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Influence of organizational rewards on organizational commitment and turnover intentions

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596

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# Influence of organizational rewards on organizational commitment and turnover intentions

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#### Abstract

**Purpose** – The purpose of this paper is to explore the relationship between extrinsic, intrinsic and social rewards and two components of organizational commitment and finally Chinese workers turnover intention in public and private sector.

**Design/methodology/approach** – A questionnaire was utilized as the method for data collection. Structural equation modeling was utilized to examine survey data obtained from 202 employees in the southern part of China.

**Findings** – The findings exhibit that extrinsic, social and intrinsic rewards were significantly related to affective and normative commitment. Findings suggest that satisfaction with extrinsic benefits, supervisor support, coworker support, autonomy, training and participation in decision making has substantial impact on employee's affective and normative commitment. However, affective and normative commitment was negatively related to employee turnover intention.

**Research limitations/implications** – This study covers different public and private-sector organization employees working in China. Therefore other geographical areas could be designated for future research endeavors with a bigger sample size.

**Practical implications** — With the purpose of boosting employee commitment, managers must provide their employees with greater autonomy, appropriate training and participation in decision making in the organization, as well as enhancing supervisor and coworker support.

**Originality/value** – This research investigates how Chinese employees with different categories of organizational rewards react to different kinds of organizational commitment and turnover intention in Chinese organizational context.

**Keywords** Employee attitudes, Organizational commitment, Compensation, Turnover intentions, Extrinsic rewards, Intrinsic rewards

Paper type Research paper

#### Introduction

Increasing attention is being paid to the field of organizational dynamics, particularly in developing economies. An example is China, where the development and advancement of organizations are gradually playing a vital role in the international market. In this regard, China is one of the leading and fastest developing economies. Hence, China's existence in global business cannot be disregarded. However, Casimir *et al.* (2014) proposed that the new generation of Chinese managers, who are implementing a Western management



Employee Relations Vol. 38 No. 4, 2016 pp. 596-619 © Emerald Group Publishing Limited 0142-5455 DOI 10.1108/ER-12-2014-0150 approach which involves allowing for advancement along with diverse leadership and management styles for several organizations in the Chinese context can hinder the advancement of high-quality relationships and employee commitment in the workplace.

The fundamental contrasts between the cultural values and work attitudes of Chinese and Western employees create complex challenges for culturally diverse managers. In the Chinese organizational context, supervisors expect their subordinates to be respectful and obedient because of differing levels of power distance and authority between managers and their subordinates. Contrary to the highly categorized and patriarchal customs present in Chinese organizations (Westwood et al., 2004), a smaller power distance exists between superiors and subordinates in Western organizations, which gives more importance to individualism (Law et al., 2000). Another significant acknowledged distinction between Chinese and Western professional practices is the significance of *guanxi*, or personal relationships. Furthermore, because in China work values are deeply individual oriented, guanxi plays an extensive role in a worker's loyalty, commitment, exchange with his or her seniors, and his or her practices and behaviors in the organization (Vanhonacker, 2004; Wong et al., 2001).

In recent decades, the number of researchers analyzing the aspects that stimulate organizational commitment in employees of the public sector, and how these vary from those of the private sector, has intensified (Dick, 2011; Gould-Williams, 2004; Goulet and Frank, 2002; Steijn and Leisink, 2006; Steinhaus and Perry, 1996; Young et al., 1998). Previously meta-analytic work has found that organizational commitment is crucial and positively related to a number of job outcomes, such as reduced absenteeism, increased job performance and organizational citizenship behavior (Dick, 2011; Meyer et al., 2002).

Emerging evidence proves that organizations can boost their employees' commitment by offering organizational rewards (Malhotra et al., 2007; Miao et al., 2013; Newman et al., 2011). In any organization, rewards play an imperative role in establishing and sustaining an employee's commitment to ensuring a higher degree of performance and loyalty (Malhotra et al., 2007; Wang, 2004; Young et al., 1998). As indicated by the exchange concerns of employees and organizations, employees enter organizations with unique abilities, goals and special needs. In return, they anticipate a job environment in which they can practice their abilities, fulfill their needs and achieve their goals (Mottaz, 1988). Social exchange theory assumes that when employees are comfortable with the rewards offered by the organization, they will react favorably by exhibiting positive attitudes toward their organization, for example, a high degree of commitment (Blau, 1964; Haar and Spell, 2004; Rousseau, 1995). Thus, the prospect of exchange explains employees' organizational commitment as a reward of job function and higher work standards (Lambert, 2000; Mottaz, 1988), and indicates the significance of having continuous rewards in place to motivate employees. Following exchange theory and the principle of reciprocity, employees pay back the rewards they attain from the organization through a greater and more prominent commitment to the organization, reinforcing the frequent exchange in the employer-employee relationship. (Blau, 1964; Eisenberger et al., 1990; Haar and Spell, 2004).

There is an emerging accord in the literature that the conceptualization and dimension of culture merely at a national level pay no attention to significant within-country variability along with cultural dimensions (Clugston et al., 2000; Williamson et al., 2009). Researchers discuss the fact that culture is a psychologically individual experience, with relations to assumptions, beliefs, values, attitudes, norms and behaviors (Aycan, 2000; Chao, 2000; Earley and Randel, 1997). During the past decade, researchers have empirically analyzed the role of social and cultural values in

Influence of organizational rewards

determining organizational commitment (Clugston et al., 2000; Wang et al., 2002; Williamson et al., 2009). Wang et al. (2002) depicted an affirmative and significant relationship between the collectivist coordination of Chinese employees and their organizational commitment. Conversely, Clugston et al. (2000) discovered no relationship between cultural values and organizational commitment of employees. Recent work by Williamson (2009) emphasized the issue by utilizing an interactionist approach to analyze how social values moderate the relationship between organizational rewards and commitment in the USA. They sought to use collectivism to diminish the relationship between both extrinsic and intrinsic rewards and organizational commitment.

Moreover, this research deals with the effects of organizational commitment on turnover intentions of Chinese employees. Most organizations in China see high turnover as one of the greatest challenges because of a lack of high-quality leadership and extreme global and local competition for their talents (Hulme, 2006; Wong *et al.*, 2001). In recent years, employee turnover rates in China, which have been between 10 and 15 percent, highly compared to those in developed countries (Leininger, 2007). Employee turnover results in high costs related to recruitment, selection and training processes. Furthermore, new employees only reach the output levels of the individuals replaced after some time. To cut these costs, reducing employee turnover is necessary. This study probes how employers can bring down the turnover intentions of employees by offering attractive rewards to boost organizational commitment and also investigates the differences between the outcomes achieved in China and those observed elsewhere.

The key objective of this research is to examine the effect of various intrinsic, social and extrinsic rewards on the two components of commitment factors, taking the multidimensional commitment perspective into account in Chinese organizations.

### Literature review

Organizational rewards

Katz and Van Maanen (1977) categorized organizational rewards into three distinct types: task, social and organizational rewards. Task rewards are considered intrinsic rewards, whereas social and organizational rewards are thought of as extrinsic rewards. The literature differentiates among three types of rewards that employees can pursue from the organization: extrinsic, social and intrinsic (Williamson et al., 2009). Extrinsic rewards refer to the more tangible benefits offered by the organization during the employment contract, such as salary, fringe benefits and promotion (Malhotra et al., 2007). Social rewards refer to those benefits derived from communicating with other individuals at work, and may incorporate having positive interpersonal and supportive relationships with a supervisor and coworkers (Williamson et al., 2009). Finally, intrinsic rewards are the intangible benefits originating from the satisfaction of the job itself and suggest the psychological advancement of the employee (Williamson et al., 2009). Such benefits might include motivational features of the profession, such as autonomy, role clarity, feedback, participation in decision making and training (Glisson and Durick, 1988; Hackman and Oldham, 1976; Singh, 1998). Employees at almost every level of an organization identify the significance of the constant development of their abilities, knowledge, and with respect to access for training as a "key element in the reward package" (Armstrong, 1993, p. 121). It is believed that training, as a vital nonmonetary motivator, can be observed as an intrinsic reward.

The relationship between the employee and the employer has been described in the literature as one of social exchange. Social exchange theory suggests that employees enter

into a relationship with their employing organization to get maximum benefits (Blau, 1964). Social exchange is initiated by organizations when they choose their willingness to implement employee benefits (Gould-Williams, 2007). Through these opinions about what their organization owes them, employees generate feelings of commitment, which contribute to the performance of the organization; in addition, employees consider other matters, such as the provision of organizational rewards (De Clercq and Rius, 2007). These feelings of obligation can stimulate positive attitudes and behavioral responses in employees, which can be of value to the organization (Aryee et al., 2002; Settoon et al., 1996). Furthermore, recent empirical research proposes that providing organizational rewards indicates to employees that the organization wishes to enter into a social exchange with them, thereby creating a substantial and influential psychological contract between them and their employer (Malhotra et al., 2007; Miao et al., 2013; Newman and Sheikh, 2012a; Newman et al., 2011; Williamson et al., 2009).

Influence of organizational rewards

599

# Organizational commitment

Many recent studies on organizational commitment acknowledge that this commitment is a multidimensional construct. The development of the multidimensional construct can be attributed to the work of Allen and Meyer (1990), which classifies organizational commitment into three categories emotional attachment (affective), perceived cost (continuance), and obligation (normative) and these categories have been adopted as the basis for this research, given that they have been the most extensively used and accepted measures of organizational commitment in the literature (Klein et al., 2009). Organizational commitment is defined as the influence of an employee's identification and engagement with a certain organization (Newman et al., 2011; Steers, 1977). The most commonly used model is the three-component model developed by Mever et al. (1993). In addition, Meyer, Allen and coworkers have analyzed the theory of organizational commitment in depth, and have broadly tested both affective and normative commitment. However, Wagner (2007) suggested that there is no lack of research that has investigated the antecedents of employee commitment. Some recent studies in the Chinese context (He et al., 2011; Miao et al., 2013; Newman and Sheikh, 2012a, b; Newman et al., 2011) have emphasized that organizational characteristics can stimulate employee commitment. The results reveal that extrinsic, social and intrinsic rewards, as well as organizational characteristics, play a significant role in boosting employees' commitment to the organization. Thus, the purpose of this study is to provide insight into the organizational commitment of Chinese employees in both the public and private sectors.

#### Affective commitment

Affective commitment measures the extent to which an individual feels emotionally committed to or identifies with an organization (Meyer and Allen, 1991). A recent meta-analysis of the literature classifies affective commitment as negatively related to intention to leave, or employee turnover, and as positively associated with work performance (Meyer et al., 2002; Riketta, 2002). Employees with greater affective commitment remain with their organization of their own accord. Over the last decade, extensive research has been conducted on the organizational commitment of employees in the Chinese context (Chan et al., 2006; Chen and Francesco, 2000; Chen et al., 2002; Cheng et al., 2003; Cheng and Stockdale, 2003; Chiu et al., 2002; Gamble and Huang, 2008; Miao et al., 2013; Newman and Sheikh, 2012a; Wang, 2004, 2008; Wong et al., 2001;

Yao and Wang, 2006). Evidence exists to support the proposition that extrinsic, social and intrinsic rewards will stimulate greater levels of affective commitment in both public and private-sector organizations (Angle and Perry, 1983; Malhotra *et al.*, 2007; Mathieu and Zajac, 1990; Meyer and Allen, 1991; Meyer and Smith, 2000; Miao *et al.*, 2013; Newman and Sheikh, 2012a, b; Young *et al.*, 1998). Furthermore, He *et al.* (2011) found a positive relationship between managerial support, coworker relationship and organizational commitment in Chinese hotel employees. Recent literature has revealed that extrinsic, compared to intrinsic, rewards have a superior effect on organizational commitment in the Chinese context.

## Normative commitment

Normative commitment represents the feeling that staying with the organization is a responsibility (Yao and Wang, 2006). It can also be created as a drive to repay the benefits presented in advance or the costs related to work incurred by the organization (Meyer and Allen, 1991; Scholl, 1981). Therefore, it entails reciprocity of obligation. Employees with higher normative commitment remain with their organizations because they feel they have to. In this context, research has also pointed out that affective commitment and normative commitment scales are likely to exhibit a similar pattern of correlation with antecedents and outcomes (Meyer, 1997), and therefore are likely to be influenced by the same background. Moreover, human nature is such that one will embrace the positive conduct of a person who enhances a positive feeling. The suggestion is that every individual feeling has an impact on behavior, and thus a positive correlation between emotions and obligations. Therefore, previous studies suggest that, as with affective commitment, extrinsic, social and intrinsic rewards will all have a positive effect on normative commitment (Meyer and Allen, 1991, 1997).

Extrinsic rewards. Satisfaction with extrinsic benefits. Extrinsic benefits refer to the package of financial rewards offered by the organization to the employee, including basic pay, performance-related pay, overtime, bonus pay, fringe benefits such as social security provision, accommodation subsidies, annual leave and medical insurance (Newman and Sheikh, 2012a). Extrinsic benefits are a key component of human resources practices that organizations engage to keep their employees committed and satisfied (Meyer and Smith, 2000; Rust et al., 1996).

Although previous research on Western and Chinese organizations indicates a significant relationship between satisfaction with extrinsic benefits and affective commitment (Grover and Crooker, 1995; Haar and Spell, 2004; Loscocco, 1990; Meyer and Smith, 2000; Miao *et al.*, 2013; Mottaz, 1988; Newman and Sheikh, 2012a; Williamson *et al.*, 2009), other studies have found no relationship (Malhotra *et al.*, 2007), or a negative relationship, with affective commitment (Eby *et al.*, 1999). However, a positive relationship has been found between satisfaction with extrinsic benefits and normative commitment (Miao *et al.*, 2013). Thus, it leads us to the following hypothesis:

- H1a. Satisfaction with extrinsic benefits is positively related to affective commitment.
- H1b. Satisfaction with extrinsic benefits is positively related to normative commitment.

Supervisor support. Satisfaction with supervision refers to the degree to which employees recognize their supervisors as being helpful and caring and are satisfied with their supervisors' behavior toward them (Malhotra *et al.*, 2007). Because supervisors are the key representatives of the organization, with responsibility for

guiding and evaluating the performance of their subordinates, having employees develop an emotional attachment to the organization while employees are satisfied with the behavior of their supervisor is crucial (Eisenberger et al., 1986; Mottaz, 1988; Rhoades et al., 2001). Although some researchers have found a significant relationship between supervisor support and organizational commitment in Western contexts (DeCotiis and Summers, 1987; Mottaz, 1988), a recent empirical study on private-sector employees in the UK provided limited support for such statements (Malhotra et al., 2007). Recent studies on the Chinese organizational context found satisfaction with supervisor support to have a significant positive influence on both affective and normative commitment (He et al., 2011; Miao et al., 2013; Newman and Sheikh, 2012a, b; Wang, 2008). This influence could result from supervisors having a positive impact on their subordinates' activities in both Chinese and Western organizational settings. China is a hierarchical cultural society in which respect for seniority is expected. Strict hierarchies in the workplace, restricted subordinate involvement in the decisionmaking process, and interpersonal relationships between supervisors and subordinates are key elements of Chinese organizations (Chan et al., 2006; Chen et al., 2002; Cheng

H2a. Supervisor support is positively related to affective commitment.

et al., 2003; Hui et al., 2004). It leads us to the following hypothesis:

*H2b.* Supervisor support is positively related to normative commitment.

Coworker support. Coworker support refers to the social reward obtained by employees in relations with supportive and helpful coworkers who cooperate with each other as a team in the workplace (Malhotra et al., 2007). The provision of coworker support should stimulate greater levels of emotional attachment toward the organization (Ensher et al., 2001; Mottaz, 1988). Recent empirical research conducted in both the public and the private sector in Western organizations revealed a positive relationship between coworker support and organizational commitment (Chiaburu and Harrison, 2008; Self et al., 2005; Steijn and Leisink, 2006; Steinhaus and Perry, 1996). However, recent research on the Chinese context has produced mixed results. Regarding coworker relationships and organizational commitment, in the private sector, either no evidence (Newman and Sheikh, 2012a; Wang, 2008), or only a slightly significant impact (He et al., 2011), has been found, but in the Chinese public sector, a positive relationship has been noted between coworker support and organizational commitment (Miao et al., 2013). This research examines whether these results are applicable to both public and private-sector organizational contexts. Because of the close working relationships that exist between employees in public and private-sector organizations, it is assumed that the recognition of coworker support should stimulate greater organizational commitment. It leads us to the following hypothesis:

H3a. Coworker support is positively related to affective commitment.

H3b. Coworker support is positively related to normative commitment.

Intrinsic rewards. Autonomy. Autonomy refers to the ability of employees to manage the systems in which they perform their work (Hackman and Oldham, 1976; Malhotra et al., 2007). This significant intrinsic motivator might be positively associated with affective and normative commitment because it serves to satisfy the inner psychological needs of the employee (Williamson et al., 2009). Empirical research in Western organizations has found a positive relationship between autonomy and both

Influence of organizational rewards

affective and normative commitment (Eby et al., 1999; Malhotra et al., 2007; Steijn and Leisink, 2006; Steinhaus and Perry, 1996).

However, empirical studies in the Chinese organizational context have revealed mixed results. In Chinese small and medium-sized enterprises, no relationship has been found (Newman and Sheikh, 2012a); in contrast, in Chinese public and private-sector organizations, a positive relationship between autonomy and both affective and normative commitment has been found (Miao *et al.*, 2013; Newman and Sheikh, 2012b). As a result, Chinese employees tend to be less willing to seek responsibility and control over their work, compared to employees in the West. In contrast, research on employees from larger organizations has shown a significant positive relationship between autonomy and commitment toward the organization (Chen and Aryee, 2007). This leads us to the following hypothesis:

H4a. Autonomy is positively related to affective commitment.

H4b. Autonomy is positively related to normative commitment.

Provision of training. As part of their unwritten psychological contract with the organization, employees anticipate being provided with opportunities to participate in training and development programs (Newman and Sheikh, 2012a). Ahmad and Bakar (2003) proposed that employees who recognize the benefits of training are more likely to be committed to the organization. In addition, they are ready to take part in organizational training activities. The findings of empirical studies on both public and private-sector employees in the Western context revealed a strong positive relationship between the provision of training and organizational commitment (Ahmad and Bakar, 2003; Bartlett, 2001; Gould-Williams, 2004; Malhotra et al., 2007). However, the results from studies of the Chinese context are diverse. (Newman et al., 2011) found that training provisions had a significant effect on the affective commitment of employees in multinational organizations, whereas (Miao et al., 2013) found no relationship between the provision of training and organizational commitment in a public-sector organization. Because training and development have been emphasized by public-sector organizations as imperative to Chinese reform policies during the last decade (Wu and He, 2009), it might be expected that training will spark a positive emotional response from employees, as well as increasing the opportunity costs to leave the organization. This leads us to the following hypothesis:

H5a. Satisfaction with training is positively related to affective commitment.

H5b. Satisfaction with training is positively related to normative commitment.

Participation in decision making. Participation in decision making is the extent to which employees recognize that they are capable of affecting decisions related to their work (Malhotra *et al.*, 2007; Teas, 1983). Although empirical research in relation to the three-component model is limited, participation is considered an indirect way of communicating anticipations of managerial work behavior, and has been revealed as having a positive effect on employees' organizational commitment (Boshoff and Mels, 1995; Meyer and Allen, 1991). Findings from empirical studies of private-sector employees in the Western context indicate a strong positive relationship between participation in decision making and affective organizational commitment (Malhotra *et al.*, 2007). However, the results of the Chinese organizational context exhibit a strong

relationship between employee participation in decision making and organizational commitment (Han et al., 2010). This leads us to the following hypothesis:

Influence of organizational rewards

- H6a. Satisfaction with participation in decision making is positively related to affective commitment.
- H6b. Satisfaction with participation in decision making is positively related to normative commitment.

603

Turnover intention. Employees' intention to leave has a significant effect on their behavior, particularly in the service sector. Despite this intention's negative impact on organizations, recognizing its predictors in an attempt to minimize its undesirable effects on an organization's efficiency and effectiveness is important (Low *et al.*, 2001). To decrease employee turnover rate, an organization must pay considerable attention to organizational rewards as a motivational factor for employees. Woods and Macaulay (1989) argued that turnover is not a problem because of an excess in the labor supply. However, the outcomes of turnover are related to decreased managerial willingness and organizational productivity. The relationship between organizational commitment and turnover intentions has been extensively studied (Gamble and Huang, 2008). Previous empirical studies on the Chinese organizational context strongly indicated that turnover intentions are negatively related to both affective and continuance commitment (Chen and Francesco, 2000; Cheng and Stockdale, 2003; Newman *et al.*, 2011). This leads us to the following hypotheses:

- H7a. There is a negative relationship between affective commitment and turnover intention.
- H7b. There is a negative relationship between normative commitment and turnover intention.

# Research methodology

Procedure

In this empirical research survey data collected from public and private-sector employees working in Jiangsu Province, China. This research was conducted over a four-month time period from April to July 2014 in different public and private-sector organization. Participants were full-time professional level employees working in managerial or non-managerial positions in public and private-sector organizations. Before distributing the questionnaire, it was translated into Chinese and then back into English by the procedures suggested by Brislin (1993). A pilot test of this translation was carried out and some minor changes were made to the final Chinese questionnaire. Employees were selected randomly from HR department records in each organization and thus requested to take part in the survey. The questionnaires were distributed to all full-time employees in managerial and non-managerial positions. All the participants were given 50 minutes to complete the questionnaire assessing extrinsic, social, intrinsic rewards, organizational commitment, turnover intention and demographic characteristics; and care was taken to make sure that none of the top management team members were present when the questionnaire was filled out. All participants were ensured that their responses would remain confidential and anonymous. In all, 202 questionnaires were returned out of the total of 300 questionnaires distributed. A response rate of 67.33 percent was obtained based on the returned questionnaire. From the questionnaire survey, 55.8 percent of the respondents were male and 44.2 percent were female. Moreover, most of the respondents were between 26 and 35 years of age, which represents 49.6 percent. In total, 45.7 percent of the respondents were working in their organizations since one to five years and 72 percent of the employees had a university education, and lastly 58.1 percent of them were engaged in a managerial position.

The questionnaires were distributed to the employees of five different sectors operating in banking, education, hospitality, health care and telecommunication all in Jiangsu Province, China. One-third of the province's population worked in the service industry. As a result; it has a greater percentage of a service industry than other provinces, making it a perfect place for this research. Nanjing is one of the biggest city in Jiangsu Province. Consequently, the development of the service sector is at a suitably progressive level as compared to other cities, accounting for more than 44 percent of total GDP.

All organizations in which the questionnaires were distributed met the condition of the service sector as presented in Table I. A distinctive characteristic of the Chinese service industry is their large number of employees as compared to elsewhere in the world. Information on each of the organizations involved in this research, including the number of questionnaires distributed and the number of total responses received, can be seen in Table I.

#### Measures

All variables were measured on a five-point Likert scale ranging from 5 = strongly agree to 1 = strongly disagree except control variables in the study.

Organizational rewards. Satisfaction with extrinsic benefits was measured using a four-item scale from Newman and Sheikh (2012a), which combines items measuring satisfaction with pay and fringe benefits originally developed by Malhotra *et al.* (2007). (For instance "I am satisfied with the amount of pay I receive for the job I do" and "I am satisfied with the fringe benefits package offered by my organization.") The Cronbach's  $\alpha$  for this scale was 0.873.

A five-item scale taken from House and Dessler (1974) was used to measure satisfaction with supervisor. (For instance "I am satisfied with the way my supervisor helps me achieve my goals.") The Cronbach's  $\alpha$  for this scale was 0.903.

Coworker support was measured using four-items from Malhotra *et al.* (2007). Sample items included "I am satisfied with the supportive attitude of my co-workers at work." The Cronbach's  $\alpha$  for this scale was 0.891.

Autonomy was measured using three-items taken from Hackman and Oldham (1976) and used by Malhotra *et al.* (2007). Sample items included "The job gives me the opportunity for freedom in how I do the work." The Cronbach's  $\alpha$  for this scale was 0.861.

Industry	Organization sector	Fieldwork locations	Total questionnaire distributed	Total responses received
Banking	Public/private	Jiangsu Province	140	105
Education	Public	Jiangsu Province	50	25
Hospitality	Private	Jiangsu Province	50	29
Telecoms	Private	Jiangsu Province	30	23
Health care	Public	Jiangsu Province	30	20

**Table I.**Information on Chinese organizations

Participation in decision making was measured by a revised version of a scale developed by Vroom (1963) and adapted by Teas *et al.* (1979) and Malhotra *et al.* (2007). Sample items included "My superior asks my opinion when a problem comes up." The Cronbach's  $\alpha$  for this scale was 0.804.

Influence of organizational rewards

605

Finally, training provision was measured using a three-item scale developed by Newman *et al.* 2011) based on Boshoff and Allen (2000). Sample items included "I receive regular training to keep my skills updated." The Cronbach's  $\alpha$  for this scale was 0.846.

Organizational commitment. Affective and normative commitment was measured using two six-item scales that construct the 12-item – two component scales developed by Meyer  $et\ al.$  (1993). This scale has been extensively used in numerous geographical and organizational context, including those involving Chinese subordinates (Cheng and Stockdale, 2003; Miao  $et\ al.$ , 2013; Newman and Sheikh, 2012a; Newman  $et\ al.$ , 2011) and has been well accepted for representing high reliability and validity. After deleting items that did not comply with the two requisite factors, four-item measure of affective commitment was used. Sample items included "I would be happy to spend the rest of my career with this organization" and the Cronbach's  $\alpha$  for this scale was 0.872 and five-item measures of normative commitment were constructed for the final analysis. Sample items included "I do not feel any obligation to remain with my current employer." The Cronbach's  $\alpha$  for this scale was 0.892.

Turnover intention. Turnover intention were measured using three item scale taken from Currall *et al.* (2005), De Gieter *et al.* (2011), DeConinck and Stilwell (2004) and Lum *et al.* (1998). Sample item included "During the last six months, I have thoroughly thought about looking for a job in another organization." The Cronbach's  $\alpha$  for this scale was 0.893.

Control variables. According to previous studies; gender, age, work experience, education and job position were included as control variables in the analysis (Chen and Francesco, 2000; Miao et al., 2013; Qiao et al., 2009). Variables were included to measure gender, age, job position, education and working experience. The means, standard deviations and inter-correlations for all variables, including extrinsic benefits, supervisor support, coworker support, autonomy, and provision of training, participation in decision making, affective commitment, normative commitment and turnover intentions are presented in Table II. It is also imperative to observe a correlation, for the reason that constructs should be correlated to be able to test a path/s among other constructs (Hair et al., 2010).

Variable	M	SD	1	2	3	4	5	6	7	8	9
Ex Benefit	3.26	0.899	(0.873)								
Supervisor	3.30	0.937	0.418**	(0.903)							
Coworker	3.28	0.866	0.403**	0.519**	(0.891)						
Autonomy	3.69	0.798	0.417**	0.425**	0.303**	(0.861)					
Training	3.55	0.839	0.393**	0.375**	0.416**	0.347**	(0.804)				
Participation	3.25	0.982	0.476**	0.592**	0.484**	0.557**	0.433**	(0.846)			
Affective Com	3.36	0.961	0.491**	0.446**	0.331**	0.493**	0.350**	0.405**	(0.872)		
Normative Com	3.43	0.762	0.389**	0.433**	0.403**	0.516**	0.439**	0.408**	0.470**	(0.892)	
Turnover Int	2.83	0.859	-0.135	-0.190*	-0.249*	-0.312**	-0.053	-0.130	-0.291* -	-0.126	(0.893)

Notes: n = 202. Ex, extrinsic; Com, commitment; Int, intentions. Numbers in parentheses are Cronbach's  $\alpha$ 's. \*,\*\*\*Significant at 5 and 1 percent levels, respectively

Table II.
Descriptive statistics
and correlation
coefficients among
study variables

# Analysis and findings

A confirmatory factor analysis (CFA) was conducted, utilizing structural equation modeling (SEM) as implemented in AMOS 20, to assess the reliability of the scales. The SEM process contains a CFA and a path analysis (Hair *et al.*, 2010). As suggested by Churchill (1979), items that did not load well on their respective constructs were removed from further consideration. Regarding sample size for SEM, Kline (2011) recommended that SEM-based models with samples comprising fewer than 200 participants be rejected. On the other hand, some research has proposed that a minimum of 100 participants may be acceptable for SEM when utilizing maximum likelihood estimates (Anderson and Gerbing, 1984; Hair *et al.*, 2010). Moreover, the results from the CFA revealed that all the items had high commonalities (0.6). Thus, taking into account (Hair *et al.*, 2010) recommendation, a sample of 202 employees was deemed a suitable size.

Hence, consistent with past research on CFA, this research examined the model fit by using an adjusted  $\chi^2$  test ( $\Delta/\chi^2$ ;  $\chi^2$ /degrees of freedom), a root mean square error of approximation (RMSEA) (Steiger, 1989), a goodness-of-fit index (GFI), a comparative fit index (CFI), incremental fit index (IFI) (Bollen, 2014) and the Tucker-Lewis Index (TLI) (Tucker and Lewis, 1973). The overall rules about model fit recommend that the normal  $\chi^2$  should be between 1 and 3 and should not be significant, that RMSEA should be less than 0.08 for a justifiable fit or less than 0.05 for a good fit (Browne *et al.*, 1993), and that all other indices be more than 0.90 (Meyer and Smith, 2000), although the most current literature recommends that a cutoff of 0.95 signals the best fit whereas 0.90 indicates an acceptable fit (Byrne, 2013).

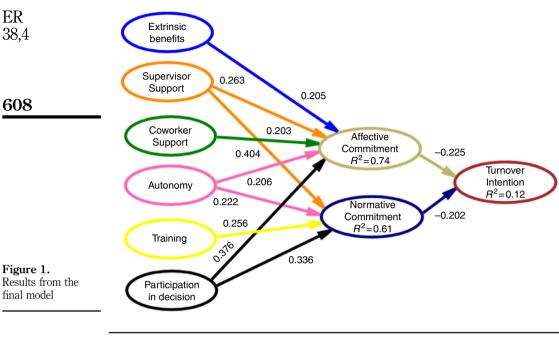
When carrying out an SEM analysis, measuring the validity of the measurement model to be analyzed in the CFA is imperative. Subsequently, validity analysis of the CFA model can be analyzed for goodness-of-fit. In this study, no issues with validity were found. The final questions utilized as part of the analysis and factor loadings for converged validity, composite reliability (CR), and the average variance extracted (AVE) estimates are exhibited in Table III. Specifically, all factor loadings were above 0.7, and no factor loading was more than 1 (Kline, 2011). Furthermore, the CR estimations range from 0.770 to 0.928; all of these are greater than 0.7, which is the threshold usually used for reliability (Fornell and Larcker, 1981). The AVE for each construct exceeded 0.5, the standard for convergent validity (Fornell and Larcker, 1981). Therefore, the overall measurement scales have good convergent validity and internal consistency.

SEM was performed with the statistical packages AMOS 20 and SPSS 20 as an analysis tool. SEM allows the concurrent evaluation of multiple interdependent relations of dependency and is thus suitable for the development of empirical models. The results are shown in Figure 1. The results of CFA revealed that the nine-factor model (containing six variables measuring organizational rewards and three variables measuring affective, normative commitment and turnover intention) fit the data extremely well ( $\chi^2 = 1,299.015$ , CMIN/df = 1.99, RMSEA = 0.047, GFI = 0.96, IFI = 0.98, CFI = 0.98, TLI = 0.91). The results indicate that the model fits well on all measures. Furthermore, if the model has a GFI of less than 0.8 (Tanaka and Huba, 1985) and an RMSEA above 0.1 (Browne and Cudeck, 1989), it must be rejected. Our model clearly satisfies these basic requirements. Overall, the model reveals the appropriate explanatory power of affective and normative commitment, and turnover intention. These results explain 74, 61 and 12 percent of the variance, respectively.

Construct items measured	Standard factor loading	Composite reliability (CR)	Average variance extracted (AVE)	Influence of organizational
Satisfaction with extrinsic benefits		0.913	0.724	rewards
BEN1	0.875			
BEN2	0.832			
BEN3	0.857			607
BEN4	0.839			007
Supervisor support		0.928	0.721	
SUP1	0.790			
SUP2	0.885			
SUP3	0.871			
SUP4	0.858			
SUP5	0.826			
Coworker support		0.924	0.743	
CW1	0.854			
CW2	0.863			
CW3	0.876			
CW4	0.888			
Autonomy		0.915	0.783	
AT1	0.845			
AT2	0.821			
AT3	0.876			
Participation		0.880	0.719	
PAT1	0.890			
PAT2	0.882			
PAT3	0.864			
Training		0.891	0.693	
TR1	0.739			
TR2	0.797			
TR3	0.880			
Affective commitment		0.917	0.824	
AC1	0.960			
AC2	0.947			
AC3	0.908			
AC4	0.860			
Normative commitment		0.922	0.704	
NC1	0.813			
NC2	0.860			
NC3	0.880			
NC4	0.782			
NC5	0.853			
Turnover intention		0.770	0.548	
TOI1	0.761			Table III.
TOI2	0.533			Confirmatory factor
TOI3	0.937			analysis

# Path analysis of the model

Figure 1 indicates the estimations of standardized path coefficients. The properties of the causal paths (standardized path coefficients) are revealed in Figure 1 and Table IV. In total, 11 out of 16 paths are statistically significant (see Table IV). For affective commitment, five out of seven factors – extrinsic benefits (p < 0.05), supervisor support (p < 0.001), coworker support (p < 0.05), autonomy (p < 0.05), and



Hypothesis	Path	Sign	Standardized regression weights	CR	<i>p</i> -value	Result		
H1a	Ex Benefit → Affective	+	0.205	2.488	*	Supported		
H2a	Supervisor → Affective	+	0.263	3.680	**	Supported		
H2b	Supervisor → Normative	+	0.404	5.106	**	Supported		
H3a	Coworker → Affective	+	0.203	2.291	*	Supported		
H4a	Autonomy → Affective	+	0.206	1.966	*	Supported		
H4b	Autonomy → Normative	+	0.222	2.561	**	Supported		
H5b	Training → Normative	+	0.256	2.890	**	Supported		
H6a	Participation → Affective	+	0.376	4.685	**	Supported		
H6b	Participation → Normative	+	0.334	3.668	**	Supported		
H7a	Affective → Turnover	_	0.225	-2.624	**	Supported		
H7b	Normative → Turnover	_	0.202	-1.961	*	Supported		
<b>Notes:</b> * $p = 0.05$ ; ** $p = 0.001$								

**Table IV.**Path coefficients and hypothesis tests

participation in decision making (p < 0.001) have significant paths. It means that H1a, H2a, H3a, H4a and H6a are supported. For normative commitment, four out of seven factors – supervisor support (p < 0.001), autonomy (p < 0.001), provision of training (p < 0.001) and participation in decision making (p < 0.001) have significant paths. Thus, H2b, H4b, H5b and H6b are supported. Finally, for turnover intention two out of the two factors have a significant path. Therefore, H7a and H7b are supported.

#### Results and discussion

The motivation behind this research was to analyze the antecedents of the organizational commitment of employees working in the Chinese public- and private-sector contexts, which has been reclassified during the past two decades as a consequence of an ongoing process of restructuring and reforms (Burns and Xiaogi, 2010; Miao et al., 2013; Zhang, 2009). These results reveal that extrinsic, social and intrinsic rewards result in higher levels of affective and normative commitment in Chinese public and private-sector employees. This finding contradicts those of previous studies carried out in the context of Western organizations in the public and private sector, which emphasize intrinsic factors as the main influence on organizational commitment (Goulet and Frank, 2002; Malhotra et al., 2007; Steijn and Leisink, 2006).

According to H1a and H1b, extrinsic benefits were found to have a significant positive influence on affective and normative commitment. These results contradict the findings from previous studies in the Western context, which have proposed that extrinsic benefits have limited impact on the commitment of public and private-sector employees (Eby et al., 1999; Goulet and Frank, 2002; Loscocco, 1990; Malhotra et al., 2007; Mottaz, 1988; Steijn and Leisink, 2006), but they support findings from previous empirical research on Chinese public and private-sector organizations (Chiu et al., 2002; Miao et al., 2013; Newman and Sheikh, 2012a, b), which reflects the fact that pay and fringe benefits are critical aspects in determining employees' commitment to the Chinese organizations in which they work (Chiu et al., 2002; Yu et al., 2003).

Regarding H2a and H2b, a significant positive relationship was found between satisfaction with supervisor support on affective and normative commitment, and for H3a, a positive relationship was found between coworker support and affective commitment. These results support findings from previous empirical research in the Chinese public and private-sector organizational context (He et al., 2011; Miao et al., 2013; Newman and Sheikh, 2012a, b; Wang, 2008), which have found a positive relationship between supervisor support, coworker support, and affective and normative commitment, and have revealed that strong relationships between supervisors and their subordinates lead to increased organizational commitment. As a consequence, when employees are pleased with their supervisor's behavior toward them, they express greater feelings of commitment toward the organization (Mottaz, 1988; Rhoades et al., 2001). The results indicate the continuing significance of the supervisor-subordinate relationship within Chinese organizations for employees to have successful careers in the public and private sector. However, for employees, establishing a strong and positive relationship with their supervisor is essential, given an environment characterized by respecting one's superiors and high degrees of reciprocity among individuals (Chen et al., 2002; Cheng et al., 2003; Hui et al., 2004). Redding (1990) discussed the fact that the Chinese are more loyal to people than to organizations, and that their feelings will transfer to the organization in which these people are employed. Support from supervisors may reveal an appreciation and reward for employees regarding their work. Consequently, employees will have greater affective commitment when they receive more support from their supervisors.

Furthermore, the results of the current study indicate that autonomy was found to have a significant positive relationship with affective and normative commitment of Chinese public and private-sector employees, which supports H4a and H4b. According to the findings of previous empirical research on public and private-sector organizations in China (Chen and Aryee, 2007; Miao et al., 2013; Newman and Sheikh, 2012b), and on Western public and private-sector organizations (Malhotra et al., 2007; Steijn and Leisink, 2006), employees react positively when they are empowered to focus on the way in which they can carry out their own work. Being provided with autonomy should provide an indication to employees that they are reliable and respected by their organization. Employees with autonomy have greater confidence in

Influence of organizational rewards

their ability to perform a task successfully, to devote more effort and to persist in these efforts for longer periods. Employees who feel that they do not have autonomy, have no authority to make decisions regarding the work activities, and lack of sufficient autonomy tend to have higher turnover intentions. Employee autonomy encourages them to exercise more empowerment and make decisions about their work, resulting in a sense of greater employee organizational commitment.

In line with H5b, a significant positive relationship was found between the provision of training and normative commitment. This result could come from the limited approved facilitation of training and development programs in the Chinese private sector (Ding et al., 2001; Newman and Sheikh, 2012a; Newman et al., 2011; Zheng et al., 2009), and contradicts the results in the Chinese public-sector organizational context, where political considerations continue to be an important factor limiting upward mobility, particularly to senior-management levels where personnel management is extremely politicized (Chan and Suizhou, 2007; Miao et al., 2013). Specifically, training in the service sector can be very useful in stimulating normative commitment, and allows employees to perform at their desired level. Meanwhile, normative commitment develops as a drive to reciprocate the costs incurred by the organization in relation to the job (Meyer and Allen, 1991; Scholl, 1981). The acceptance of financial support from the organization in the form of regular and continuous training obliges employees to reciprocate by being "normatively" committed to the organization (Malhotra et al., 2007). Through effective training, employees feel more satisfied and confident in their work (Holman, 2002), and therefore, feel more compelled to remain with the organization.

According to *H6a* and *H6b*, participation in decision making has a significant positive influence on affective and normative commitment. This influence confirms previous findings in Western contexts (Boshoff and Mels, 1995; Malhotra *et al.*, 2007; Meyer and Allen, 1991) and in the Chinese context (Han *et al.*, 2010), which indicates that enhancing employee participation in decision making stimulates affective commitment. Participation in decision making can be implemented by Chinese public and private-sector organizations to make employees engender psychological ownership and organizational commitment. In the Chinese public and private sectors, the opportunity to participate in decisions regarding their career is appreciated by employees. Involving employees in the organizational decision-making process creates a spirit of "emotional attachment" to the organization, in which they then recognize themselves as "part of their organization." This realization could be beneficial if employees take part in decisions regarding issues concerning their performance evaluation.

Finally, regarding *H7a* and *H7b*, the results reveal that affective and normative commitment is negatively related to employee turnover intentions, which replicates the findings of previous research on Chinese organizational context (Chen and Francesco, 2000; Cheng and Stockdale, 2003; Newman *et al.*, 2011). However, it fits both the theory of met expectations (Porter and Steers, 1973) and psychological contract theory. Specifically, employees whose desires and expectations are achieved and who perceive their psychological contracts as being satisfied develop a greater psychological attachment toward their organizations, making it less likely that they will leave the organization. From a practical perspective, employers could inspire employees to consider the organization as a family (Chen and Francesco, 2000), for which they might be more motivated to exert their efforts. This may then manifest as a more prominent intention to remain in the organization.

Implications for theory and practice

The findings of the current research support the claims of exchange theory and show the importance of extrinsic, social and intrinsic rewards, which can be utilized to create affective and normative commitment of Chinese employees. This current study contributes to the organizational commitment literature in distinct ways. First, it provides additional grounds to indicate that a national culture is imperative to influence the workplace attitudes of employees in areas such as organizational commitment (Chen and Francesco, 2000; Glazer et al., 2004; Suliman and Al-Junaibi, 2010). Managers must realize that the intensity of the relationship between an employee's feelings about organizational rewards and his or her commitment might rely on the individual's cultural values. While developing human resource strategies to boost the commitment level of their workers, managers should be more considerate of cultural factors instead of assuming general linear strategies. It also exhibits substantial differences in the antecedents of organizational commitment between public and private-sector organizations, which have better financial resources to invest in retaining employees.

Apart from the limitations, several recommendations for fostering employees' commitment can be made for managers. Beyond personal characteristics (e.g. gender, tenure, education and job position), extrinsic benefits, supervisor support, coworker relationship, autonomy and participation in decision making are all imperative for improving employee commitment and can be fostered by managers themselves. Supervisors should offer sufficient support to employees to establish and maintain good relationships with them (Law et al., 2000). In China, supervisors' support may not be easily accessible to employees because of the hierarchical framework that is well known in Chinese organizations; in order to retain their power, supervisors like to remain in their offices instead of communicating with their subordinates, which causes a negative impact on employee commitment. In addition, managers have to take some steps to boost positive coworker relationships in their organizations. Last but not least, managers should involve employees in the decision-making process. Doing so will enhance their affective and normative commitment and induce them to remain in their organization.

The findings of this study have significant implications for management in Chinese public and private-sector organizations that are aiming to enhance employee commitment and improve organizational effectiveness. Furthermore, by improving the extrinsic benefits to employees, which have been discovered as a significant extrinsic motivating factor but a comparatively expensive measure, management should focus on improving social and intrinsic rewards so as to enhance employee organizational commitment in the Chinese public and private sectors. Enhancing employee autonomy in the workplace, providing employees with better opportunities to participate in decision making, offering training and improving supervisor support should increase commitment toward the organization.

#### Conclusion

The purpose of this study was to address the gap in the literature by analyzing several of the aspects that impact on Chinese employees' organizational commitment in the workplace. A proposed model comprising all these factors was investigated and confirmed to be suitable. The results indicate that numerous factors recommended in the model directly influence employees' organizational commitment. This research raises awareness of how Chinese public and private-sector organizations can increase the ability and efficiency of employees.

Influence of organizational rewards

Our analysis reveals that the provision of extrinsic, intrinsic and social rewards plays a significant role in enhancing employee commitment in the Chinese public and private sectors. The study suggests that satisfaction with extrinsic benefits, supervisor support, coworker support, autonomy, and participation in decision making have a positive impact on employees' affective and normative commitment. These findings have significant implications for managers in the Chinese public and private sectors. Individual factors play different roles when enhancing employees' organizational commitment. Our results propose that management must give careful consideration to effective ways of stimulating employees' commitment, such as providing more attractive benefits and supervisor support, creating satisfactory coworker relationships, giving employees autonomy, and particularly, allowing them to participate in the decision-making process. In addition, SEM was used in this study, which made it possible to analyze the complicated relationship between organizational rewards and employee organizational commitment.

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