do not lead to satisfaction. They are necessary only to avoid bad feeling at work. On the other hand, motivators are the real factors that motivate employees at work.

The two-factor theory was tested by many other researchers. However, they showed very different results. Some of the factors declared by Herzberg (1966) as hygiene factors are actually motivators in their research. The results of Herzberg's theory can be different if the test is conducted in different industries. The differences are due to the intensity of the labor requirement, and the duration of the employment (Nave, 1968). Extensive criticism has emerged in making distinction between hygiene factors and motivators. While some factors have proved to fall accurately within the two groups, certain factors, particularly salary have proven ambiguous in the position as a motivator or hygiene factor.

Job Satisfaction

Job satisfaction is an important factor of an organization's success. Much research has been conducted into ways of improving job satisfaction of workers in various sectors of Malaysia ranging from the academic sector (Wong & Teoh, 2009; Noordin & Jusoff, 2009), the hotel sector (Abd Patah, Radzi, Abdullah, Adzmy, Adli Zain, & Derani, 2009), the government sector (Yahaya, Yahaya, Arshad, & Ismail 2009), the non-profit sector (Ismail and Zakaria, 2009), the naval sector (Mohd Bakti & Abu Talib, 2009), to the automobile manufacturing sector (Santhapparaj, Srinivasan, & Koh 2005). There has been relatively little research into the determinants of job satisfaction in the retail sector using Herzberg's two-factor theory. Therefore, this paper endeavors to address this literature gap.

Previous studies generally found that job satisfaction is associated with salary, occupational stress, empowerment, company and administrative policy, achievement, personal growth, relationship with others, and the overall working condition. It has been argued that an increase in job satisfaction results in a rise in worker productivity (Wright & Cropanzano, 1997; Shikdar & Das, 2003). As mentioned by Dunnette, Campbell and Hakel (1967) and Robbins (2001), job satisfaction is an emotional state which a person perceives a variety of features of his/her work or the work environment. Therefore, it has major consequences on their lives. Locke (1976) indicated that the most common outcome of job satisfaction is on a person's physical health, mental health and social life. Moreover, Rain, Lane and Steiner (1991) claimed that job satisfaction is connected to life satisfaction, whereby people who are satisfied with their jobs will tend to be happy with their lives as well, and vice versa. Coster (1992) supported the view that work can have on people's lives. Furthermore, Breed and Breda (1997) indicated that job satisfaction may impact on

absenteeism, complaints and labor unrest. Therefore, it is understood that satisfied workers will be much more productive and be retained within the organization for a longer period in comparison to displeased workers who will be less useful and will have a greater tendency to quit the job (Crossman, 2003). More importantly, satisfied workers not only lead to better performances, but provide a higher service experience to customers which could result in creating customer satisfaction. According to Dawson (2005), employee satisfaction is associated with positive employee behavior. It is undeniable that satisfied workers generate loyal and satisfied customers to the company.

It is assumed that motivation and satisfaction are very similar, and in many cases thought of as synonymous terms. According to Hersey and Blanchard (1988), they are quite different from one another in terms of reward and performance. They pointed out that motivation is influenced by forward-looking perceptions regarding the relationship between performance and rewards, whereas satisfaction concerns on how people feel about the rewards they have received. In other words, motivation is a consequence of expectations of future while satisfaction is a consequence of past events (Carr 2005). Huselid (1995) believed that if workers are not motivated, turnover will increase and employees will become frustrated and unproductive. Various other researchers who investigated on motivation and job satisfaction supported this statement (Maidani, 1991; Tietjen & Myers, 1998; Robbins, 2001; Parsons & Broadbridge, 2006).

Under Herzberg's (1966) theory, workers who indicate satisfaction with both motivator and hygiene factors should be top performers and those who are dissatisfied with both factors should be poor performers. Christopher (2005) found no support for this, and his research concluded that Herzberg's results only prove accurate under his original methodology.

Theories of worker motivation address a model connecting job satisfaction, motivation and performance. Considerable importance is attached to these concepts, and there is a need for clarification on how distinct satisfaction and motivation are from each other. On one end, job satisfaction is an emotional response accompanying actions or thoughts relating to work, whereas motivation is the process that activates behavior. As satisfaction is an attitude, it is possible for a worker to be satisfied with his job but not be motivated. Hence, motivation and satisfaction are not synonymous with each other. It is vital to clarify the distinction between the concepts so that it is easier to understand that motivation leads to satisfaction, which ultimately leads to performance.

The Role of Salary, the Love of Money, and Pay Satisfaction

It is undeniable that sales managers always use high salary to attract, retain, and motivate workers. Robbins (2001) pointed out that money may be considered as a ‘scorecard’ through which workers can assess how much significance an organization places on them as compare with other organizations. However, there have been quite a few nonconformist views on the role of salary. Kochan (2002) argued that money only results in temporary obedience from workers, and it is unsuccessful in transforming workers’ attitude and behavior in long term. He pointed out further that money only motivates workers to seek further rewards, and in the process, it can undermine their intrinsic interest in their jobs.

Alongside the bi-polar views, money may or may not motivate. According to the contingency view, workers from different countries, age groups, income levels, career stages, and cultural backgrounds may rank the desire for money differently. As mentioned by Furnham (1994), the

desire for money is rated higher by young workers in Far and Middle East as compare to North and South America. Based on the research study of 1000 employees, Kovach (1987) showed that younger workers with low incomes are much concerned with money, whereas older workers with high incomes and organizational positions are motivated more through job security, interesting work and recognition.

Under Maslow's hierarchical needs theory, salary is associated with the lower level needs, such as physical and security needs. Maslow (1954) stated that once the lower order needs are met, higher order needs will prioritize, thus, additional raises in salary do not motivate employees any further. In order to improve job satisfaction and performance level of workers, managers must work on the motivators by providing opportunities for career advancement and development as workers value motivators more than hygiene factors (Ramlall, 2004).

As indicated in most of the literatures, salary plays an important role in motivating sales people. However, the strength of the relationship between salary and job satisfaction may be influenced by a mediator. The mediator may serve to clarify and explain how and why such relationships occur. It was Tang et al. (2004) who introduced the concept of love of money. He argued that the love of money reflects employee's wants and values, and stated that one who values money highly will be satisfied with his salary and ultimately his job when he receives a desired raise. Sloan (2002) mentioned that one never has enough money, and wants to have more money as money is considerably to be the most important goal in life.

According to Lawler (1973), employees' pay satisfaction usually influences their job satisfaction. Tang et al. (2004) revealed that pay satisfaction is a part of job satisfaction, which could lead to

higher workers' productivity. Workers are inspired to achieve more, and hence give in all their efforts only if they are satisfied with their pay. Lawler (1973) reported that absenteeism can result when pay dissatisfaction is present. Based on the research of Mani (2002), 43% of white collar workers who were absent four or more times in six months were satisfied with their pay, whereas 69% who were absent once or more in six months were not at all satisfied with their pay.

Based on the discussion above, there are two research questions for this paper. In modeling the relationship between Herzberg two-factor and job satisfaction, the first research questions is to determine job satisfaction of sales personnel by using Herzberg's two-factor theory. The second research question is to assess whether the love of money mediates the relationship between job satisfaction and money.

Research Question 1:

Which Herzberg's motivation-hygiene factors are given greater value by the salespeople in Malaysia?

Research Question 2:

To what extent does love of money mediate the relationship between money and job satisfaction?

METHODOLOGY

The respondents who are eligible to answer the questionnaire are sales personnel from ladies clothes stores. In this study, 180 sales personnel from ladies clothes stores in the shopping mall of

Bandar Sunway, Selangor were interviewed using convenient sampling. Of the 180 personnel, only 152 questionnaires were used due to missing information in the survey forms.

The questionnaire was in English. The questionnaire was delivered in the clothes stores on a face-to-face basis before getting the permission from the store manager. The respondents were asked as to how agreeable they are with survey questions. Responses are scored on a five-point scale ranging from 1 for “strongly disagree”, 2 for “disagree”, 3 for “neutral”, 4 for “agree”, and 5 for “strongly agree”. All questions used in the survey pertaining to determinants of job satisfaction are derived from Ewen, Smith, and Hulin (1966), Graen (1966), Sergiovanni (1966), House and Wigdor (1967), Lindsay, Marks, and Gorlow (1967), Maidani (1991), Pizam and Ellis (1999), Klassen, Usher, and Bong (2010), and Tang et al. (2004).

Linear regression analysis was performed to test the relationship between Herzberg’s motivation-hygiene factors and job satisfaction. Further analysis was performed to assess to what extent the love for money mediates the relationship between money and job satisfaction. According to Baron and Kenny (1986), the first general test for mediation is to examine the relation between the predictor and the criterion variable to show whether the predictor is correlated with the criterion variable, and then follow by the relation between the predictor and the mediator to examine whether the predictor is correlated with the mediator. Third, the relation between the mediator and the predictor on the criterion variable is assessed to establish the effect of the mediator on the criterion variable by controlling the predictor. Last, the effect of the predictor on the criterion controlling for the mediator is examined to determine whether the mediator completely or partially mediates the relationship between the predictor and the criterion variable. The effects in both step 3 and 4 are estimated in the same equation to see whether the beta change. If all four of these steps

are fulfilled, then the mediator completely mediates the predictor-criterion relationship, and if only the first three steps are satisfied, then partial mediator is shown.

Motivation levels of participants were measured using the scales developed by Ewen et al. (1966), Graen (1966), Sergiovanni (1966), House and Wigdor (1967), Lindsay et al (1967), Maidani (1991), and Pizam and Ellis (1999). For each factor, several questions were asked in order to compute the average and enhance the accuracy of the measure. People's attachment to money was measured using 8 items, and employees' satisfaction with their pay was measured using 3 items. Both scales are adopted from Tang et al. (2004). Job satisfaction was measured using 4 items from Klassen et al. (2010) (see Appendix 1).

ANALYSIS AND RESULTS

A reliability test was performed to check the consistency and accuracy of the measurement scales. Table 4 showed that the results of Cronbach's coefficient alpha were satisfactory (between 0.70 and 0.84), indicating questions in each construct are measuring a similar concept. As suggested by Cronbach (1951) and Nunnally (1978), the reliability coefficients between 0.70-0.90 are generally found to be internally consistent.

Table 1

Testing Reliability with Cronbach's coefficient alpha

<i>The Job Satisfaction Factors</i>	<i>Number of Items</i>	<i>Cronbach's alpha</i>
Achievement (AC)	3	0.70
Recognition (R)	3	0.71
Advancement (AD)	2	0.70
Work Itself (W)	3	0.72

Growth (G)	3	0.71
Company Policy (P)	3	0.72
Security at Work (S)	3	0.76
Relations with Peers (RP)	3	0.80
Money Factor (M)	2	0.84
Relations with Supervisor (RS)	3	0.74
Working Conditions (WC)	2	0.80
Love Of Money Scale (LM)	8	0.84
Pay Satisfaction (PS)	3	0.80
Job Satisfaction (JS)	4	0.75

Table 2 showed the profile of the respondents in terms of the gender, age, ethnicity, educational level, number of years of working experience, and monthly income of the participants. There were more male respondents than female respondents in the study. Out of the 152 responses received, a total of 91 were male participants (59.9%) in comparison to 61 female participants (40.1%). In terms of age, 73% were 15-24 years of age, followed by 22% in the age range of 25-35, 3.3% in the age range of 35-44, and only 1.3% in the age range of 45 and above. Furthermore, most respondents are Chinese (46%), followed by Malays (32.3%), and Indians (21.3%). The educational level of most respondents was below undergraduate degree (76.3%). In terms of a number of years of working experience, most of the respondents are between 0-5 years (79.6%), followed by 6-10 years (16.5%), and 10 years and above (3.9%). As for the monthly income, 39% of the respondents earned less than RM 1000. It was closely followed by respondents who earned between RM 1000 – RM 2000, and 23% of the respondents earned RM 2000 and above. In this survey, respondents are generally young, and only receive primary and secondary education, which is quite similar to the profile of the respondents in the study of Parsons and Broadbridge (2006). Based on the profile of respondents, young respondents apparently dominated the respondents in this study. Therefore, the analysis may not be generalized to the whole population of sales personnel as older sales personnel may have different attitude, belief, behavior, and attributes towards motivations of job satisfaction as compare to younger sales personnel.

Table 2

Characteristics of the Respondents

Respondents' Characteristics	Number	Percentages
Gender		
Male	91	59.9%
Female	61	40.1%
Age		
15-24	111	73%
25-35	34	22%
35-44	5	3.3%
45 and above	2	1.3%
Race		
Malay	49	32.2%
Chinese	70	46%
Indian	32	21.3%
Education		
Below Bachelor's Degree	117	76.3%
Bachelor's Degree and above	35	23.7%
Years of Experience		
0-5 years	121	79.6%
6-10 years	25	16.5%
10 and above	6	3.9%
Income		
Below RM 1000	57	37.5%
RM 1000-2000	60	39.5%
RM 2000 and above	35	23%

Table 3 presented the correlation matrix of the motivational factors and job satisfaction. It appeared that work itself ($r = 0.271$) and recognition ($r = 0.055$) were statistically significantly correlated to job satisfaction at the 0.01 level, and only achievement ($r = 0.135$) was significantly correlated to job satisfaction at the 0.05 level. As far as hygiene factors are concerned, company policy ($r = 0.017$), relationship with peers ($r = 0.381$), money ($r = 0.383$), and working conditions ($r = 0.376$) were significantly and positively associated with satisfaction.

Table 3

Correlation Analysis

	<i>JS</i>	<i>AC</i>	<i>AD</i>	<i>W</i>	<i>R</i>	<i>G</i>	<i>P</i>	<i>RP</i>	<i>S</i>	<i>RS</i>	<i>M</i>	<i>WC</i>
JS												
AC	-.135*											
AD	.100	-.023										
W	.271**	-.079	.134									
R	.055**	.308**	.208**	.023								
G	.068	.197**	.232**	.091	.282**							
P	.017**	.059	.344**	.022	.060	.198**						
RP	.381**	.189**	.199**	.371**	-.086	.397**	.298**					
S	-.018	-.260*	.060	-.336*	-.094	.182*	.597**	-.079				
RS	.084	.152*	.095	-.194*	.190**	.029	.355**	-.068	.209**			
M	.383**	-.144*	.346**	.239**	.221**	.213**	.164*	.075	-.143*	.146*		
WC	.376**	-.180*	.017	.360**	-.207*	.235**	.067	.279**	.007	.161*	.320**	

Note: *. Correlation is significant at the 0.05 level (1-tailed); ** Correlation is significant at the 0.01 level (1-tailed)

Regression analysis was conducted to determine the relationship between Herzberg’s two-factor and job satisfaction in Malaysia. In order to assess whether the regression suffers from the problem of multicollinearity, the variance inflation factor (VIF) was calculated. As indicated in Table 4, all VIF values are less than 5, indicating there is no multicollinearity problem in the model. The results suggested that 54% of the variance in job satisfaction in Malaysia could be explained by Herzberg’s motivational and hygiene factors. The F-ratio of 14.90 (p=0.00) indicated that the regression model of work motivation and satisfaction on the motivational variables assessed was statistically significant. The results also revealed that only four of the ten motivational variables were found to be significant in the Malaysian context. The analysis demonstrated that the most significant motivational variable of job satisfaction was the working condition, indicating that salespeople value more on the working environment provided by the sales managers. Recognition was the second significant factor, followed by company policy, and

money factor. Of 4 main motivational variables of salespeople in Malaysia, only recognition was a significant motivator. It is sufficiently evident to conclude that hygiene factors are more effective than motivators in motivating salespeople in Malaysia.

Table 4

Regression Analysis (Dependent variable: Job Satisfaction)

<i>Motivational Factors</i>	<i>B</i>	<i>std error</i>	<i>t</i>	<i>VIF</i>
AC	.063	.113	.563	1.758
R	.241*	.100	2.416	1.543
AD	.039	.089	.440	1.637
W	.067	.088	.759	1.601
G	.019	.091	.215	1.736
P	.215*	.094	2.283	2.745
S	-.060	.085	-.702	2.572
RP	-.059	.060	-.984	1.754
RS	-0.14	.073	-.191	1.574
M	.199**	.073	2.711	1.803
WC	.262**	.091	2.888	1.555
F	14.9			
R²	.540			
Adjusted R²	.504			

*Note: *. significant at the 0.05 level (1-tailed); ** significant at the 0.01 level (1-tailed)*

Similarly, the problem of multicollienarity was addressed before performing mediation analysis. Again, VIF values are less than 5 for the variables of Love of Money (LM), Money (M), and Pay Satisfaction (PS). As shown in Table 4, money was one of the significant factors in motivating salespeople in terms of job satisfaction. However, there is a need to dwell deeper into the reasons behind why salespeople place such high importance on money. In order to provide a clearer picture of the role of salary (money), the general test for mediation was performed to examine whether there is a mediator variable affecting the relationship between money factor and job satisfaction. As indicated in literature, the love for money may explain why the strength of the relationship

between money and job satisfaction is high. Following Tang et al. (1992), pay satisfaction was used in this study to indicate job satisfaction. As pointed by Lawler (1973), pay satisfaction usually influence the job satisfaction of workers.

Following Baron and Kenny (1986), mediation analysis was used to assess whether the love of money mediates the relationship between money and pay satisfaction. Results in Table 5 showed that money was significantly and positively related to pay satisfaction (sig<0.01). The results of running the regression test of money (predictor) on love of money (mediator) showed that money was significantly correlated with love of money at the 0.05 level. The results also displayed that the effect of love of money (mediator) on pay satisfaction (criterion) was significant at the 0.05 level after controlling for the money variable (predictor). Finally, the effect of money (predictor) on pay satisfaction (criterion) controlling for the love of money (mediator) was also statistically significant. As a result, it is reasonable to believe that the love for money may explain why there is a relation between money factor and job satisfaction among salespeople in the retail sector. In this survey, salespeople who value money highly are satisfied with their salary and job when they receive a desired raise.

Table 5

Testing Love of Money (LM) as a mediator on the relationship between money (M) and pay satisfaction (PS)

	<i>DV: PS (w/o Mediator)</i>		<i>DV: LM</i>		<i>DV: PS (w Mediator)</i>	
	B	t	B	t	B	t
M	0.510**	7.234	0.137*	2.496	0.168*	2.042
LM					0.21**	2.638

*Note: *. significant at the 0.05 level; ** significant at the 0.01 level)*

DISCUSSION

This paper examines what motivates sales personnel in the retail industry in Malaysia, and their level of job satisfaction as a result of Herzberg's hygiene factors and motivators. The first research question is to confirm whether motivators actually do lead to job satisfaction as proclaimed by Herzberg in his study on sales personnel in Malaysia, or if at all, hygiene factors have any contribution on their satisfaction at work.

The results obtained reveal that, only four of the eleven determinants are found to be significant in the Malaysian context. Contrary to the finding of Herzberg (1966), the analysis demonstrates that the strongest motivation factor with the highest significance level on job satisfaction is the working condition of the ladies clothes store, which is a hygiene factor. This highlights that the most crucial factor leading to inspired and encourage staff personnel is explained by the working environment provided to them by the particular store, which impacts on their job satisfaction. It is observed that retail outlets in the surveyed mall are air-conditioned deemed as comfort by sales personnel with music playing. In line with the findings of Winer and Schiff (1980) and Lucas (1985), recognition, company policy, and money factor seem to be important factors in motivating sales personnel in this survey. Of four significant factors, only recognition is a motivator as defined by Herzberg's two-factor theory. Therefore, it is observed that the hygiene factors dominate the motivators in terms of job satisfaction among sales personnel in Malaysia. This observation is supported by Islam and Ismail (2008). They claimed that Malaysian workers are generally much concerned about hygiene factors (money factor and working conditions) rather than motivators (full appreciation of work done) as they compare to American employees. Similar findings are also reported in Bangkok (Sithiphand, 1983) and Yemen (Al-Mekhlafie, 1991).

This study observes the importance of money factor in the lives of sales personnel. The second research question is to examine whether the love of money mediates the relation between money and pay satisfaction among employees in the retail sector. Similar to the findings of Tang et al. (2004), the love of money appears to be identified as a mediator to influence the relationship between money factor and job satisfaction. The rationale is obvious as sales personnel generally are not the highest paid people in Malaysia, and they may experience pay compression even they have been in service for a long time.

CONCLUSIONS AND RECOMMENDATIONS

Salespeople in Malaysia place greater emphasis on hygiene factors than motivators, namely working condition, money factor and company policy. Recognition is the only significant motivator as defined by Herzberg in this survey. It also found that the love for money has a mediating effect on the relationship between money and job satisfaction. These findings suggest that any retail organizations in Malaysia plan to prepare for a reward scheme may need to ensure that they take four significant motivational factors into consideration (working conditions, recognition, company policy and money factor), and prioritize them over other motivational factors as these variables will improve the job satisfaction of salespeople, and eventually workers' productivity and performance levels.

The main implication of this study is that sales managers and supervisors need to keep all of the salespeople happy, and they must take care of their concerns and needs. Satisfied salespeople will talk about how great their job is. Satisfied salespeople also perform better job at their job. When they do this, the retailers can make a better profit through customer satisfaction. Additionally, the

retailers would have lower turnover if they make the necessary improvements on the working condition. Lower turnover means that money is saved within the business. This is due to the fact that it costs a lot of money to train new salespeople. If the retailers have to train fewer salespeople that is less money they have to spend on training. This significantly improves their bottom lines.

The importance of money factor to salespeople in the Malaysian retail sector is clearly shown in this study. There are few recommendations that sales managers and supervisors should consider:

- Provide salespeople with flexible working schedule
- Link the performance of salespeople with the appropriate monetary rewards and incentives
- Provide salespeople with opportunities to grow in their job

In addition, salespeople morale can be improve if the company policy towards salespeople is productive. A good policy can exert significant influence on how salespeople accomplish their jobs. For example, one of the policy statements in the company policy is to build a strong sales culture. Dealing with sales culture is the first step to better performance. Without the right sales culture, sales managers will not build a power sales force. Mostly seen is smaller retailers whereby the sales leader does not know how to build a sales force and rely heavily on hiring experienced salespeople hoping they will build the company. In mid and large-size retailers, the ‘result matter’ culture is typical. Nothing matters but results. Most of these sales managers want result but do not train the salespeople with skills, or teach them the right knowledge, or motivate them to execute the activities. A sales culture is not a fancy phase. It is the collective actions the sales leaders and salespeople are performing that result in an environment of such. Building the environment is very important because it will affect the behavior of the salespeople in it that ultimately bring in the results.

From the results discussed, workers can be concurrently intrinsically and extrinsically motivated. With that in mind, managers should use a mixture of methods (monetary rewards, praise, recognition, and the like) to effectively motivate workers and promote job satisfaction in the workplace.

LIMITATIONS AND FUTURE RESEARCH

Given the scarcity and rareness of empirical studies available in the Malaysian retailing industry, there is a need to explore further and undertake future research pertaining to motivations of sales personnel. Although quantitative research has been conducted in this study, it is believed that qualitative research would further help to contribute to the research as it may create an understanding of the psyche behind motivating employees, and gain insight by looking through different angles on the requirements of sales personnel of today. Personal observations of employees and interviews have the ability to determine factors in great depth, which are typically not possible to determine through quantitative analysis.

The findings and results obtained from the questionnaire administered and the interview conducted are limited to the perception and opinion in human behavior in answering the questionnaire. It is assumed that the respondents have answered the questions accurately and honestly. The findings of this study applied only to sales personnel in Bandar Sunway, Selangor. This means the results obtained may not be generalized to other regions in Malaysia. Future research needs to obtain information relating to sales personnel in other regions of Malaysia to compare perceptions and expectations from sales people throughout the region. Additionally, further research could be

conducted on having a comparison study between Malaysia and other countries to examine the magnitude of differences in job satisfaction levels of sales personnel.

Another point of concern is that the questionnaires used in this study were only available in English to the respondents. Although the respondents could understand English, it is recommended that in future, the questionnaire could be translated into Malay, Chinese and Tamil in order to minimize the risks of misunderstanding and misinterpretation of English terminology, which may have a definite influence on results.

It must also be highlighted that the research only focuses on Herzberg's theory. It is recommended that future research explore other factors of motivations such as feedback, leadership styles and employee confidence to see whether they could result in any increased variance in motivation and satisfaction.

REFERENCES

- Abd Patah, M. O. R., Radzi., S. M., Abdullah, R., Adzmy, A., Adli.Zain, R., & Derani, N. (2009). The influence of psychological empowerment on overall job satisfaction of front office receptionists. *International Journal of Business and Management*, 4 (11), 167 – 176.
- ACNielsen (2006). Asia Pacific retail and shopper trends. *Consumer Report*. Retrieved from <http://www.au.nielsen.com>.
- Adams, J. S. (1965). *Inequity of social exchanges, advances in experimental social psychology*. New York: Academic Press.

- Al-Mekhlafie, M. S. (1991). *A study of job satisfaction of faculty members at Sana's University in Yemen: a systematic analysis based on Herzberg's two-factor theory* (Unpublished doctoral dissertation). University of Pittsburgh, USA.
- Alderfer, C. (1969). An empirical test of a new theory of human needs. *Organizational Behavior and Human Performance*, 4, 142-175.
- Bailey, M. (2009). Malaysia Summer Fruit Market Overview. Department of Primary Industries, Farm Service Victoria, 8 – 10.
- Baron, R. M., & Kenny, D. A. (1986). The moderator-mediator variable distinction in social psychological research: conceptual, strategic, and statistical consideration. *Journal of Personality and Social Psychology*, 51, 1173 – 1182.
- Bent, R., & Freathy, P. (1997). Motivating the employee in the independent retail sector. *Journal of Retailing and Consumer Services*, 4 (3), 201-208.
- Breed, M., & Breda, V. (1997). The relationship between employee motivation and job satisfaction. *Management*, 34 (1), 54-63.
- Carr, G. (2005). *Investigating the motivation of retail managers at a retail organization in the Western Cape* (Unpublished mini-thesis). University of the Western Cape, South Africa.
- Christopher, M. (2005). Meaningful motivation for work motivation theory. *Journal of Management Review*, 2, 235-238.
- Coster, E. A. (1992). The perceived quality of working life and job facet satisfaction. *Journal of Industrial Psychology*, 18, 6-9.
- Cronbach, L. J. (1951). Coefficient alpha and the internal structure of test. *Psychometrika*, 16 (3), 297 – 334.
- Crossman, A. (2003). The relationships of age and length of service with job satisfaction: An examination of hotel employees in Thailand. *Managerial Psychology*, 18, 745-758.

- Dawson, B. (2005). Motivation leaders to better results. *Journal of Rubber and Plastics*, 37, 11-15.
- Dunnette, M. D., Campbell, J. P., & Hakel, M.D. (1967). Factors contributing to job satisfaction and job dissatisfaction in six occupational groups. *Organizational Behavior and Human Performance*, 2, 143-174.
- Ewen, R. B., Smith, P. C., & Hulin, C. L. (1966). An empirical test of the Herzberg two-factor theory. *Journal of Applied Psychology*, 50 (6), 544 – 550.
- Furnham, A. (1994). National attitudes to competitiveness, money and work among young people: first, second and third world differences. *Human Relations*, 47,119-32.
- Graen, G. B. (1966). Motivator and hygiene dimensions for research and development engineers, *Journal of Applied Psychology*, 50 (6), 563 – 566.
- Heider, F. (1958). *The psychology of interpersonal relations*. New York: John Wiley
- Hersey, P., & Blanchard, K. H. (1988). *Management of organization behavior: utilizing human resource*. Atlanta: Prentice Hall.
- Herzberg, F. (1966). *Work and the nature of man*. Cleveland: World Publishing Company.
- House, R. J., & Wigdor, L. A. (1967). Herzberg's dual factor theory of job satisfaction and motivation: A review of the evidence and a criticism. *Journal of Personnel Psychology*, 20, 369-390.
- Huselid, M. A. (1995). The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of Management*, 38 (3), 635 – 672.
- Islam, R., & Ismail, A. (2008). Employee motivation: a Malaysian perspective. *International Journal of Commerce and Management*, 18, 344-362.

- Ismail, A., & Zakaria, N. (2009). Relationship between international justice and pay for performance as an antecedent of job satisfaction: an empirical study in Malaysia. *International Journal of Business and Management, 4* (3), 190 – 199.
- Klassen, R. M., Usher, E. L., & Bong, M. (2010). Teachers' collective efficacy, job satisfaction, and job stress in cross-cultural context. *The Journal of Experimental Education, 78*, 464 – 486.
- Kochan, T. A. (2002). Addressing the crisis in confidence in corporations: root causes, victims, and strategies for reform. *Academy of Management Executives, 16* (3), 139 – 141.
- Kovach, K. A. (1987). What motivates employees? Workers and supervisors give different answers. *Business Horizons, 58-65*.
- Lawler, E. E. (1973). Employee reactions to job characteristics. *Journal of Applied Psychology, 55*, 259-286.
- Lindsay, C. A., Marks, E., & Gorlow, L. (1967). The Herzberg theory: a critique and reformulation. *Journal of Applied Psychology, 51* (4), 330 – 339.
- Locke, E.A. (1976). *The supervisor as "motivator: his influence on employee performance and satisfaction*. Washington: Heath and Company.
- Lucas, G. H. (1985). The relationship between job attitudes, personal characteristics, and job outcomes: a study of retail store managers. *Journal of Retailing, 61* (1), 35 – 62.
- Maidani, E. A. (1991). Comparative study of Herzberg's two-factor theory of job satisfaction among public and private sectors, *Public Personnel Management, 20* (4), 441 – 448.
- Mani, B. G. (2002). Performance appraisal systems, productivity, and motivation: a case study, *Public Personnel Management, 31*, 141-59.
- Market Research (2009). Malaysia Retail Report. Retrieved from <http://www.marketresearch.com>.
- Maslow, A. (1954). *Motivation and personality*, New York: McGraw Hill.

- McClelland, D. C. (1961). *The achieving society*, Princeton: Van Norstrand.
- Mohd Bokti, N.L., & Abu Talib, M. (2009) A preliminary study on occupational stress and job satisfaction among male navy personnel at a naval base in Lumut, Malaysia. *Journal of International Social Research*. 2 (9), 299 – 307.
- Nave, J. H. (1968). Construction personnel management. *Journal of Construction Division*, 94, 95-105.
- Noordin, F., & Jusoff, K. (2009). Levels of job satisfaction amongst Malaysian academic staff. *Asian Social Science*, 5 (5), 122 – 128.
- Nunnally, J. C. (1978). *Psychometric theory*, New York: McGraw Hill.
- Parsons, E., & Broadbridge, A. (2006). Job motivation and satisfaction: unpacking the key factors for charity shop managers. *Journal of Retailing and Consumer Service*, 13 (2), 121 – 131.
- Pizam, A., & Ellis, T. (1999). Customer satisfaction and its measurement in hospitality enterprises, *International Journal of Contemporary Hospitality Management*, 11 (7), 326 – 339.
- PWC (2009). Malaysia. Retrieved from <http://www.pwc.com>.
- Rain, J. S., Lane, I. M., & Steiner, D. D. (1991). A current look at the job satisfaction/ life satisfaction relationship: review and future considerations. *Human Relations*, 44, 287 – 307.
- Ramlall, S. (2004). A review of employee motivation theories and their implications for employee retention within organizations. *American Academy of Business*, 5, 52-63.
- Robbins, S. P. (2001). *Organizational Behavior*, 9th ed. New Jersey: Prentice Hall.
- Rowley, J. (1996). Motivation and academic staff in higher education, *Quality Assurance in Higher Education*. 4, 11-16.
- Santhapparaj, A.S., Srinivasan, J., & Koh, L. L. (2005). Job satisfaction among woman managers in Malaysian automobile manufacturing sector. *Journal of Applied Science*, 5 (9), 1553 – 1558.

- Schulze, S. & Steyn, T. (2003). Educators' motivation: Differences related to gender, age and experience. *Acta Academica*, 35 (3), 138-160.
- Sempane, M. E. (2002). Job satisfaction in relation to organizational culture. *Journal of Industrial Psychology*, 28, 23-30.
- Sergiovanni, T. J. (1966). Investigation of factors which affect job satisfaction and job dissatisfaction of teachers, *Journal of Management*, 28, 23-25.
- Shikdar, A. A., & Das, B. (2003) A strategy for improving worker satisfaction and job attitudes in a repetitive industrial task: application of production standards and performance feedback. *Ergonomics*, 46 (5), 466 – 481.
- Sithiphand, C. (1983). *Testing employee motivation based on Herzberg's motivation-hygiene theory in selected Thai commercial banks* (Unpublished doctoral dissertation). Oklahoma State University, USA.
- Sloan, A. (2002, June 24). The jury is in: greed isn't good, *Newsweek*, 37.
- Susan, J. (2003). Motivation and reward. *Problems of Post-Communism*, 50, 44.
- Tang, T. L. P., Luna-Arocas, R., Sutarso, & T, Tang, D. S. H. (2004). Does the love of money moderate and mediate the income-pay satisfaction relationship? *Journal of Managerial Psychology*, 2, 111 – 135.
- Tietjen, M., & Myers, R. (1998). Motivation and job satisfaction. *Management Decision*, 36, 226-232.
- Vroom, V. H. (1964). *Work and motivation*, New York: John Wiley.
- Weaver, T. (1988). Theory M: motivating with money. *Cornell HRA Quarterly*, 29 (3), 40-45.
- Winer, L. & Schiff, J. S. (1980). Industrial salespeople's views on motivation, *Industrial Marketing Management*. 9 (4), 319 – 323.

Wong, E. S.K., & Teoh, N. H. (2009). Case study of factors influencing jobs satisfaction in two Malaysian universities. *International Business Research*, 2 (2), 86 – 98.

Wright, T. A., & Cropanzano, R. (1997). Well being, satisfaction and job performance: another look at the happy/productive worker thesis. *Academy of Management Proceedings*, 364 – 368.

Yahaya, A., Yahaya, N., Arshad, K., & Ismail, J. (2009). Occupational stress and its effects towards the organization management. *Journal of Social Science*, 5 (4), 390 – 397.

APPENDICES

Appendix 1:

Measurement Scales of the Study

<i>Factor</i>	<i>Questions</i>
Motivators	
Achievement	<ul style="list-style-type: none"> • I am proud to work in this company because it recognizes my achievements • I feel satisfied with my job because it gives me feeling of accomplishment • c. I feel I have contributed towards my company in a positive manner
Advancement	<ul style="list-style-type: none"> • I will choose career advancement rather than monetary incentives • My job allows me to learn new skills for career advancement
Work Itself	<ul style="list-style-type: none"> • My work is thrilling and I have a lot of variety in tasks that I do • I am empowered enough to do my job • My job is challenging and exciting
Recognition	<ul style="list-style-type: none"> • I feel appreciated when I achieve or complete a task • My manager always thanks me for a job well done • I receive adequate recognition for doing my job well
Growth	<ul style="list-style-type: none"> • I am proud to work in my company because I feel I have grown as a person • My job allows me to grow and develop as a person • My job allows me to improve my experience, skills and performance
Hygiene Factors	
Company Policy	<ul style="list-style-type: none"> • The attitude of the administration is very accommodative in my company

	<ul style="list-style-type: none"> • I am proud to work for this company because the company policy is favorable for its workers • I completely understand the mission of my company
Relationship with Peers	<ul style="list-style-type: none"> • It is easy to get along with my colleagues • My colleagues are helpful and friendly • Colleagues are important to me
Work Security	<ul style="list-style-type: none"> • I believe safe working at my workplace • I believe my job is secure • My workplace is located in an area where I feel comfortable
Relationship with Supervisor	<ul style="list-style-type: none"> • I feel my performance has improved because of the support from my supervisor • I feel satisfied at work because of my relationship with my supervisor • My supervisors are strong and trustworthy leaders
Money	<ul style="list-style-type: none"> • I am encouraged to work harder because of my salary • I believe my salary is fair
Working Conditions	<ul style="list-style-type: none"> • I feel satisfied because of the comfort I am provided at work • I am proud to work for my company because of the pleasant working conditions
Job Satisfaction	<ul style="list-style-type: none"> • I am satisfied with my job • I am happy with the way my colleagues and superiors treat me • I am satisfied with what I achieve at work • I feel good at work
Love of Money	<ul style="list-style-type: none"> • Money reinforces me to work harder • I am motivated to work hard for money • Money reflects my accomplishments • Money is how we compare each other • Money is a symbol of success for me • Money reinforces me to work with more enthusiasm and vigor • Money is attractive • Money is an important factor in our lives
Pay Satisfaction	<ul style="list-style-type: none"> • I am satisfied with my pay • The pay I receive is appropriate for the work I do • My pay is high in comparison to my colleagues pay for doing a similar job

Appendix 2:

Figure: Conceptual Model

