Achieving task and extra-task-related behaviors: A case of gender and position differences in the perceived role of rewards in the hotel industry

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Abstract

The study drew on a sample (n = 284) from the hotel industry in Hong Kong to advance our understanding about the perceived effectiveness of various reward instruments in achieving specific task and extra-task performance behaviors. We found that the perceived motivating value of a reward varied according to its type. Non-financial rewards, for example, were found to play a prominent role in achieving extra-task performance dimensions. Employee characteristics also affected the perceived performance implications of various rewards. Nevertheless, caution must be exercised when interpreting the results, as other factors may also influence reward–performance relationships, thus paving the way for future research.

Keywords: Rewards; Employee task and extra-task performance; Hotel industry

1. Introduction

Hospitality organizations recognize more than ever before that in order to achieve and sustain competitive advantage, they must arouse not only task-related competencies (e.g. occupational knowledge) from their employees but also a broad range of extra-task-related capabilities, such as going beyond the normal call of duty for customers, cooperating with co-workers, being proactive, showing dedication, and taking the initiative to solve problems (Borman and Motowidlo, 1993). These extra-task behaviors, often referred to as organizational citizenship (Bateman and Organ, 1983) or pro-social behavior (Brief and Motowidlo, 1986), are thought to contribute to the organizational, social, and psychological environments essential to accomplishing organizational goals (Smith et al., 1983). Rewards are considered the primary means by which organizations elicit and reinforce desired behavior (Lawler, 2000). If organizational success relies heavily on the achievement of a range of task and extra-task-related behaviors, then it is essential for organizations to determine more precisely which rewards give rise to different manifestations of employee performance.

Considerable attention has been afforded to the role that rewards play in supporting organizational (Rajagopalan, 1997) and human resources strategy (Gerhart and Milkovich, 1990). A variety of different facets of the reward and performance relationship have also been examined, including taxonomy of reward (Chiang and Birtch, 2005), pay for performance (Deckop et al., 1999), fixed versus variable pay (Montemayor, 1996), reward allocation criteria (Janssen, 2001), and the transferability of reward practices (Chiang and Birtch, 2007). Yet, in spite of the attention devoted to reward and the fact that researchers (e.g. Gerhart and Milkovich, 1990; Lawler, 2000) have acknowledged the importance of aligning rewards with employee behavior and organizational performance requirements, little is understood about how employees perceive reward–performance linkages, in particular the role that rewards play in achieving specific behaviors (Boyd and Salamin, 2001; Rajagopalan, 1997).

Earlier research restricts our understanding in several ways. First, prior research emphasizes firm as the level of
analysis. In doing so, it ignores the perspective of the employee. Effective reward management entails an intimate understanding of employee values and preferences (Zingheim and Schuster, 1995). Since employees are the direct beneficiaries of rewards, their perceptions and reactions to different rewards are critical to our understanding of the reward–performance relationship. Second, where studies do exist (e.g. Dewald, 2003; Lynn, 2003), these tend to focus on financial rewards (e.g. tips). Non-financial rewards (e.g. recognition, training and development, job interest, and time-off), which have become increasingly prevalent today are by and large being overlooked.

Third, earlier work also lacks a systematic empirical investigation of the performance implications of specific reward instruments. A reward found to be effective in achieving one performance imperative may not necessarily be successful at motivating another desired behavior (Komaki, 2003). The effectiveness of a homogeneous one-size-fits-all approach to reward (i.e. assuming that a reward is universally effective at motivating all types of behavior) is therefore subject to question. It is unlikely to be able to respond to the wide range of performance demands, task and extra-task related, expected of employees.

Lastly, in a recent review of hospitality journals (Lucas and Deery, 2004), human-resource-related topics (e.g. general HRM, employee sourcing, development and relations) figured prominent on the research agenda. However, attention to reward management issues and how ‘human capital’ advantage can be achieved through eliciting and rewarding employee behaviors that provide value was scant (Boxall and Purcell, 2003). According to Pfleffer (1994), employees are the main source of competitive advantage. Moreover, little attention was afforded to the potential influence that employment trends in the hotel industry have on the reward–performance relationship, in particular the influx of women into the workforce and the industry have on the reward–performance relationship. Second, where studies do exist (e.g. Dewald; Lynn), these tend to focus on financial rewards (e.g. tips). Non-financial rewards (e.g. recognition, training and development, job interest, and time-off), which have become increasingly prevalent today are by and large being overlooked.

The purposes of this study were two-fold. First, we attempted to explore the perceived motivating values of different financial and non-financial rewards. More specifically, we aimed to determine which rewards from an array of alternatives were more effective in motivating and achieving specific task and extra-task performance dimensions. Second, we attempted to examine potential gender and position differences in the perceived performance implications of various rewards. To these ends, we begin by briefly delineating reward and employee performance. Following the development of our hypotheses and a brief overview of the methods employed, we present the relevant analyses and findings. Directions for future research are also suggested.

2. Literature review

2.1. Reward and performance dimensions

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 the employee’s contribution (Henderson, 2003). A reward infrastructure is typically comprised of a variety of financial and non-financial instruments. Direct (e.g. basic pay), indirect (e.g. benefits), fixed (e.g. salary) and/or variable (e.g. bonus/incentives) rewards are financial in nature (Armstrong and Murlis, 2004). Non-financial rewards are also tangible rewards provided and controlled by a firm, although they do not necessarily benefit employees in a monetary sense. Examples include recognition, promotion, power and responsibility, and training and development. 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.

Employee performance is also a multidimensional construct (Viswesvaran, 2001). It has been defined in terms of individual characteristics (Barrick and Mount, 1991), found considerable divergence between employees and managers in terms of their service and performance perceptions. It has also been acknowledged that managers often misunderstand what motivates their employees (Zacarelli, 1985). Non-managerial positions in the hotel industry have been characterized by their inadequate pay, low job security, turnover (Karatepe and Sokmen, 2006), and excessive turnover (Pizam and Thornburg, 2000). Hence, position-based differences in perceptions and preferences may also influence the reward–performance relationship.

The above gaps in our understanding not only severely restrict the ability of firms to ensure congruence between rewards and performance dimensions but also inhibit further knowledge building in this important area of organizational studies. An examination of the role that rewards play in motivating and facilitating the development of desirable behaviors is therefore warranted.

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