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## Reward management and job satisfaction among frontline employees in hotel industry in Malaysia

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### Abstract

Reward system is comprised of financial rewards and non financial rewards. Selecting the right rewards for the employees has always been an issue in the human resource management. Many organizations in the hotel industry are unable to identify the types of rewards which are best used to foster employees' job satisfaction. This study was conducted to investigate the relationship between rewards and job satisfaction as well as to examine the types of rewards that will affect employees' job satisfaction. Base salary raises (financial reward) and recognition (non-financial reward) have been discussed in this research. Frontline employees working as Front Desk Assistants in four-star and five-star hotels in Klang Valley, Malaysia were taken as sample for this study. 150 questionnaires were distributed and 132 were collected for analysis. Four hypotheses were assumed and had been tested in this research. The data was analyzed using correlation and multiple regression analysis. The results revealed that rewards are positively and significantly associated with job satisfaction; financial reward ( $r=0.819^{**}$ ) while non-financial rewards ( $r=0.740^{**}$ ). Thus, hypothesis 1 and hypothesis 2 were supported. In addition, the regression result has indicated that financial reward ( $\beta = 0.597$ ) has a stronger impact on job satisfaction as compared to non-financial reward ( $\beta = 0.438$ ). Hence, hypothesis 3: financial rewards affect job satisfaction was accepted while hypothesis 4: non-financial rewards affect job satisfaction was rejected in the present study. Further discussions of the results and recommendations for future research are presented in the study.

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## 1. Introduction

The Malaysian government has been aggressively implementing many policies to boost the service industry in order to enhance the nation's economic growth (Auzair, 2011). The tourism industry has been recognized as a potential service industry in contributing to Malaysia economic standing since the country is well endowed with abundance of natural resources particularly suitable for sustainable tourism (Mazumder, Ahmed and Al-Amin, 2009). The government has launched some campaigns such as Cuti-Cuti Malaysia (Vacations in Malaysia) and Visit Malaysia Year 2007 to maximize the potential of the tourism industry (Kasim, and Minai, 2009). As a result, the number of tourists to Malaysia has increased from 20.9 million in year 2007 to 24.6 million in year 2010 (Tourism Malaysia, 2008). The growth of hotel industry has been closely aligned with the tourism industry to support its strategy to meet the economic agenda of the nation.

As a service-oriented organization, frontline employees in the hotel play a critical role in building customer relationship because they interact directly with the customers and are expected to deal with a variety of customers' needs and requests (Karatepe, and Uludag, 2006). Consequently, their performance will influence customer's impression, satisfaction and loyalty towards the organization. Therefore, the hotel industry has to be more practical in its employees' performance evaluation in order to deliver a standard quality service to the customers (Patah, Zain and Abdullah, 2009).

Rewards systems are often implemented within organizations as a key management tool that can contribute to a firm's effectiveness by influencing individual behavior and motivating employees at work (Lawler and Cohen, 1992). Besides, it is also one of the most preferred factors in providing satisfaction to employees. Schuler and Jackson (1987) agreed that the relationship between rewards, motivation and job satisfaction of employees are strategically important to organization success and are sources of competitive advantage because it helps to create a unique and dynamic competencies level to the organizations (Khalid, Salim and Loke, 2011).

Comparing with other industries, the hotel industry has no routine holiday, and employees are required to work 7 days a week and 24 hours a day (Yih and Htaik, 2011). In addition, unattractive working atmosphere of the industry such as low pay, rigid job traits (Ahmand, and Zainol, 2011), long working hours, seasonal employment, low job status (Alan, Radzi and Hemdi, 2010), over workloads, low job security, and limited training and development opportunities contribute to job dissatisfaction, thus leading to a high level of turnover (Yih and Htaik, 2011). In view to this, tourism and hospitality managers need to seek effective ways to enhance the performance of their frontline employees and to keep them satisfied (Karatepe et al., 2006; Abdullah and Bustamam, 2011).

Organizations tend to focus on financial rewards, and non-financial rewards have become increasingly being overlooked (Chiang and Birtch, 2008). Every employee has his or her own set of needs and motivators. Therefore, hotel managers have to carefully select the right rewards that respond to individual needs. Some are motivated by money, while others motivated by recognition, career advancement or personal growth; which are not direct or instant material benefits. Thus it is wrong to assume that everyone shares the same motivator and needs. (Lai, 2009) Many researchers have found that employees' job satisfaction is affected by both financial and non-financial rewards (Gerald and Dorothee, 2004; Clifford, 1985; Kalleberg, 1977; and Rehman, Khan, Ziauddin and Lashari, 2010). An ineffective reward management will affect employees' satisfaction and de-motivate them, hence affecting their performance outcome.

It is therefore, the objectives of this research are; (1) To investigate the relationship between financial rewards and job satisfaction; (2) To investigate the relationship between non-financial rewards and job satisfaction and; (3) To examine the types of rewards that will strongly affect employees' job satisfaction.

## 2. Literature Review

Reward is a broad construct that has been said to represent anything that an employee may value that an employer is willing to offer in exchange for his or her contributions (Chiang and Birtch, 2008). The lack of rewards will create an unpleasant environment, thus diminishing employees' work efforts and may cause them to withdraw from their jobs. For these reasons, rewards are increasingly important. The main objectives of rewards are to attract and retain employees, to motivate employees to achieve high levels of performance, and to elicit and reinforce desired behavior of the employees.

Organizations often use financial rewards to prevent employee dissatisfaction and to motivate employees, although it may not be the best motivator for the long term (Mossbarger and Eddington, 2003). Prior to this, Deeprose (1994) had stated that “while the presence of money may not be a very good motivator, the absence of it is a strong de-motivator”. In addition, financial rewards are significant not only in terms of their instrument value as a medium of exchange, but also a highly tangible means of recognizing an individual’s worth, improving self-esteem, and symbolizing status and achievement (Armstrong, 1996). Therefore, organizations can best utilize financial rewards in supporting organizational human resource strategy.

Non-financial rewards are tangible rewards provided and controlled by a firm; which do not necessarily benefit employees in monetary sense (Chiang and Birtch, 2008). Nowadays, individuals require beyond monetary rewards for their effort (Millmore et al, 2007). This means that employees seek for other return in exchange for their contribution which is of value and meaningful to them, rather than being given just money (Johnson and Welsh, 1999). Given the labor-intensive nature of the hospitality industry and the rising pressure to control costs, non financial rewards are being used increasingly to motivate employee performance and to increase employee satisfaction (Chiang and Birtch, 2008).

Job satisfaction is central to the work lives of employees and for effective use of personnel within organizations (Koeske, Kirk, Koeske, and Rautkis, 1994). Employees’ job satisfaction can be predicted by employees’ evaluation of the work climate, levels of organizational support and the employment situation (Patah, Zain, Abdullah and Radzi, 2009). When an employee is satisfied at work, he or she is likely to be more stable, productive and accomplished towards organizational goals (Jessen, 2011). Job satisfaction is defined as an overall affective orientation on the part of individuals toward work roles which they are presently occupying (Kalleberg 1977). Locke (1976, cited in Rehman, Khan and Lashari, 2010) defined job satisfaction as a function of the range of specific satisfactions and dissatisfactions resulting from the appraisal of various dimensions of work that he or she experiences. The appraisal of various dimensions includes the work itself, supervision, pay, promotion policies and co-workers (Efraty and Sirgy, 1990). When employees express their feelings towards their job, whether positive or negative, they are likely to be referring to his or her job satisfaction (Pool, 1997). Accordingly, job satisfaction implies a subjective and emotional reaction towards different aspects of the job, perceived as an emotional state resulting from the appraisal of one’s situation, linked with the characteristics and demands of one’s work (Jessen, 2011).

### 3. Methodology

The participants for this study consisted of frontline employees who held position as Front Desk Assistant working at four-star and five-star hotels in Klang Valley, Malaysia. The area was selected to conduct the study since it is the destination with key attractions for tourism where four-star and five-star hotels could easily be found. The Front Desk Assistants in hotel industry were selected as these employees are the medium for delivery of service quality and are among the first to interact directly with the customers (Shariff, Zainol and Hashim, 2010), hence they are expected to deal with a varied customers’ needs and complaints (Karatepe, & Uludag, 2006). The Front Desk Assistants also are the ones involved with frequent service encounters, thus their performance typically shapes those customer’s perceptions (Ashill, Carruthers, and Krisjanous, 2005).

Based on Tourism Malaysia’s Accommodation Guide (2011), there are twenty-three (23) hotels categorized as four-star and five-star star hotels in Klang Valley, Malaysia. Assuming each hotel has approximately ten (10) Front Desk Assistants working in three shifts; four (4)/ morning shift, four (4)/ afternoon shift and two (2)/ night shift, the estimated population size is 230. Based on sample size table by Krejcie and Morgan (1970), 132 questionnaires are sufficient for analyses.

The questionnaire was divided into four sections; namely demographic data section, financial rewards section, non-financial rewards section and employee job satisfaction. Section A consisted of seven (7) items that captured demographic variables of the respondents such as gender, age, education, marital status and job tenure. For the purpose of this research, nominal scale and ordinal scale were used to measure the variables. Section B consisted of eight (8) items that were used to measure financial rewards while Section C consisted of ten (10) items which were used to measure non-financial rewards. All items in the questionnaire were adapted from existing questionnaires that

were taken from various journals with appropriate adjustments and that have been reported valid and produced reliable results. Both sections B and C used Likert 5-point scale as the measurement technique to illustrate the respondent's perceptions about the statements. Responses to all items were made on a scale format ranging from "1= strongly disagree" to "5= strongly agree". The last part, section D, consisted of twenty (20) items which required the respondents to evaluate their job satisfaction. The Minnesota Satisfaction Questionnaire (MSQ) developed by Weiss, Dawis, England, and Lofquist (1967) was used to measure the level of job satisfaction (Gunlu, Aksarayli, and Percin, 2010). It includes general satisfaction, extrinsic satisfaction and intrinsic satisfaction dimensions, such as working conditions, co-workers relationship, supervision-human relations, supervision-technical, compensation, recognition, independence, variety, job security, achievement, and more (Gunlu, Aksarayli, and Percin, 2010). Respondents were also required to rate their level of satisfaction using Likert 5-point scale, ranging from "1=very dissatisfied" to "5= very satisfied". Social Package for Social Sciences (SPSS) software was used to analyze the data from the questionnaire. The analyses examined in the study include:

- a) Descriptive analysis - to measure the distribution of the data collected across the demographic, independent and dependent variables. It converts all the data obtained from the basic statistic into useful information.
- b) Reliability analysis - to measure the consistency of the measurement scales used in this study. The reliability statistics are computed to make sure that the instruments are reliable.
- c) Pearson's Correlation Analysis - to investigate the relationship between two variables. In this research, it is used to test the hypotheses 1 and 2; on the relationship between rewards and job satisfaction.
- d) Standard multiple regression analysis - to investigate the effect of multiple independent variables and dependent. This analysis was used to examine the types of rewards which affect job satisfaction the most as proposed in the hypotheses 3 and 4 of the present research.

#### **4. Findings**

The samples involved in this present study consisted of 132 respondents who work as Front Desk Assistants in hotel industry, in Malaysia. Out of 132 respondents, 74 respondents (56.1%) were female while the remaining 58 respondents (43.9%) were male respondents. This has shown that the majority of the frontline employees in the hotel industry are dominated by female. 47% of the total respondents (62 respondents) were Malaysian Chinese while the Malays made up 43.2% of the samples (57 respondents) and Indians made up 4.5% (6 respondents). The remaining 5.3% of the respondents consisted of other races (7 respondents). Based on the data collected, it is identified that the majority of the respondents was from the middle-aged group between 21 and 30 years old (55.3%), followed by those aged between 31 and 40 years old (37.9%). The smallest group was those from 41-50 years old (6.8%). None of the respondents were from the younger group (below 21 years old) and the older group (above 50 years old). As depicted in Table 1, the marital status breakdown has shown that 83 respondents (63%) are married, while the remaining 49 respondents (37%) are single. Most of the frontline employees have an educational qualification up to Diploma and Degree level. Diploma holders constitute a total of 72 respondents (54.5%) and the remaining 60 respondents (45.5%) are Degree holders. Based on the respondents' job tenure information, only 12 respondents (9.1%) have been working for more than 7 years in their current hotels. 51 respondents (38.6%) have been working for at least 4 to 6 years whereas 43 respondents (32.6%) have been working for 1 to 3 years while the balance of 26 respondents (19.7%) have had work experience of less than 1 year. The majority of the respondents have reported that frontline employees are low income earners. Generally, the result has shown that the monthly salary of the frontline employees does not exceed RM2000. Approximately 63.6% of the total respondents earn between RM1001-RM2000 per month while 36.4% of them earn below RM1000 per month.

Table 1. The respondents' demographic information is summarized in the table below:

<b>Demographic</b>	<b>Characteristics and Classification</b>	<b>Frequency (n)</b>	<b>Percentage (%)</b>
<b>Gender</b>	Male	58	43.9
	Female	74	56.1
<b>Race</b>	Malay	57	43.2
	Chinese	62	47.0
	Indian	6	4.5
	Others	7	5.3
<b>Age</b>	18-20 years old	0	0
	21-30 years old	73	55.3
	31-40 years old	50	37.9
	41-50 years old	9	6.8
	51 years old and above	0	0
<b>Marital Status</b>	Single	49	37.1
	Married	83	62.9
<b>Educational Level</b>	SPM/STPM	0	0
	Diploma	72	54.5
	Degree	60	45.5
	Master	0	0
<b>Job Tenure</b>	Below 1 year	26	19.7
	1-3 years	43	32.6
	4-6 years	51	38.6
	7 years and above	12	9.1
<b>Salary Level</b>	Below RM1000	48	36.4
	RM1001-RM2000	84	63.6
	RM2001-RM3000	0	0
	RM3000 and above	0	0

Descriptive statistics computed the mean scores and standard deviation for each item that has been assessed through the questionnaire as presented in the Table 2 to 4.

Table 2 demonstrates that the variable of financial rewards has produced a mean value ranging from 2.9848 to 3.8864. Among all, item 2 has the lowest mean ( $M = 2.9848$ ,  $SD = 0.95697$ ). It shows that most of the respondents are not satisfied with their past salary increase. It could be due to their past increments were less than what they expected.

Table 2. Mean and Standard Deviation for Financial Rewards

Item No.	Description	Mean	Standard deviation
1	I am satisfied with my base salary.	3.0606	0.96312
2	I am satisfied with my past salary increment.	2.9848	0.95697
3	I am satisfied with my recent salary raise.	3.1061	0.91849
4	Raises are too few and far between.	3.1742	0.95307
5	I am satisfied with how my raises are determined.	3.1136	0.92173
6	Pay increases are handled fairly.	3.1591	0.93146
7	Additional pay to basic salary increased job satisfaction.	3.6970	0.89049
8	Those who do well stand a fair chances of being promoted (receiving higher pay increase)	3.8864	0.81632

Note: Scale range from “1=strongly disagree” to “5=strongly agree”

Table 3. Mean and Standard Deviation for Non-Financial Rewards

Item No.	Description	Mean	Standard deviation
9	Received appropriate recognition for my contribution.	3.2879	0.90402
10	Received continuous feedback and recognition.	3.0530	0.91062
11	Received informal praise (well done, thank you).	3.1061	0.91849
12	Received formal praise (certificate).	2.8333	1.02761
13	The amount and frequency of recognition from supervisor.	3.2121	0.91660
14	Understand the type of behavior lead to receiving recognition.	2.7197	1.07940
15	The way my supervisor provides me with feedback.	3.4470	0.83176
16	The feedback receive is highly relevant.	3.1970	0.93645
17	The feedback receive agrees with what I actually achieved	3.5227	0.88642
18	Recognition is given fairly and consistently.	3.8333	0.82116

Note: Scale range from “1=strongly disagree” to “5=strongly agree”

Table 3 displays the results for non-financial rewards. The lowest mean was perceived by item 14 ( $M = 2.7197$ ,  $SD = 1.07940$ ). This finding implies that frontline employees are not aware of what they should do in order to be acknowledged for work performed because there is no standard behavior set to be followed or do not know the assessment criteria for the performance appraisal.

Table 4 presents employees' perception towards their job satisfaction. Overall, the result has produced a mean ranging from 3.1439 to 4.455. The lowest mean was perceived by item 30 ( $M = 3.1439$ ,  $SD = 0.93394$ ). The opportunities of hotel receptionists to explore different tasks or challenging jobs are typically low. This may be due to the management not practicing job rotation. Subsequently in the long term employees will get bored and demotivated, thus reducing job satisfaction and performance.

Table 4. Mean and Standard Deviation for Job Satisfaction

Item No.	Description	Mean	Standard deviation
	Are you satisfied....		
19	The responsibility of my job.	3.1591	0.90655
20	The working conditions.	3.3182	0.95164
21	Able to do something worthwhile.	3.3636	0.94322
22	Able to stay busy.	3.4242	0.92564
23	The amount of pay for the work I do.	3.2879	0.87833
24	Salary is comparable with others.	3.1742	0.94502
25	Chances for salary increase.	3.2424	0.83913
26	Praise and recognition for good job.	3.3864	0.99347
27	The way I am noticed by supervisor.	3.2348	0.88118
28	The way my supervisor treats me.	3.5076	0.85155
29	The chance to work by myself.	3.2955	0.97869
30	The chance to try something different.	3.1439	0.93394
31	The routine of my work.	3.4242	0.92564
32	The chance to do different things from time to time.	3.3333	0.96240
33	The way my supervisor provides help.	3.3939	1.01709
34	Relationship with co-workers.	3.8561	0.71122
35	Feeling of accomplishment.	3.4545	0.81366
36	The chance to do things that make use of my abilities.	3.2803	0.93543
37	The chance for advancement.	3.4015	0.91518
38	Steady employment.	4.0455	0.72957

Note: Scale range from "1=very dissatisfied" to "5=very satisfied"

As shown in Table 5, all variables have Cronbach's alpha value ranging from 0.887 to 0.933, which achieved the minimum acceptable level of coefficient alpha above 0.7 (Nunnally's, 1978). The independent variable of financial rewards has the highest Cronbach's alphas of 0.933 despite the low number of scale items (8 items), followed by dependent variable of job satisfaction with Cronbach's alpha of 0.922 (20 items). Both of these variables have value more than 0.9, which are considered excellent. The other independent variable of non-financial rewards has Cronbach's alpha of 0.887 (10 items), which is considered good. Conclusively, the reliability of the scales used in this study was high with Cronbach's alpha value close to 1.0.

Table 5. Alpha Coefficient of reliability on variables

Variables	Cronbach's Alpha	Number of Items
Financial Rewards	0.933	8
Non-Financial Rewards	0.887	10
Job Satisfaction	<b>0.922</b>	<b>20</b>

Correlation analysis was applied to test the relationships between rewards and job satisfaction as hypothesized in hypotheses 1 and 2. Pearson correlation ( $r$ ) refers to the degree of association between two variables. It shows the degree of relationship by using readings ranging from -1.00 to +1.00. The value indicates the strength and the sign

indicates the direction of a linear relationship between the two variables. Values near to 1 are considered strong relationship, while values near to 0 indicate weak correlations between the two variables (Vignaswaran, 2008).

Table 6. Correlation of the variables

	<b>Job satisfaction</b>	<b>P value</b>
<b>Financial rewards</b>	0.819**	<b>0.000</b>
<b>Non-financial rewards</b>	0.740**	<b>0.000</b>
<b>Job satisfaction</b>	<b>1</b>	<b>0.000</b>

Note: \*\* $p < 0.01$ , independent variable: financial and non-financial reward, dependent variable: job satisfaction.

Table 6 shows the result obtained from the correlation test and all the variables were identified to be significantly inter-correlated. From the analysis, it is noted that financial rewards are positively and significantly related with job satisfaction ( $r = 0.819^{**}$ ,  $p < 0.01$ ). That is, the more financial rewards given, the more positive would be the perception of the employees towards job satisfaction. Thus, hypothesis 1 (H1), that is, there is a relationship between financial rewards and job satisfaction was accepted.

Hypothesis 2 (H2) was also supported. The relationship between non-financial rewards and job satisfaction are positively and significantly related ( $r = 0.740^{**}$ ,  $p < 0.01$ ). This implies that when there is an increase in non-financial rewards, there is also a corresponding increase in job satisfaction.

Standard multiple regression analysis measures the simultaneous investigation of the effect of the independent variables and dependent variable (Zikmund, 2000). In this study, financial and non-financial rewards are the independent variables while job satisfaction is the dependent variable. The effects of the types of rewards on employees' job satisfaction were examined by multiple regression analysis to test hypotheses 3 and 4 of the research.

Table 7. Regression analysis

<b>Independent variables</b>	<b>Unstandardized coefficients (B)</b>	<b>Standardized coefficients (Beta, <math>\beta</math>)</b>	<b>Sig.</b>
<b>(Constant)</b>	0.659		<b>.000</b>
<b>Financial rewards</b>	0.453	0.597	<b>.000</b>
<b>Non-financial rewards</b>	0.387	0.438	<b>.000</b>
<b>R</b>	<b>0.902<sup>a</sup></b>		
<b>R square (R<sup>2</sup>)</b>	<b>0.813</b>		
<b>Adjusted R square</b>	<b>0.810</b>		

a. Predictors: (Constant), Financial rewards, Non-financial rewards

b. Dependent variable: Job satisfaction

The results shown in Table 7 indicate a relatively high percentage of job satisfaction which can be explained by the variables of financial and non-financial rewards. The coefficient of relationship illustrates that the value of R square is 0.813; which means 81.3% of the variance in job satisfaction was affected by the financial rewards and non-financial rewards.

The column labeled Beta ( $\beta$ ) value of Standardized Coefficients indicates the variable that contributes to the dependent variable. 'Standardized' means the value for each of the different variables have been converted to the same scale in order to make comparison (Pallant, 2001). These analyses show that job satisfaction is positively influenced by financial rewards ( $\beta = 0.597$ ,  $p < 0.01$ ) and non-financial rewards ( $\beta = 0.438$ ,  $p < 0.01$ ). Comparatively, financial rewards variable has a stronger impact on employees' job satisfaction and a larger beta value as compared to non-financial rewards variable. This implies that employees are better satisfied by financial rewards than non-financial rewards. As reward like recognition is of little importance, thus it does not influence much on employees' job satisfaction. Therefore, hypothesis 3 (H3): financial rewards affect job satisfaction was accepted while hypothesis 4 (H4): non-financial rewards affect job satisfaction was rejected. Previous researchers



Rehman, Khan, Zaiuddin and Lashari (2010) have also came up with the same finding that financial rewards have higher impact on employees' job satisfaction than non-financial rewards.

## 5. Discussion

Rewards have been found to be a potential source that contributes to employees' motivation and job satisfaction (Galanou, Georgakopoulos, Sotiropoulou, and Dimitris, 2010). However, many organizations face difficulties in identifying the types of rewards that are more preferable and more appropriate in order to increase employees' job satisfaction. Therefore, this study was carried out to investigate the relationship between rewards and job satisfaction, as well as to identify the types of reward that affect job satisfaction, using data collected from frontline employees in four-star and five-star hotels in Klang Valley, Malaysia.

Aligned with the literature, the results of correlation analysis revealed that there is a significant and positive relationship for both financial rewards and non-financial rewards with job satisfaction. This finding is consistent with prior researches in which they have demonstrated that rewards are indeed associated with job satisfaction (Rehman, Khan, Zaiuddin and Lashari, 2010; Ali and Ahmed, 2009; Khalid, Salim and Loke, 2011). The Pearson correlation analysis has clearly showed that financial rewards has coefficient value ( $r = .819, p < .000$ ) and non financial rewards has coefficient value ( $r = .740, p < .000$ ) which means, an increase in rewards could actually result in increased employee satisfaction. Generally, when rewards system is altered, there will be a corresponding change in employees' job satisfaction. Therefore, these results supported the hypotheses of the present study.

The impact of the different categories of rewards has been identified using regression analysis. The result revealed that financial rewards provide greatest impact on job satisfaction as it has larger beta value ( $\beta = .597, p < .01$ ) as compared to non-financial rewards ( $\beta = .438, p < .01$ ). Although the majority of the respondents were not satisfied with their past salary increase, financial rewards have remained as preferred significant rewards that they look forward to. The fact that frontline employees' work is repetitive, with little responsibilities and creativity, it is therefore has lead them to focus more on financial rewards (Galanou, Georgakopoulos, Sotiropoulou, and Dimitris, 2010). McGregor (1985) argued that in jobs where boredom is developed, higher payments are very important as employees hope to find their satisfaction outside their work.

On the other hand, frontline employees agreed that non-financial rewards, like recognition, were perceived as important to the attainment of job satisfaction. Employees might expect for more returns beyond financial rewards. This is because once they are satisfied with their pay they will proceed to fulfill the next level of needs. This concept was emphasized by Maslow's Hierarchy of Needs. Herzberg's motivation and hygiene theory also suggested that salary only helps to prevent employees' dissatisfaction, but recognition could contribute to long term positive effect on employees' job satisfaction which they found something more meaningful in their job (Lai, 2009).

## 6. Conclusion

Human resource management in an organization has an increasing importance in supporting the organizations' strategies to accomplish its goals. Several ways have been implemented to enhance employees' satisfaction towards his job and work environment. One of the best strategies is to create an effective reward system in the workplace. This current study provides a better understanding for hotel managers regarding various reward instruments in order to foster employees' job satisfaction. Research has proven that there is a significant and positive relationship between rewards and job satisfaction. Employees who fully satisfied with their pay will result in a higher level of satisfaction, and employees who get recognized tend to have higher self-esteem, more confidence and more willingness to take new challenges (Pratheepkanth, 2011). When organizations are able to gain a thorough understanding of their employees' expectations in return for their hard work, they are capable of determining their reward strategies which can help to deliver what is really needed (Silverman, 2004). Increasingly, organizations should not just emphasized on financial alone, but also have to cover non financial aspect as well to boost frontline employees' job satisfaction. Therefore, establishing a well balance reward systems between financial and non financial rewards to employees is one of the strategic approach where organizations not only able to satisfy

employees' needs but also to simultaneously achieve higher employee performance, improve resource efficiency, and enhance customer service quality (Chiang and Birtch, 2008).

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