

Fall 11-1-2016

# THE EFFECTS OF FEEDBACK, PRAISE, AND MONETARY INCENTIVES ON STAFF PERFORMANCE AND JOB SATISFACTION IN HOME HEALTH FACILITIES

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PERFORMANCE AND JOB SATISFACTION IN HOME HEALTH FACILITIES

by

Jordan Hoskin

B.S., Southern Illinois University, Carbondale, 2014

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A Research Paper

Submitted in Partial Fulfillment of the Requirements for the  
Master of Science

Department of Rehabilitation Administration  
in the Graduate School  
Southern Illinois University Carbondale  
December 2016

RESEARCH PAPER APPROVAL

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in the field of Rehabilitation Administration

Approved by:

Dr. William Crimmando, Chair

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November 1<sup>st</sup>, 2016

## AN ABSTRACT OF THE RESEARCH PAPER OF

JORDAN HOSKIN, for the Master of Science degree in REHABILITATION ADMINISTRATION, presented on NOVEMBER 1<sup>st</sup> 2016, at Southern Illinois University Carbondale.

TITLE: THE EFFECTS OF FEEDBACK, PRAISE, AND MONETARY INCENTIVES ON STAFF PERFORMANCE AND JOB SATISFACTION IN HOME HEALTH FACILITIES

MAJOR PROFESSOR: Dr. William Crimmando

This paper examines the effects of feedback, praise, and monetary incentives on staff performance and job satisfaction in home health facilities. Specifically, the role motivation plays in job satisfaction and job performance and how various types of monetary and non-monetary incentives motivate employees in ways that lead to job satisfaction and heightened job performance.

The purpose of this paper is to review an adequate body of literature and research to explore the relationship between motivation and incentives among employees. This study is especially relevant to the rehabilitation profession, as turnover rates among direct care workers in home health facilities has rampantly increased over the past ten years (Kim, 2013). The typical annual turnover rate in these facilities varies from 42.6% to 75%. Addressing issues with low job satisfaction can help to address issues with high turnover and revenue loss.

A thorough review of literature discovered that monetary and non-monetary incentives contribute to job satisfaction and job performance. However, research suggests that job satisfaction and performance typically increases the most when both monetary and non-monetary incentives are used simultaneously. Non-monetary incentives such as feedback, praise, and autonomy appear to be highly effective when coupled with monetary incentives with a full benefit package that includes a competitive salary, healthcare benefits, and job security.

Employees who are satisfied with their jobs are more likely to perform better on their jobs.

Increased job satisfaction and job performance also has been found to result in better quality care services offered to clients.

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## **CHAPTER 1**

### **INTRODUCTION**

#### **Introduction to the Problem**

The turnover rate of direct care workers (DCWs) personal care attendants, home health aides, and nursing assistants has been a serious issue in the United States (Kim, 2013). Each year mental health facilities are losing millions of dollars in revenue due to high turnover rates. Not only are healthcare facilities suffering, the clients in those particular facilities are falling by the waist side. The average annual turnover rate in these facilities varies from 42.6% (American Health Care Association, 2011) to 75% (Kim, 2013). Job dissatisfaction is creating a non-progressive environment for these organizations. Given that home health care staff spends a substantial amount of time with the clients, it is imperative within the constraints of rehabilitation that the staff members provide quality assistance to these individuals. Any inadequacy within the rehabilitative structure could interfere with the quality of services that are provided to clients. Consequently, an organizational structure that creates a dynamic environment while focusing on client-based interaction, self-monitoring, task completion, and job satisfaction is essential.

In recent years, there has been a substantial need for a system that focuses on increasing the productivity of direct care workers, from completing task to providing quality interactions with clients. This research focus has developed because of the critical role attendant staff play in determining the welfare of institutional residents (Donoghue, 2010). However, it is important to mention that the majority of this research exists within fields related to rehabilitation such as nursing and even social work. There is currently a lack of research presence on this topic in the rehabilitation field.

The lack of research related to this topic in the rehabilitation profession is detrimental because direct care staff members hold an enormous amount of weight within the structure of facility rehabilitation. Ensuring the employees complete facility tasks efficiently and independently will allow staff to dedicate more time to create meaningful relationships with the clients. When reviewing current literature that investigates issues related to turnover rates, job satisfaction, and job performance, it is clear the rehabilitation field has contributed little to this current conversation. Although other professions internationally see the value in conducting research to further explore and better understand how to address turnover concerns and increase job satisfaction and job performance among staff and employees, rehabilitation professionals and researchers who directly work in the home health field have remained silent during these conversations.

Consequently, the purpose of this research paper is to address the current gap in research within the rehabilitation profession by reviewing literature related to motivation and various forms of incentives in order to (1) better understand and identify salient strategies to address and minimize high turnover rates in the home health field; (2) identify strategies to improve the overall work experience for home health staff and employees working within the rehabilitation profession; and (3) to increase staff productivity, the quality of care, and client satisfaction.

### **Definition of Terms**

In order to address issues related to high turnover rates and increase job satisfaction and job performance, it is important to first establish an understanding of what encompasses job satisfaction, job performance and why retaining employees and staff is vital to the home health field and equally as important to the clients to which the profession serves.

*Job satisfaction.* Sarwar and Abugre (2013) defined job satisfaction as an enjoyable work



environment for both the employee and the employer. However, job satisfaction has been defined in a variety of ways from an employee being content with his or her perceived feelings of autonomy. Edwin Locke (1976) defined job satisfaction as “a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experiences” (p.1300). Research suggests that when employees feel higher levels of job satisfaction, they are less likely to leave their position which decreases the percentage of turnovers (Sarwar et al., 2013).

Job satisfaction has also been conceptualized as an attitude or an emotion when investigated (Celik, 2011; Sarwar et al., 2013). Celik (2011) defined an attitude as a, “summation of sense, beliefs and thought, which the individual form in direction with his perception about his environment” (p. 2515). Consequently, job satisfaction is not a black and white variable. Rather, job satisfaction is complex and intricate and is based on a multitude of variables including the work environment itself, interaction with co-workers, the organizational structure, supervisory interactions, and how employees feel they are treated. In short, a significant contributing component related to job satisfaction is contingent upon employees feeling valued (Celik, 2011; Patterson, 2010; Sarwar et al., 2013).

*Job performance.* Job satisfaction and job performance share a relationship with one another (Patterson, 2010). Research suggests that the more an employee is satisfied with his or her job the higher he or she is likely to perform. Job performance has been defined as, “behaviors or actions that are relevant to the goals of the organization” (Patterson, 2010). Many argue that job performance is therefore multi-dimensional and is demonstrated through various tangible and intangible actions and behaviors that both meet and exceed job expectations and responsibilities (Abdullah & Wan, 2013; Patterson, 2010; Sarwar et al., 2013). Studies show that when job satisfaction is low, job performance typically tends to suffer, and retention rates among

employees and staff become a challenge.

*Retention.* Retention is an integral factor in the home health field. Poor retention of staff contributes to a lack of consistency, which can have a negative impact on team relations, weaken relationships between healthcare professionals and the community, and can significantly increase workload (Kim, 2013). All of these factors can have a damaging, or at the very least, negative impact on patient and client care. Although research investigating the work environment of home health facilities is limited in the rehabilitation profession, the literature that does exist suggests that the greatest area of concern exists in remote and rural areas (Bonenberger, Aikins, Akweongo, & Wyss, 2014). It has been found that often individuals either do not want to work in rural communities due to long commutes or the home health companies they have worked with offered limited incentives and resources compared to home health facilities in larger metropolitan cities (Jones & Gates, 2007). Furthermore, home health facilities in rural environments also have been found to have heavier workloads and poor infrastructure.

*Incentives.* Incentives are designed to help address challenges with job satisfaction, job performance, and retention. Kahn, Shahid, Nawab, and Zali (2013) argued that, “the essence of incentives is to establish linkage with desired behavior and the outcome that makes the employee feel appreciated” (p. 2223). There are various forms of incentives that are both monetary and non-monetary that have both been found to be effective and ineffective in the home health field (Donoghue, 2010; Kim, 2013).

### **Relevance to the Profession**

The direct care staff team is the lifeblood of home health facilities and they also hold enough influence to positively impact organizations. The more programs created to help staff acquire the skills necessary to provide the quality care needed within these facilities will assist

with staff understanding and acknowledging the role they have within the rehabilitative structure. Staff enrichment programs are an example of a nonmonetary incentive and can prepare the direct care staff team to work with this particular population. It can also provide staff with mindfulness skills that will help develop an operational definition for appropriate behaviors to exhibit within the facilities. Staff research programs have addressed two basic issues, the first dealing with staff training and the second focusing on staff management. In staff training programs it has been assumed that staff do not have the prerequisite skills necessary to teach adaptive behaviors. In contrast, staff management research has been concerned with motivating staff to routinely use the training skills they presumably already know how to apply (Jones et al., 2007).

The acquisition of these skills by staff will serve as the foundational point for employees to become more self-sufficient in the workplace, as well as being aware of the effects their behavior has on creating a quality work environment. It has further been suggested that staff may be the most effective agents for changing their performance since they have more immediate and continuous access to their own behavior than a supervisory agent and that anticipative management training may provide an individual with a generic set of skills to facilitate later program implementation (Kim, 2013). If home health facilities began investing back into the employees and embedding them into the foundational direction of the organization, this could increase the direct care staffs feeling of being more a part of the interworking's of the company. This has the power to ignite team oriented chemistry that will allow staff to take pride in their work. B.F. Skinner (1953) suggested that the greater the feeling of personal control within a situation, the lower the probability of a person exerting counter-control in the situation.

Researchers have argued that lower job satisfaction of DCWs in Long-term care facilities can be the source of turnover intent, which in turn can cause actual turnover (Jones et al., 2007;

Kim, 2013). Creating an environment that focuses on job satisfaction through various forms of both monetary and non-monetary-incentives are needed to illicit motivation within home health staff and employees to increase job satisfaction, job performance, and address issues with retention and turnover. Furthermore, creating a skilled and knowledge-based direct care staff team makes for a healthier environment for the clients to reach their full rehabilitative peek. High commitment to the organization has been proven to enhance residents' satisfaction with their relationship with their caregiver as well as enhancing their quality of life (Kim, 2013).

### **Summary**

This chapter provided an overview of the research paper as whole while stating the problem statement and how this inquiry will attempt to address the gap in literature that currently exist within the rehabilitation profession. Chapter 2 provides a thorough description of the current literature relevant to this topic in order to better contextualize how factors such as incentives and various forms of motivation contribute to job satisfaction, job performance, and retention within the home health field. Chapter 3 provides a discussion to examine the related literature in terms of its implications to the profession. The chapter also presents suggestions for further research and related strategies for employers in the rehabilitation home health field to implement and use to improve issues related to job satisfaction, job performance, and retention with employees and staff.

## CHAPTER 2

### LITERATURE REVIEW

In order to better understand the effects of feedback, praise, and monetary incentives on staff performance, job satisfaction, and retention in home health facilities, it is important to first identify the various methods used to incentivize employees and if and how incentives share a relationship with job satisfaction and job performance. Research suggests that motivation has been acknowledged as the most significant factor for health work job satisfaction, retention, and job performance (Bonnenbeger et al., 2014). Motivation in the workplace is typically seen through various forms of incentives. Examples of incentives include non-monetary motivations such as feedback, praise, salary, and other incentives such as paid vacations days, and professional development opportunities.

This chapter will provide a thorough examination of literature to explore both non-monetary and monetary incentives such as recognition, feedback, and salary and how these specific methods of encouragement impact job satisfaction and job performance overall and within the home health facility. This chapter will also discuss why various incentive methods are more successful than others and the relationship motivation plays within job satisfaction and job performance.

#### **Motivation**

Research suggests that motivation plays a vital role when exploring factors related to both job satisfaction and job performance (Raziq & Maulabakhsh, 2015). When examining the role that motivation plays in the work environment, it is important to look at both *intrinsic* and *extrinsic* forms of motivation. Intrinsic motivation is defined as behavior that is caused by the individual (Zafar, Ishaq, Shoukat, & Rizwan, 2014). In other words, intrinsic motivation is the

result of an individual being driven by a personal reward within him or herself. For example, the fulfillment a DCW might feel when working with his or her clients is an example of intrinsic motivation. The second type of motivation is referred to as extrinsic motivation (Zafar et al., 2014). Extrinsic motivation is defined as behavior that is caused by external rewards that are received outside of one's self. An example of extrinsic motivation would be praise, positive feedback, or monetary compensation for a job well done.

Many have argued that there is a recursive relationship between motivation and how individuals experience their jobs and work environments (Raziq et al., 2015; Zafar et al., 2014). That is, employees tend to feel higher amounts of satisfaction with work when they feel their employer is providing necessary resources in order to create a motivating work culture. Abdullah et al. (2013) described this as a motivating contribution or an in-put that employers invest in their employees. This is a non-monetary investment and is typically designed to help increase levels of self-determination. When employees provide resources that increase self-determination among staff they report increased feelings of satisfaction with their job and consequently are motivated to perform better. This would be considered a form of extrinsic motivation that then results in the employee or staff feeling intrinsically motivated to perform well (Abdullah et al., 2013; Bonenberger et al., 2014). Consequently, we can see a cyclical or recursive relationship between intrinsic and extrinsic motivation that all lead to job satisfaction and increased levels of job performance, which in turn, results in higher numbers of retained employees and staff.

A theoretical lens can be used to help better conceptualize why motivation plays such a significant part in job satisfaction and job performance. In Abraham Maslow's *A Theory of Human Motivation* (1943), he argued people seek to achieve certain needs that are in hierarchal order. He organized the needs into a five-stage model: physiological, safety, belongingness and

love, esteem, and self-actualization. Maslow argued that when these needs are not met individuals become increasingly more motivated to achieve their unmet needs. This is important for employers in the home health industry to be aware of when trying to increase job satisfaction and job performance. According to Maslow's theory, individuals inherently want to reach their full potential and will continue setting and achieving goals until he or she has done so. For example, employers can set smaller, challenging, yet attainable goals for employees while also providing them with various forms of extrinsic forms of motivation. By doing this, he or she will become increasingly more intrinsically motivated to continue to do well and accomplish the next set of smaller, challenging yet attainable set of goals. This can result in a higher likelihood of job satisfaction and improved job performance.

The types of goals and expectations that are set for employees play an integral role with job performance and job satisfaction. Job expectations are also linked to motivation. Carette, Anseel and Lievens (2013) examined the effects of work environments in which staff and employees perceived to be challenging. They found a significantly positive relationship between assignments in which the 149 employees surveyed perceived to be challenging and job satisfaction and job performance. It has been hypothesized that challenging job responsibilities send an indirect message to employees that their employer trust them and also increases their level of intrinsic motivation to go above and beyond. Although it is important to examine motivation in the work environment overall, it is also necessary to explore the various types of motivations and incentives that are frequently used in the work force and how they shape employee satisfaction and performance.

### **Job Engagement**

Job satisfaction and job engagement have been shown to share a relationship (Carette et

al., 2013). Studies have shown that employees and staff who typically report being satisfied with their jobs also typically report having higher levels of engagement compared to employees and staff who are not satisfied with their jobs (Carette et al., 2013; Raziq et al., 2015). Furthermore, employee engagement is essential to sustain any organizational structure. According to the Report of the Society for Human Resource Management (SHRM, 2011), 83% of employees in the United States reported that they overall felt satisfied with the job they engaged in. Interestingly, the same report found that employees who were 67 years and older reported feeling more satisfied with their jobs compared to their younger counterparts who were fell in the 31-61 age range. It is speculated that level engagement may have played a role in the difference. The majority of the participants in the 67 years and up age group had worked at their jobs for at least 10 years. Whereas, less than half of the participants from the 31-61 age group had worked at their jobs for that length of time and reported weaker feelings of engagement compared to the older group. Although it is important to examine motivation and engagement in the work environment overall, it is also necessary to explore the various types of motivations and incentives that are frequently used in the work force and how they shape employee satisfaction and performance (Raziq et al., 2015).

### **Non-Monetary Incentives and Job Satisfaction**

Although there is currently some debate within the rehabilitation field about how home health employers should ensure job satisfaction among their staff and employees in home health facilities, there is an overwhelming amount of research that suggests that there is a positive causal relationship between non-monetary incentives and job satisfaction (Zafar et al., 2015). One of the most significant forms of non-monetary incentives that have been positively liked with job satisfaction is autonomy (Abdullah et al., 2013; Zafar et al., 2015). It has been found



that staff who feel a greater sense of autonomy in his or her work environment, also experience greater feelings of satisfaction while at work and are happier overall compared to staff who have reported lower feelings of autonomy while at work (Zafar et al., 2015). Autonomy is effective because it typically sends an indirect message to the staff that they are trusted and that the company believes in their work and their abilities. Consequently, staff and employees typically are more likely to experience higher levels of extrinsic motivation because they feel that they are trusted and that their company believes in their potential which in-turn indirectly can increase their feelings of intrinsic motivation can result in staff feeling happier and more satisfied with their work and work environment (Raqiz et al., 2015)

Recognition of employee performance has also been found to increase job satisfaction among employees (Abdullah et al., 2013; Alaam, 2013; Zafar, 2015). According to Alaam (2013), recognition is defined as acknowledgement that is given to something or someone. In order to improve and maintain job satisfaction, it is important that employees be recognized and rewarded for their positive performance and contribution to the organization (Alaam, 2013). Abdullah et al. (2013) described three criteria necessary in order for recognition to be a useful tool for job satisfaction. The criterion is that recognition of employees must be consistent and frequent. For example, weekly, or semi-weekly methods of recognition can be implemented in the work environment. Secondly, employee recognition should be specific, which makes it meaningful and increases the likelihood of the employee feeling valued. The last criterion is that recognition should be timely. That is, not too much time should have elapsed between the time of the act that is being recognized and the act of recognition.

In a quantitative descriptive study, Alaam et al. (2013) sought to make a determination on five components related to job satisfaction with a sample of 109 participants. One of the five components related to job satisfaction that was tested was appreciation and recognition. Alaam et al (2013) found a positive relationship between employee contribution/employee satisfaction and recognition and appreciation with  $\beta=0.597$  ( $\rho= 0.001$ ). Additionally, the beta value of 0.597 indicates that feeling recognized positively contributed to 59.7% of the employee's overall job performance. However, it is important to note that because the sample size for this study was small, concerns for addressing standard error become an issue.

That said, similar results were found in a cross-sectional survey study that was conducted throughout the Eastern Region of Ghana surveying 256 health care workers. The purpose of the study was to measure the effects of motivation on satisfaction as it relates to staff retention (Bonemberger et al., 2014). Of the 256 participants, 69% reported having the intentions of leaving their position. Motivation and job satisfaction were also shown to have a significant relationship, with a 95% confidence interval. Similarly, job satisfaction also was shown to have a strong relationship with turnover intention, also with a 95% confidence interval. Examples of motivation listed were various forms of recognition, positive feedback, and providing employees with opportunities for professional development. More than half of the participants who indicated having intentions to leave their position reported leaving due to lack of incentives and methods of motivation provided by their employers which left them unhappy and unsatisfied with their jobs and the overall work environment.

### **Non-Monetary Incentives and Job Performance**

Similar to job satisfaction, research also shows a positive relationship between non-monetary incentives and job performance (Abdullah et al., 2013; Bonemberger et al., 2014).

According to Carette et al. (2013), incentives such as recognition and autonomy share a significantly positive relationship with job performance. It has also been found that staff and employees tend to perform better in work environments that are supportive yet challenging and that provide career advancements for employees and learning opportunities (Zafar, 2015). It has been speculated that when employers provide their employees with opportunities to improve skill set and professional development opportunities, employees are more likely to become more intrinsically motivated to perform at higher levels as compared to staff and employees who do not receive non-monetary incentives such as recognition and professional development opportunities (Carette et al., 2013).

In Wei and Yazdanifard's (2014) work on employee performance, they explored the concept using a reinforcement theory. By using this lens the authors were able to look at job performance by looking at both extrinsic and intrinsic motivating factors. The study also explored how various forms of motivation can be fueled or hindered by positive reinforcement and punishments. Positive reinforcement is defined as a strategy used to produce and reinforce new behaviors by implementing incentives and rewards opposed to using a more punitive measure such as removing benefits (Wei et al., 2014). Rewards can be categorized into two different groups: intrinsic and extrinsic. Intrinsic rewards are considered as incentives that are intangible such as praise and recognition. Extrinsic rewards are considered as incentives that are tangible such as salary, job security, and promotion.

Examples of positive reinforcement include recognition and positive feedback for employee performance. The authors also argued that although punishment is an effective method to increase employee job performance, it is often not as successful as positive reinforcement. Wei et al. (2014) argued, Positive reinforcement is seen to be the most effective way of

motivating staffs to perform better in organizations. Employees are encouraged to do better as they know when each desired behavior is shown, they will be rewarded. The rewards can be intrinsic or extrinsic, or a combination of both. Rewards can be bonus based on performance, additional benefits, verbal encouragement, and empowerment. Employees feel satisfied when their work is recognized and their hard work is paid off. Punishment is another technique applied to reduce or remove certain behavior. Those who are given penalty show better discipline. However, punishment is often not favored as it may bring down some of the staff members. The authors are careful to describe how positive reinforcements and punishment can be successful and why.

To add to the depth of conversation about positive reinforcement, the article also examined the role of punishment to determine its effectiveness when trying to increase employee and staff job performance (Wei et al., 2014). Punishment is defined as a tool used to eliminate unwanted behaviors that can lead to a decrease in the severity, intensity, and frequency of said behaviors. Punishment has been found to be both effective as well as ineffective in addressing job performance concerns. A study was conducted that examined punctuality among employees. The employees who were penalized for being late to work dropped by 66% and 55% of the employees reported to work earlier than their assigned shift (Siang, 2012). The same study also revealed that punishment that involves employees paying a fine of some sort to their fellow colleagues are more successful than punitive measures that involves staff and employees paying a fine of some sort to his or her employer.

### **Monetary Incentives and Job Satisfaction**

Research examining the relationship between monetary incentives and job satisfaction is mixed. However, the majority of research indicates that there is a strong relationship between the

two, but that monetary incentives alone do not lead to lasting job satisfaction among employees (Abdullah et al., 2013; Tessema et al., 2013). Unlike non-monetary incentives, monetary incentives work differently in motivating workers because employees expect to be monetarily compensated for their labor (Tessema et al., 2013). Furthermore, salary also translates and quantifies the worth of an employee.

Consequently, businesses have begun to realize the growing need to meet the competitive salary market, as employees and staff members have become more competitive and they are making sure to position themselves to be paid at competitive salary rates (Tessema et al., 2013). Using a 7-point Likert-type scale, Tessema et al. (2013) conducted a quantitative study on 457 employees from the United States, 391 employees from Vietnam, and 347 employees and staff members from Malaysia. The study examined five hypothesis related to various aspects of job satisfaction and job performance. The study not only found a positive relationship between monetary incentive and job satisfaction in terms of salary, but the study also found that healthcare benefits had a significant impact on job satisfaction as well.

On average, employee benefits typically average 40% of the overall compensation package (DeCenzo & Robbins, 2010; Tessema et al., 2013). According to the U.S. Chamber of Commerce (2008), employee benefits are one the largest challenges in the workforce in terms of recruiting and retaining employees. Consequently, the study's fifth hypothesis examined the relationship between employee benefit packages and job satisfaction. Again, the results of the study found a positive relationship between monetary reward (salary and benefit package) and job satisfaction with ( $\rho=0.008$ ).

Monetary incentives also are significant on a practical level when exploring this topic. Not only do attractive and competitive salary and benefit packages contribute to staff and

employees' feeling valued in the work environment, competitive and attractive salary and benefit packages can also allow staff and employees a certain level of financial comfort in their personal lives, that can also indirectly contribute to his or her satisfaction with their job and ones' overall happiness in their position (Islam & Islami, 2008). In short, research suggests that when people are happier with their personal finances and are not as financially constrained, by default, they tend to be happier and more satisfied in other aspects of their lives (DeCenzo et al., 2010). This includes a higher likelihood of them feeling increased levels of job satisfaction and happiness with their work compared to individuals who are under heavy financial constraints or who do not feel as though they are being adequately and fairly compensated for their work.

### **Monetary Incentives and Job Performance**

Similar to what has been found related to monetary incentives and job satisfaction, studies indicate a strong relationship between monetary incentives and job performance. Especially, in the short-term (DeCenzo et al., 2010). Monetary incentives that have been found to share a positive causal relationship with job performance are not only related to salary and health benefit packages (Balliet, Mulder, & Van Lange, 2011). Performance-based incentives also encompass various types of fringe benefits such as promotion in the workforce, job security, and power and authority in the work environment. According to Islam et al. (2008), there are four core factors that should be included when thinking about monetary incentives and job performance 1) access to promotion; 2) high salary; 3) job security; and 4) comfortable working conditions.

In a quantitative study conducted surveying 292 employees to investigate how various types of incentives impact motivational levels among employees in the telecommunication field, it was found that monetary rewards have a larger impact on motivation and job performance than

non-monetary incentives. Of the 292 participants, 69% indicated that monetary incentives motivated them more to perform at higher levels than non-monetary incentives. However, it was also found that monetary-incentives alone were fleeting and temporary and that employees typically lost their motivation after working at or around the same pay rate for over one year. That said, the results also indicated that neither monetary nor non-monetary incentives alone are consistently successful in improving and maintaining high levels of job performance.

### **Summary**

Although literature exist on the various types of motivation and incentives that exist and their relationship to job satisfaction and job performance, there appears to be a lack of research from the rehabilitation field to investigate this topic. However, the literature that does exist related to other professions and how individuals are motivated in the workforce overall, suggests that both non-monetary and monetary incentives are highly effective at improving job satisfaction and job performance among employees. Research also suggests that neither monetary nor non-monetary incentives are as effective alone as they are when used in conjunction with one another. That is, work environments that are challenging yet provide adequate support, access, feedback, and recognition along with competitive and fair salary packages with opportunities for growth and promotion, are more likely to have a larger number of employees and staff who are satisfied with their jobs and perform better compared to work environment that do not offer both non-monetary and monetary incentives. Consequently, professionals in the rehabilitation field should make it a priority to not only provide both types of incentives to employees, but to also increase the presence for research on this topic within the field in order to remain current on the growing and ever changing landscape of the workforce, workforce theory, and motivation theory.

## CHAPTER 3

### DISCUSSION AND IMPLICATIONS

The positive effects of both monetary and non-monetary incentives in relationship to job satisfaction and job performance have been empirically documented and proven. When approaching this topic, it has been important to investigate not only the various types of incentives that exist and how effective they are, but it has also been important to examine job performance and job satisfaction in the home health field from a psychological perspective in terms of motivation. Getting at the heart of what drives people and how individuals are motivated is essential in increasing job satisfaction, job performance, and addressing concerns related to retention. Various forms of non-monetary incentives such as recognition, praise, and positive feedback have been found to be highly effective in contribution to employees' and staffs' satisfaction and overall feelings of happiness with their jobs (Carette et al., 2013). Similar forms of non-monetary incentives have been found to be successful in improving job performance as well.

Studies have been conducted to investigate how intrinsic and extrinsic motivation shape individuals' experiences and to help better understand why various incentives have been proven to be more successful than others. Looking at this topic through a more psychological and personality theory based lens helps to better conceptualize personality development and how people are motivated. According to Maslow, people inherently want to meet goals and reach their higher potential. Using Abraham Maslow's hierarchy of needs, we can better understand that once a person meets one need they are then motivated to meet and address the subsequent need. Using this framework, we understand that each person is inherently driven to perform his or her job well, and if they are given goals, they will want to be successful in reaching and



achieving those goals. Employers can use this psychological understanding of intrinsic motivation to help inform and learn how extrinsic motivation can be used in the work environment in order to encourage increased job performance and job satisfaction.

Furthermore, individuals want to feel as though their employer trusts and believes in their ability (Aktar et al., 2012; Raziq et al., 2015; Zafar et al., 2015). Consequently, extrinsic motivating incentives such as autonomy help to address this need and recognition help to reinforce the behavior by contributing to the employees' feelings intrinsic motivation (Aktar et al., 2012). Feelings of worth are also translated through monetary incentive such as salary, benefit packages, and access to promotion (Erbasi & Arat, 2012). That said, research also suggests that employees and staff who are satisfied and happy with their work are more likely to perform better compared to employees and staff members who are unsatisfied.

### **Discussion of the Literature**

Reflecting on the high numbers of turnovers in the home health field, it appears almost critical that employers begin to assess current strategies that are in place in effort to not only address issues directly related to the topic of this research paper, but to also to improve client satisfaction and the quality of care. Research indicates that DCWs are generally not satisfied working in the home health field (Kim, 2013). Feelings of dissatisfaction are more extreme and prevalent in rural areas, which consequently are also the areas that experience higher numbers of turnovers and receive a lower number of resources for their employees and consequently for their clients as well (Jones et al., 2007).

Ironically, professionals within the rehabilitation field have not widely researched this topic as much as other fields that have DCWs who work in home health facilities such as nursing and social work. Furthermore, much of the literature that was surveyed in this research paper that

was related to job satisfaction and job performance was found in unrelated fields such as business and technology. It is interesting and somewhat troublesome that rehabilitation does not have a stronger research presence on this topic. However, it is perhaps not surprising that there is not a stronger research presence on the topic of job satisfaction for DCWs in the home health field, as the high retention numbers coincide with the lack of research.

The research that does exist on the topic reflects that there is a reciprocal relationship between job satisfaction, job performance, engagement, retention, motivation, and incentives. Individuals are inherently driven to do well. This intrinsic motivation is amplified when they are provided with extrinsic motivating incentives. For example, non-monetary incentives such as recognition are typically specific, timely, and consistent. Intrinsic motivation is also increased when individuals feel they are trusted with autonomy and that others believe in their ability to succeed. Monetary incentives work with non-monetary incentives, as they send a very direct message to the employees in terms of how much the company or organization values their services and believes in their ability to be successful in their position with the company. Monetary incentives include, but are not limited to salary, opportunity for promotion, and job security.

Although it has been empirically proven that both non-monetary and monetary forms of incentives are extremely effective in increasing job satisfaction and job performance, it has also been found that monetary incentives have a temporary effect on both job satisfaction and job performance and that the two forms of incentives are more effective when they are used simultaneously. Home health companies taking a more aggressive and proactive stand to improve the working environment for their employees would not only improve their employees work experience, but could also save companies thousands of dollars in cost. Furthermore, and

most importantly, if home health employers and business begin to invest in more monetary and non-monetary incentives for their employees, they could also increase the quality of care offered to their clients.

### **Implications to the Profession**

There are several implications this topic has on the profession. As discussed throughout this paper, issues related job satisfaction, job performance, and retention should be a central concern to those who work in the home health industry and the rehabilitation profession as a whole. It appears that the profession is already experiencing many of the consequences associated with poor work environments in which DCWs are not satisfied and are leaving or underperforming. As discussed previously, the home health field has experienced consequences such as revenue loss, overworked and burnt out employees, and lack of consistency due to high turnover rates. If home health employers increase monetary and non-monetary incentives for their employees, they could potentially see improved revenue due to decreased turnover numbers, increased numbers of clients and business, increased quality of care. Employers might also be able to save time and effort in a portion of their supervisory efforts, as one of the more significant non-monetary incentives involves creating a work environment that provides professional development, additional training, and autonomy. By making initial investments to ensure DCWs are appropriately and adequately trained, employers not only increase the quality of service offered but they also can increase the amount of autonomy within employees and trust that employees can manage themselves.

According to Rothmann and Coetzer (2002), “job satisfaction among employees serves as a measuring yardstick of organizational effectiveness, as it is being influenced by organizational and personal factors” (p. 30). Poor work environments reflect poorly on the business, which can

result in a loss in a business and ultimately lead to a loss in revenue or even business closure. Clients also suffer when employees are not satisfied with their job, which is the complete converse affect that we aim to provide clients in home health facilities.

### **Moving Forward**

One limitation of this research paper, is that it did not explore financial constraints home health business and organizations might be under which restrict their ability to compensate DCWs, as that was not the purpose of this research paper. However, employers of home health companies can implement strategies to include or increase the presence of non-monetary incentives in the work environment. Tessema et al. (2013) said, “If recognition is to provide the desired results, organizations need to commit the required attention and time. Managers need to create goals and action plans that recognize the behaviors and accomplishments that warrant rewards within the organization” (p. 14). They went onto say, “Managers should establish criteria for identifying employees who are eligible for recognition, then recognize anyone who meets the criteria by being consistently fair. Recognition programs have to be tied to achievement and business related activities” (p.4). To address challenges with retention and to improve the quality of service DCWs provide to clients in home health facilities, employers should, at the very least, make non-monetary incentives a priority.

Moving forward, there should be an increase in research on this topic by members in the rehabilitation field specifically. Based on this research paper, there appears to be a need to further explore the relationship between job satisfaction and client satisfaction in the home health field. This study could be related specifically to DCWs who work primarily in the rehabilitation field or a combination of workers from various professions. Other areas of research include exploring further the role of trust and job performance and a quantitative study/cost analysis

investigating the cost benefits in implementing a non-monetary incentive program at a current home health business and possibly increasing pay by one to two percent. These suggestions are based on the areas that would be extremely informative to both the home health field and the rehabilitation profession overall. These are also areas that appear to have the least amount of research as related to this topic.

### **Summary**

Although issues with retention and services in the home health field are concerning, the rehabilitation profession has not yet conducted much research to address many of the challenges and to create more nuanced strategies for creating healthy, supportive and encouraging working environments. With that said, studies show that individuals seek to do well and wish to accomplish goals that are set before them. This suggests that with proper monetary and non-monetary employee investments, challenges related to job performance, job satisfaction, and retention issues can be addressed in the home health field. The literature reflects a strong message that although people are in part driven by monetary compensation, they are also largely driven by other factors such as trust, autonomy, acknowledgement, positive feedback, support, and security. The literature makes a strong suggestion that employees do want to be challenged and thrive in environments in which they feel their employer believes that they can meet and even exceed what is expected of them. It appears that, in order to begin to improve issues related to retention, job satisfaction, and job performance home health companies do not have to break their bank accounts in an attempt to provide enormous pay increases. It appears the best start would be for employers to start making investments from the heart.

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Research Paper Title:

The Effects of feedback, praise, and monetary incentives on staff performance and job satisfaction in home health facilities

Major Professor: Dr. William Crimmando