

## Impact of Rewards System on Teacher's Motivation: Evidence from the Private Schools of Karachi

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**Abstract:** *This study investigates the impact of five determinants of the rewards system on employee's motivation in the context of private schools. A sample of 310 respondents is drawn from the private school teachers of Karachi. The rewards system was measured through five independent variables including salary offered, recognition, promotion, working content, and working conditions. By using exploratory factor and regression analyses, the results show that except salary offer, rests of the four variables have been found statistically significant to predict teacher's motivation. However, the recognition of efforts followed by working conditions have revealed the greatest impact on teacher's motivation. Thus, the management of the private schools should not only recognize the efforts of their teaching staff but also concentrate on revising and enriching their working conditions to increase their level of motivation. A major contribution of this paper from the theoretical point-of-view is that it is possible to observe a negative effect of 'salary offer' towards teacher's motivation particularly in the context of a developing country such as Pakistan. Another valuable finding is that 'salary offer', an important antecedent of employees motivation, although not significantly related to teacher's motivation in this study, is a provider of a very strong motivating factor for predicting teacher's motivation at both primary and secondary level of education. Areas for future research are also discussed.*

**Keywords:** motivation, salary, working conditions, working contents, promotions, recognition, private schools.

## Introduction

The long-term success of an organization mainly depends on its human resource. They perform according to assigned responsibilities in order to achieve organizational goals and objectives. Their supervisors expect that the employees would meet the management expectations on time by conforming to the organizational policies, rules, and regulations. At the same time, employees expect that their efforts will be recognized and appreciated thus rewarded in a meaningful way e.g. fair treatment, enriched job responsibilities, management support, appropriate working conditions, intrinsic and extrinsic rewards etc. Rewards management is one of the basic tools which supervisors use to motivate their employees (Beer, Spector, Lawrence, Mills, & Walton, 1984). In fact, employees at different level in an organization are motivated by different types of rewards. For instance, a small cash prize may significantly motivate a non-managerial staff however, it may not be a significant motivating factor for a

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senior manager in the same organization. Therefore, the role of supervisors in motivating their sub-ordinates should not be condoned. In order to observe a diligent work performance, it should be one of the major responsibilities of supervisors to explore which specific reward is going to motivate specific individuals. In essence, motivation drives an energy among employees to perform better while being within the financial and social constraints. The effectiveness of a reward system positively motivates employees to bring their maximum effective output at the right point in time when it is required. When this individual practice is deeply routed in the culture of the organization, managers could expect to achieve a competitive organizational performance (Deeprise, 1994). An appropriate reward system reinforces competitive performance of all employees which may include remuneration/salary/wages, supporting working conditions, SMART job responsibilities, on-time recognition of efforts, fringe benefits, etc. Likewise in a business organization, the notion of motivation is equally important in the education sector too, particularly at the primary and secondary level of education in a developing country such as Pakistan. Previous studies show that school teachers are increasingly losing their commitment with their chosen profession because, they are not motivated enough with the value they receive in response to their services in terms of both financial and non-financial benefits. As a result, school teachers do not engage themselves in better learning and development of young pupils rendering them either confused or less-productive citizens in future. Normally, because of a very low degree of motivation, schools teachers tend to maintain a minimum level of performance which may not turn out to be a competitive performance. In addition, they start to realize that they are poorly managed with non-competitive compensation benefits. If this aspect of education is not addressed effectively, a number of other students will suffer thus a strong and valuable foundation of the society will be highly questioned. Therefore, the objective of this study is to investigate the impact of different constituents of rewards system on teachers' motivation in the context of a developing nation such as Pakistan. More specifically, school administrators and owners may be in a better position to understand different variables of rewards system which determine teacher's motivation in the context of Karachi. They may take these predictors while crafting their school policies and competitive strategies in the era of hyper-competition (D'Aveni, Canger, & Doyle, 1995). Therefore, the study attempts to investigate the following primary research question:

How well can we predict teacher's motivation in private schools of Karachi from a combination of five variables: salary offer, promotions, recognition, working contents and working conditions?

## Literature Review and Hypotheses

There are a number of motivation theories namely, Deci's cognitive evaluation theory, McClellan's acquired need theory, Alderfer's ERG theory, Stacey Adams's equity theory, Herzberg two-factor theory, Skinner's reinforcement theory, Vroom's expectancy theory, Maslow's hierarchy-of-needs theory etc. However, this study is largely based on Herzberg two-factor theory. These two factors (called hygiene and motivators) drive motivation among individuals. From an employment point-of-view in an educational context mainly at primary and secondary schools in the private sector, these factors usually constitute those facets which either make the job acceptable or enrich the existing job. School teachers are motivated through either external variables e.g.

adequate working conditions, physical security to prevent harassment cases, salary, fringe benefits (like health or family insurance), organizational policies, interpersonal relationships with colleagues and superiors, etc. In fact, hygiene factors are those whose absence motivates teachers.

In contrast, there are a number of teachers who motivate themselves as they receive constructive feedback from the environment in which they operate (Firestone, 2014). People enjoy and feel pleasant thereby, they tend to continue to do certain things (Deci & Ryan, 1996; Hackman & Oldham, 1980). Similarly, motivators are those factors whose presence motivates teachers namely, primary and secondary needs as defined by Maslow's theory of motivation. The following section separately provides with a review of the related literature of five predictors of reward systems to predict teacher's motivation.

### ***Working Contents and Motivation***

Working contents refer to job responsibilities a teacher holds. These responsibilities increase with the passage of time as a teacher shows affective commitment towards the employer. According to Meyer and Allen (1991), affective commitment refers to the situation in which an individual intends to stay with the employer at will. It is neither because of any compulsion (called continuance commitment) nor conforming to certain ethical standards (called normative commitment). Indeed, a high commitment with employer results in an increased amount of workload (Korman, Wittig-Bernam, & Lang, 1981). Therefore, if an employer provides flexible work arrangements, it may establish a reasonable amount of work and life balance (Perlow & Kelly, 2014). Otherwise, some severe side-effects may be observed for both individuals and organization (Randall, 1987). It includes incessant physiological problems e.g. headache, insomnia, exhaustion, unsteadiness, appetite loss etc. (Nixon, Mazzola, Bauer, Krueger, & Spector, 2011) because high workload demands employees to incur additional working hours rendering them unable to complete their sleep on daily basis (Barnesa, Wagner, & Ghumman, 2012; Basner et al., 2007). This situation gets intensified for those who are either single parents or further responsible to look after their elderly parents or own disabled children (Perlow & Kelly, 2014).

Ironically, fully-dedicated employees normally engaged themselves in performing routine tasks thus, they often remain unable to unplug themselves from work (Blair-Loy, 2003, 2009; Perlow, 2012; Schieman & Glavin, 2008) to find any space to develop themselves therefore, they might waste their latent talents (Rowan, 1981). Moreover, some employers also grant additional flexibility to their dedicated employees as a result, these dedicated employees also reported that they should also offer better services to their employers in return (Kelliher & Anderson, 2010). Therefore, in the light of this pragmatic attitude, numerous authors have urged on incorporating changes not only in the organizational policies but also in the structure of the work so that employees could enjoy their work through their intrinsic motivation. Moreover, they also emphasized management to enrich the organizational culture which welcome innovative ideas for cost-effective working practices (Batt & Valcour, 2003; Kossek, Lewis, & Hammer, 2010; Lewis, 1997; Mennino, Rubin, & Brayfield, 2005).

In fact, there is a considerable difference between intrinsic and extrinsic measures of motivation. This is one of the core responsibilities of supervisors to explore and then assess how each of their subordinates is and can be either intrinsically or extrinsically motivated (Lawrence & Jordan, 2009). This aspect of motivation may be easily routed in the working contents of the individuals. For instance, a school may

develop its teaching staff in such a manner that they could be able to perform new roles effectively and efficiently. Therefore, at one side, it will enable teachers to earn more and on the other side, it will motivate them to perform their teaching assignments better than before (Jacobs, 1981). For this, it is equally important to revisit the structure for teaching in order to fully address the pupil's educational and learning needs (Rosenholtz, 1987; Rosenholtz & Smylie, 1984) by enriching the working contents (Hart, 1990; Smylie, 1992) of teachers.

Moreover, working contents are also related with teacher's attitude which is largely shaped by his/her department as well as the grade level of pupils they are responsible to teach (Wanous, 1980; Wentworth, 1980). It establishes a bond between the teacher and students instead of the teacher and the academic discipline itself. Besides, a constructive level of team work among colleagues also originates a knowledge-sharing environment among teachers too which can be better employed for the learning and development of students (Pounder, 1999). This approach may be very useful in secondary schools where the connection between teachers and students are normally fractionalized to openly communicate with each other. It is essential for students to explore a series of opportunity to develop a comprehensive learning environment with full confidence and faith with equal participation of teachers (Boyer, 1983; Goodlad, 1984; Sizer, 1984). In addition, this collaborative working and learning environment enables all school educators to assist senior management by putting forward their own ideas in making well-informed decisions as well as in institutionalizing necessary changes at school level. Since these educational teams experience better mutually-respectful relationships with greater interdependence and less isolation (Little, 1990) therefore, it is also suggested that this work system should have the potential to restructure their institutions provided that teachers mainly concentrate on actual educational needs of students instead of engaging themselves in dealing with auxiliary issues (Maeroff, 1993).

Furthermore, working contents reflect the work design (Hackman & Oldham, 1980) which could motivate school teachers. Bacharach, Bamberger, and Mitchell (1990) argued that if work is not properly designed, it may lead to role conflict and role ambiguity which may be observed differently in elementary and secondary schools. Thus, an enriched professional culture can help the stakeholders reduce the issues created by role conflict and ambiguity. They urged upon taking schools as organizations and suggested that the actual working contents of teachers and taking schools are professional organizations are equally important to take into account while making effective and successful managerial strategies for schools. Therefore, it is indispensable to determine all possible variables for redesigning working contents of educators in an attempt to avoid role conflicts and ambiguity, restructuring schools, and minimizing occupational stress in schools. Therefore, there is a need to consider teachers as professionals thus, they require a wide-spread acknowledgement of the expertise they hold, a demand for appropriate level of empowerment to manage their routine obligations (Hackman & Oldham, 1980), and active participation in decision-making (Bacharach et al., 1990).

In fact, there are certain factors associated with working contents which reduces teacher's motivation. Noticeably, the level of motivation is decreased when a teacher is not provided with a mentor and teaching components (Louis & Smith, 1991, 1992). In addition, large class size and disobedient students usually drive the teacher's attention and majority of the teaching time is often wasted in policing pupils. Therefore, both role conflict and role ambiguity normally tend to increase whenever there is a culture of interference in the classroom teaching (Bacharach et al., 1990). Besides, unmanageable workloads mainly prevent teachers to prepare teaching lessons and assessing pupils'

assignments (Firestone & Pennell, 1993). Hence, the following hypothesis is suggested:

Hypothesis 1: Working contents have significant positive impact on teacher's motivation.

### ***Salary Offer and Motivation***

Danish and Usman (2010) ascertained the impact of different human resource management practices on employees motivations. These practices include recognition, compensation, promotion opportunities, job security, working content, relationship with colleagues, demographic characteristics, and operating procedures. Over 220 self-completion questionnaire were collected from different industrial sectors and Pearson's Product Correlation was calculated to test the hypothesis. The results show that except recognition, there is a positive correlation between HRM practices and employee's motivation however, work content and operating procedures has demonstrated relatively low impact on motivation. Therefore, the study recommended that compensation plans should be revised on periodic basis so that it helps employers maintain a high level of motivation, job satisfaction, and above all, employee's retention.

Kuvaas (2006) examined the attitude and behavior of knowledge workers from two business units of a large Norwegian MNC. The results show that the work performance and affective unit commitment were positively influenced by pay level (but not the bonus level) however, this relationship was partially mediated by intrinsic motivation but not moderated by any type of pay plans.

Hong et al. (1995) investigated the impact of employee benefits programs on employee's motivation towards improving productivity. Monetary benefit programs were highly valued by both managerial and non-managerial employees however, there has been found a difference of opinion between the two about these programs. In addition, the study revealed that male and female employees perceive employee benefits differently however, unmarried employees strongly believe that employee benefits lead to greater work performance particularly of young ones.

The school management instrument the efforts of teachers with rewards (e.g. merit pay) for the level of their knowledge, additional responsibilities, and completing teaching and administrative assignments (Firestone, 2014). Both Khan, Farooq, and Khan (2010) and Khan, Farooq, and Ullah (2010) have studied the effect of rewards (such as benefits, promotion, payment and recognition) on employee's motivation in the context of commercial banks of Pakistan. The results of over 167 survey questionnaire show that there is a positive relationship between these rewards and employee's motivation. Hence, they urged managers to use most appropriate rewards for each of the individuals according the social culture as well as the developmental needs of both organizations and employees.

Moreover, Ali and Ahmed (2009) highlighted the impact of rewards on employee motivation and satisfaction. A sample of 90 employees from Unilever Company was collected and simultaneous multiple regression was applied to test the hypotheses. The study measured rewards system with the help of different independent variables namely, personal, payment, working conditions, recognition, benefits, leadership or supervisor's support, promotion, work content and general. The study revealed a positive relationship or progressive effect on employee motivation and their level of job satisfaction. They advised to include other control variables such as age and tenure in addition to structured qualitative interviews to better reflect the regression model. Some other authors e.g. (Chiu, Luk, & Tang, 2002; Lazear & Shaw, 2007) have also recommended to use monetary and non-monetary compensation to motivate

employees. A number of researchers have concluded that money is not everything however, it is a very useful motivator (Lawler, 1985) to improve performance and does not corrode inherent impetus of employees (Jenkins, Douglas, Mitra, Gupta, & Shaw, 1998). Based on the literature discussed above, the following hypothesis is formulated:

Hypothesis 2: Salary offer has significant positive impact on teacher's motivation.

### ***Recognition and Motivation***

In fact, there are two aspects of employee recognition. Firstly, it reflects the receptive frame of mind of superiors whether they even realize that their employees are doing good job. Secondly, when superiors recognize people's good efforts on different formal and informal communication media then it results in a great positive impact on employee's motivation, innovation, and above all, working relationships. Therefore, employee recognition is highly regarded as a powerful communication technique. For a number of people in an organization, receiving a generous note of thanks is far more important than receiving something in terms of monetary rewards because one of the greatest employee's needs is to feel appreciated at the workplace.

Indeed, Human beings naturally like to feel appreciated in recognition of their good deeds. Employee compensation and recognition are the two most important functions of human resource professionals (Lengnick-Hall & Lengnick-Hall, 1999; Milkovich, Newman, & Gerhart, 2013). It encourages members of the organization to bring their best performance that would contribute in meeting strategic business needs (Schuler & MacMillan, 2006). It can only be possible if employees are motivated enough to perform within organizational constraints with available tangible and intangible resources.

Manzoor (2012) revealed that there is a significant impact of empowerment and recognition of efforts on employee's motivation. The study emphasized that managers should design the structure of an organization which not only empowers its employees within certain capacity but also help business managers observe long-term success. Moreover, Bent, Seaman, and Ingram (1999) detailed a theoretical link between employees' needs and their job satisfaction through a number of motivation theories as highlighted in the very beginning of section of literature reviews of this study. Results from the 38 small Scottish food producers and manufacturers with qualitative interviews show that the management style plays a very important role in employee's motivations and job satisfaction. Three major issues were reported in the food manufacturing and processing companies i.e. lack of appreciation, poor communication and lack of training.

Employee recognition programs are very useful in economic downturn which causes freezing of training programs, layoffs, reduced increments and increased workload on each employee. In this kind of environment, employee recognition programs may be very useful to motivate employees (Robins & Pattison, 2005). In fact, this is the non-financial measure to enhance employee's motivation and commitment (Widmier, 2002).

To improve organizational performance, Alam, Saeed, Sahabuddin, and Akter (2013) argued that business managers need to explore and adapt better innovative ways of managing their human resource in order to optimize their individual as well as collective contribution for the organization. It is equally important in the service industries too e.g. primary, secondary, tertiary and higher education. It is therefore, important to make a balance between organization's contribution to employees and vice versa by rewarding and recognizing their good efforts. They added that employee

recognition is one of the missing elements between employees and leadership. If their efforts are recognized at the right time they will be motivated enough to perform better than the past. They also revealed that appreciation has been found the highest influencing factor in predicting employee's contribution.

In fact, teachers also receive their feedback from students. They feel either motivated or frustrated if they receive positive or constructive comments from students respectively (Hart & Murphy, 1990; Johnson, 1990). The positive feedback constitutes intrinsic motivation of teachers which may help them unmistakably recognize their accomplishments across appropriate platforms whereas constructive (or often considered as negative) feedback offers teachers necessary guidelines to improve their instructional prowess provided that their autonomy is not threatened (Firestone, 2014). Based on the above literature, the following hypothesis is constructed:

Hypothesis 3: Recognition has significant positive impact on teacher's motivation.

### ***Promotion and Motivation***

It has been argued that public and private schools normally have more or less a flat structure which does not offer a number of promotions to teachers to senior administrative and managerial positions (Conley, Bacharach, & Bauer, 1989). Less chances of promotions create anxiety and uncertainty among teachers because they become skeptical about their current and future role in their schools (Mowday, Porter, & Steers, 1982). In addition, teachers often view their evaluation process uncertain consequently, they have to believe that any promotion system which is based on these types of evaluations would be irrational and uncertain too (Milman & Darling-Hammond, 1990). Instead of creating any value to the teachers, irrational and uncertain promotion system heightens confusion, role conflicts between school administrator and teachers, anxiety, ambiguity and unpredictability. Therefore, Bacharach et al. (1990) concluded that in schools where promotional process is viewed as certain and rational, there were less number of role conflicts and role ambiguity were reported.

In contrast, promotions may also reduce the level of motivation among teachers because of the fact that promotions involve higher remuneration with more privileges however, it also brings additional responsibilities, accountabilities and long working hours. (Johnston & Lee, 2013) studied whether promotions are good for the well-being of workers and argued that workers experience higher workload till the two years after they get promotions with negligible impact on their health and contentment. They further revealed that the mental health of workers is seriously affected due to performing massive job responsibilities on daily basis. Therefore, they concluded that the additional workload and mental occupational stress which are observed after promotions sooner or later outweigh the higher remuneration and more privileges.

Moreover, promotions have also been viewed differently with respect to gender in achieving higher job satisfaction and motivation. For instance, Francesconi (2001) concluded that unlike female employees, the males who were particularly old with no formal qualification observed higher level of job satisfaction and motivation because they received promotions during the past 12 months. Later on, Kostea (2011) also revealed that those employees who have either received promotions in the past two years or expect to receive a promotion in the next two years reported higher level of satisfaction and motivation. In short, previous studies emphasize on career ladders for teachers, e.g. (Firestone, 2014). Hence, the following hypothesis is posited:

Hypothesis 4: Promotion has significant positive impact on teacher's motivation.

### ***Working Conditions and Motivation***

In existing literature, working conditions has proved to have a positive relationship with employee's motivation. Firestone (2014) has argued that autonomy (within an appropriate level of capacity) is an integral part of working condition which greatly motivates employees. Historically, it has been written that teachers have had a large extent of work autonomy (Corwin & Borman, 1988). In fact, it has also been reported that teachers are also enthusiastic in seeking directions and supervision on their assigned goals (Lortie, 1969). Even in today's era where different ways of implementing stringent accountability policies are in practice, teachers increasingly get guidance through conventional means including informal feedback from fellow faculty members and pupils instead of being influenced more by the policies of their schools (Firestone & Pennell, 1993). Thought-provoking goals can help teachers comprehend their required role for the next academic session in the school which either typically come from the top management of school or district level (Leithwood & Jantzi, 2005) or Specific, measurable, achievable, realistic and time-bound (SMART) goals through standardized curricula and government examinations (Hamilton, Stecher, & Yuan, 2008) e.g. standardized syllabus for 10th and 12th standard students and annual board examinations respectively in the context of Pakistan.

Indeed, primary and secondary schools often provide professional teachers training programs which enable them resolve their pedagogical problems (Borko, 2004; Garet, Porter, Desimone, Birman, & Yoon, 2001; Knapp, 2003) including teaching styles, classroom management, interrelationship with fellow teachers, counselling and personality development of needy students, etc. If an institution provides its employees with formal mentoring procedures then it will help them improve their work attitude (Orpen, 1997). Moreover, if this gradually-changing work attitude is further reinforced by autonomy, there is more likelihood that the teachers would demonstrate their highest level of affective commitment, effective interpersonal communication with both fellow teachers and pupils. In fact, they would have started to internalize this feeling of ownership through conversational behavior with all concerned stakeholders in their schools (Reeve, Bolt, & Cai, 1999).

Furthermore, maintaining the level of discipline is one of the very essential elements of working conditions at primary and secondary level of education. In fact, it is believed that teachers have a tendency to share the level of anxieties as well as excitement they face to others (Kelly, Ammons, Chermack, & Moen, 2010). Therefore, it is responsibility of the school management to provide teachers with such a learning organization which could not only facilitate their professional development but also instil a feeling of expectancy of pleasure and future success by enhancing their technical competence (Firestone & Pennell, 1993). In reality, teachers tend to motivate themselves to work in such a working conditions where an adequate level of discipline is maintained in educational establishments (Firestone & Rosenblum, 1988; Garet et al., 2001; Kushman, 1992). Because poor school discipline leads to higher teacher' turnover rate (Ingersoll & May, 2012; Johnson & Birkeland, 2003). Hence, based on the literature, the following hypothesis is posited:

Hypothesis 5: Working conditions have significant positive impact on teacher's motivation.



## Methodology

### *Sample and data collection*

This study adapted a quantitative approach because the aim was to compute the research variables; generalize the statistically-computed findings; and to provide a large-scale social trends and connections between research variables. After analyzing both face and content validity, the final survey questionnaire was sent in a number of private schools of Karachi. A total of 310 usable responses were received which include 42 males (13.5 percent) and 268 female (86.5 percent). However, 157 respondents (50.6 percent) were between the age of 18 and 25 years, 131 respondents (42.3 percent) between 26 and 35, and only 22 respondents (7.1 percent) between 36 and 50 years. Table 1 shows the composition of data in terms of gender and age group.

<b>Gender</b>			
	Frequency	Percent	Cumulative Percent
Male	42	13.5	13.5
Female	268	86.5	100.0
Total	310	100.0	

  

<b>Respondent's Age</b>			
	Frequency	Percent	Cumulative Percent
18-25 Years	157	50.6	50.6
26-35 Years	131	42.3	92.9
36-50 Years	22	7.1	100.0
Total	310	100.0	

Table 1: Composition of Data

There were thirty items in the survey questionnaire related to six variables such as salary, promotion, work content, working condition, recognition and motivation. Respondents were asked to rate their responses on a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The following equation shows the hypothesized model:

$$M = \alpha_0 + \beta_1(SO) + \beta_2(PROM) + \beta_3(REC) + \beta_4(WCOND) + \beta_5(WCONT) + \epsilon$$

Where,  $M$ ,  $SO$ ,  $PROM$ ,  $Rec$ ,  $WCOND$ , and  $WCONT$  denote teacher's motivation, salary offer, promotion, recognition, working condition and working contents respectively. In addition,  $\alpha_0$  denotes constant and  $\epsilon$  shows error term in the model.

## Analysis and Results

The study performed Pearson's correlation, reliability, exploratory factor and simultaneous multiple regression for data analysis.

### ***Exploratory Factor Analysis***

Exploratory factor analysis was performed to assess the underlying structure for the thirty items of the teacher’s motivation questionnaire. Based on the hypothesized equation shown above, six factors were requested. This is because of the fact that the items were designed to index six constructs: teacher’s motivation (dependent variable) while, working contents, salary offer, recognition, promotion, and working conditions (predictors). The value of Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy (0.826) shows that the sample is sufficient enough to run factor analysis. Moreover, a significant result of Bartlett’s Test of Sphericity ( $p < .05$ ) indicates that matrix is not an identity matrix. It means that these six components do relate to one another enough to run a substantial and meaningful factor analysis. Table 2 shows KMO and Bartlett’s Test results.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.826
Bartlett’s Test of Sphericity	Approx. Chi-Square	3184.110
	df	231
	Sig.	0.000

Table 2: KMO and Bartlett’s Test

Moreover, the initial solution of factor analysis was rotated by using an orthogonal (varimax) rotation method with Kaiser Normalization which extracted the required six ‘uncorrelated’ factors. They accounted for 14.68, 13.77, 13.03, 10.83, 8.70, and 6.73 percent of the variance respectively. However, these six components explained over 67.72 cumulative percent of the total variance. The internal consistency of measuring scale (Cronbach’s Alpha) of each variable was also calculated. The overall reliability of the scale was 0.866 of 22 loaded items because to improve clarity, the factor loading less than |0.40| were omitted. Table 3 displays the items and factor loadings for the rotated factors. Since, all of these 22 items were loaded onto their respective components in the rotated solution and there were no cross-loadings too thus, both construct and discriminant validity were also ensured respectively.

### ***Hypothesis Testing***

After satisfying basic parametric assumptions, simultaneous multiple regression was conducted to determine a) what is the size of the overall relationship between determinants of rewards system (predictors) and teacher’s motivation (dependent variable); and b) how much each of the independent variables (i.e. salary offer, promotion, recognition, working conditions, and working contents) uniquely contributed to predict teacher’s motivation. Table 4 shows means, standard deviations, and inter-correlations for teacher’s motivation and its predictors.

Table 5 shows the results of hypothesis testing through simultaneous regression analysis for predicting teacher’s motivation. The combination of variables significantly predicted over 30.3 percent of the total variance in predicting teacher’s motivation  $F(5, 304) = 27.9, p < .001$ , with only four variables which significantly predicted teacher’s motivation except salary offer. Moreover, the issue of multicollinearity is not present among predictors because variance inflation factor (VIF) value for each predictor is less than 10.

Items	Component						
	Alpha	1	2	3	4	5	6
Motivation3		.786					
Motivation4		.735					
Motivation2	0.833	.732					
Motivation1		.713					
Motivation5		.712					
W_Content3			.789				
W_Content4			.762				
W_Content1	0.809		.720				
W_Content2			.717				
W_Content5			.635				
Salary_Offer3				.890			
Salary_Offer2				.856			
Salary_Offer4	0.853			.855			
Salary_Offer5				.648			
Recognition1					.866		
Recognition3					.743		
Recognition2	0.780				.543		
Recognition4					.536		
Promotion1						.869	
Promotion2	0.891					.868	
W_Conditions4							.860
W_Conditions5	0.646						.792
Eigenvalues		6.349	2.720	1.844	1.711	1.255	1.020
% of variance explained		14.68	13.77	13.03	10.83	8.70	6.73
Cumulative % of variance explained		14.68	28.44	41.47	52.30	61.00	67.72

Extraction Method: Principal Component Analysis  
Rotation Method: Varimax with Kaiser Normalization

Table 3: Rotated Components Matrix

The coefficients of parameter estimates suggest that 'recognition' (.256,  $p < .05$ ), 'working conditions' (.124,  $p < .05$ ), 'working contents' (.115,  $p < .05$ ), and 'promotions' (.089,  $p < .05$ ) reflect a statistically significant impact on teacher's motivation. Thus, their four respective hypotheses ( $H_3$ ,  $H_5$ ,  $H_1$ , and  $H_4$ ) were supported respectively. On the contrary, salary offer ( $-.014$ ,  $p > .05$ ) has shown a statistically insignificant impact in predicting teacher's motivation thus,  $H_2$  was not supported.

## Discussion

The overall results of regression analysis reveal that determinants of rewards system have a significant positive relationship with teacher's motivation. The results show that four out of five determinants of rewards system (i.e. recognition, working condition, working contents, and promotions) are significant factors in predicting teacher's motivation (with exception of salary offer).

The statistical result reveals that recognition of efforts is the most important predictor of teacher's motivation. In fact, quality of teaching will emerge when teachers and students jointly agreed to contribute with the help of available resources including instructional materials (Cohen, Raudenbush, & Ball, 2003).

Unlike previous studies e.g. Danish and Usman (2010), the independent variable 'salary offer' has negative effect on teacher's motivation in the context of the private schools of Karachi. Indeed, there is a very high unemployment rate in the city therefore, teachers have to work very hard to retain either full- or part-time employment. On the other side, a very high competition is observed among private schools due to a

	Mean	Std. Dev.	1	2	3	4	5	6
1 Motivation	1.67	.546	1					
<b>Predictors:</b>								
2 Working Contents	2.16	.718	.362**	1				
3 Salary Offer	2.90	1.043	.145*	.305**	1			
4 Recognition	1.79	.652	.472**	.434**	.210**	1		
5 Promotions	1.80	.891	.382**	.286**	.211**	.520**	1	
6 Working Conditions	2.22	.910	.308**	.216**	.147**	.147**	.191**	1

\*\*  $p < 0.01(2 - tailed)$ ; \*  $p < 0.05(2 - tailed)$

Table 4: Means, Standard Deviations, and Inter-correlations for Teacher’s Motivation and Predictor Variables ( $N = 310$ )

Hyp.	Predictors	$\beta$	SE	t-stat	Sig.	VIF	Remarks
	(Constant)	.574	.111	5.150	.000		
H1	Working Contents	.115	.042	2.749	.006*	1.340	Supported
H2	Salary Offer	-.014	.026	-5.333	.595	1.130	Not Supported
H3	Recognition	.256	.050	5.155	.000*	1.563	Supported
H4	Promotions	.089	.035	2.577	.010*	1.414	Supported
H5	Work Conditions	.124	.030	4.199	.000*	1.075	Supported

$F(5, 304) = 27.9, (p < 0.001)$ ;  $AdjR^2 = 0.303$   
\*  $p < 0.05$

Table 5: Hypothesis Testing for Teacher’s Motivation through Standard Regression Analysis

very high rate of small private-school openings in Karachi during the last decade. To compete against the rival schools in the town, the school management cannot afford to increase tuition fee thus, they are compelled to manage at a low cost rate rendering them unable to significantly increase the salary of their school teachers. in addition, because of high inflation, this situation usually poses more economic pressure on these private-school teachers who are also parents. Hence, private school teachers are often a low-paid staff, it becomes very difficult for them to make both ends meet. With few exceptions of those teachers who may financially afford to get their children enrolled in expensive private schools, a vast majority of teachers receive less than four percent increment in their annual salary with approximately 15 to 20 percent fee increase in the schools of their own children causing them serious trouble in managing their monthly economic affairs.

Since, small private schools do not practice performance-related pay system, these teachers understand that it will be increasingly very difficult for them to manage the overall economic affairs of their own family. As a result, these under-paid private-school teachers usually get demotivated with a nominal increase in their annual salary. Therefore, the sample has shown that ‘salary offer’ does not predict teacher’s motivation.

Noticeably, the ‘working conditions’ has been found a statistically significant predictor of teacher’s motivation. As said earlier, high unemployment rate in Karachi poses negative repercussions on both school management as well as teachers. With review to sustain a competitive edge over other schools, the management is found

unable to raise tuition fee quite rapidly to marginalize inflation effect but exactly at the same time, teachers find it very difficult to get another employment. Because of this compulsion, they have to survive in the given working conditions regardless of their choices and preferences. In total, hypotheses for recognition, working contents, working conditions, and promotions are supported. The following equation shows the regression equation to predict teacher's motivation:

$$M = 0.574 + 0.256(REC) + 0.124(WCOND) + 0.115(WCONT) + 0.089(PROM) - 0.014(SO)$$

## Conclusion

This study examined the impact of rewards system on teacher's motivation in the private schools of Karachi. Five dimensions of rewards system were assessed including recognition, working contents, salary, promotions, and working conditions. The results of regression analysis show that except salary offer, all of the four dimensions of rewards system are significant predictors of teacher's motivation. Therefore, it is recommended that the management of private schools in Karachi should revise their policies in such a manner that they not only institutionalize a standardized mechanism to recognize the efforts of teachers but also it should be worthy enough for the recipients so that their level of motivation is sustained or even improved.

Besides, there is also a need to revisit the working contents (or job responsibilities) of teachers. It is fairly essential for the school management if they intend to observe a very high performance of their teachers even managing under a varied competitive pressure of other schools of similar in size in Karachi. The aim of school management of having an optimum teachers' performance will also be reinforced by a revise salary package. Performance-related pay system may also be introduced to better motivate them.

Finally, the management should also inform teachers about the performance assessment criteria well in advance and then implement an unbiased system of promotion irrespective of their age, gender, religion, language, racial or ethnic background.

## Theoretical Implications

The study has implications effects on both theoretical and managerial perceptions. A major contribution of this paper from the theoretical point of view is that it is possible to observe a negative effect of 'salary offer' towards teacher's motivation particularly in the context of a developing country such as Pakistan. This theoretical implications leads to further improve the better understanding of the relationship between rewards system and teacher's motivation.

## Managerial Implications

In terms of managerial implications, this study has demonstrated the significance of rewards system on teacher's motivation. These are recognition, working contents, salary offer, and promotions. Hence, when it comes to managing their respective private schools, the school management should pay especial attention to these four aspects of rewards system to motivate their teaching staff. In addition, this paper has put forward some, hopefully, valuable insights to guide policy makers of private

schools, in practice, to identify problem areas in their own schools and to devise corrective actions.

Another valuable finding is that 'working conditions', an important antecedent of employees motivation, is a provider of long-term, infrastructural benefits, important for the continuous improvement of schools over time. This could assist school administrators in reviewing their architectural aspects which could also provide a better and healthy learning environment to pupils also. They will not only enjoy their stay at schools but also spread their positive word-of-mouth to potential candidates. It will in turn, reinforce the long-term survival of the school too.

The research findings suggested that top management should review their rewards system, and conduct them in a way that develops a high level of teacher's motivation. The results have shown that 'recognition' will motivate teachers more than any other motivating variables used in this study. Besides, 'working contents' has been found the second most influencing factor of teacher's motivation. By dividing a work load an employer can make teacher's job enjoyable. Thus, a well-designed rewards system according to the needs of the time would certainly help school management improve teacher's motivation that leads to better individual performance.

Furthermore, in the private schools of Karachi, teachers are already underpaid, even though they hold postgraduate qualifications but they do not get competitive salary. Therefore, it is essential that salaries of teaching staff should be adequately revised to cultivate high motivation and affective commitment. Moreover, hard-working teachers should be given accelerated promotion and better opportunities to upgrade their qualifications so that they will be much more motivated towards their job. This behavior would not only lead to good learning and education for young students but also the management could marginally benefit from the gradually-increasing level of experience of teachers. In short, managers and administrators should also need to realize that highly-motivated and fully-committed teachers could possibly transform untrained young children into successful citizens of the society.

### **Limitations and areas for future research**

This study was delimited to only private schools of Karachi however, future studies may concentrate on a comparative study between public and private schools in Karachi or even in other cities of Pakistan. Since, not all teachers, having different qualifications, certifications, experience, and exposure may be motivated in the same way it is essential to identify a specific motivating factors for teachers in primary and secondary schools. Future researches may also take a comparative study of rewards systems separately among male and female teachers. Besides, future studies should also pay a closed heed in investigating the motivation factors of day care teachers who serve as early childhood educators. In addition, some other variables such as self-efficacy beliefs, parents involvement in developing children, supervisor's support, leave encashment may also be taken into consideration in future studies.

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