Nexus Between Financial Motivation and Employees' Performance Mediated by Employee Related Factors in an Organization

Rev. Dr. Pius K. Bett

School of Business and Economics, Kenya Highland University, Kericho, Kenya,

DOI: https://dx.doi.org/10.47772/IJRISS.2025.906000149

Received: 31 May 2025; Accepted: 04 June 2025; Published: 04 July 2025

ABSTRACT

Human resource management is crucial in any organization success. Kenya Highland University have had a share of challenges affecting its growth. Poor performance in the Kenya Highland University with high staff turnover. The study aims to determine the effect of financial motivation and employee related factors on employee performance of Kenya Highlands University, Kericho, Kenya. The study was anchored on hygiene theory. Positivist research philosophy was adopted in the study. This examination applied a descriptive study approach. A target of 80 university staffs was used. Structured questionnaires were used for data collection. The collected data were keyed in and analyzed with help of SMART-PLS Version 4.0. Both inferential and descriptive statistics was used in the research. The descriptive statistics utilized mean and standard deviation while inferential statistics was adopted for testing hypothesis. Partial Least Squares Structure Equation Modelling (PLS SEM) were used in inferential statistics. This assisted in testing the moderating effect of personal employee factors on the relationship between financial motivation with employee performance. The results indicated that there was no direct significant relationship between relationship financial and employee performance. However, financial motivation had an indirect significant relationship with employee performance through employee personal factors. The study concluded that there was a full mediating effect of employee personal factors on the relationship between financial motivation with employee performance. The study recommend that the organization should reduce the disparity between fulltime and part-time lectures in financial. It should also consider personal factors of the employee based on job commitment and related factors in selecting appropriate employees. Those employees that are proactive, committed and intrinsically motivated will be suitable for financial motive which will results to improve of employee performance.

Keywords: Financial motivation, employee personal factors, employee performance, hygiene theory, descriptive study approach, PLS SEM, Kericho, Kenya.

INTRODUCTION

Background of the Study

In the 21st century, people are considered the most valuable asset within organizations. Human Resource Management (HRM) plays a critical role in organizational success, as highlighted by Chris (2012). In particular, education remains one of the most significant responsibilities of national governments, with higher education institutions (HEIs) employing large and diverse workforces. Consequently, developed nations such as Saudi Arabia have made substantial investments in the growth and modernization of their higher education systems.

Despite these investments, academic administrators continue to face challenges in motivating faculty members (Weightman, 2008). According to Hsieh (2007), managers who lack an understanding of motivation dynamics can negatively affect the morale of academic staff, potentially diminishing their productivity. In contrast, effective motivation can positively influence teaching performance and institutional outcomes (Weightman, 2008). Understanding the mechanisms of faculty motivation is therefore essential for improving institutional effectiveness.

Finley and Karunakar (2015) note that due to changing global market conditions and economic slowdowns, many organizations have been compelled to revise their operational strategies. These strategies aim to balance cost efficiency with sustainable productivity and strategic growth. While Painter-Young (2015) acknowledges that cutting operational costs can support these goals, such measures—especially those targeting human capital—may jeopardize product quality, organizational reputation, safety standards, and long-term viability.

Since labor is often one of the highest operational costs, organizations frequently focus on workforce reductions during economic downturns to manage budgets (Lane, 2011). Institutions have implemented cost-cutting strategies to preserve competitiveness and remain operational (McNaughton et al., 2015). However, such approaches can demotivate staff, disrupt morale, and lead to the loss of key talent. Job insecurity, as highlighted by Lucky et al. (2015), has a direct impact on team cohesion and performance.

In some cases, organizations resort to increasing workloads while offering lower compensation to retain minimal staff and maintain output (Hibberd, 2014). This environment often erodes morale and motivation, leading to reduced productivity. In the face of global competition and uncertain economic conditions, it is increasingly necessary for organizations to focus on employee motivation and performance as a path to achieving strategic objectives.

Motivation is a key driver in unlocking individual potential and enhancing job performance (Ganta, 2014). It acts as a stimulus that energizes employees to commit their full capabilities toward organizational goals. Chaudhary and Sharma (2012) argue that motivated employees are more engaged and efficient, which translates into better organizational outcomes. Conversely, Ganta (2014) observes that one of the most difficult challenges for organizations is effectively empowering employees to perform.

Motivational strategies can be both monetary and non-monetary, including rewards, recognition, personal growth, and a sense of accomplishment (Asim, 2013). Obi-Aneke et al. (2014) emphasize that both short- and long-term organizational goals can be realized through well-structured motivational techniques. In today’s highly competitive environment, businesses across all sectors strive to inspire their employees, recognizing the critical role of human capital in sustaining competitive advantage (Dobre, 2013).

Establishing strong relationships between leadership and staff is crucial for enhancing performance and driving organizational success (Albeiti, 2015). Yet, few organizations genuinely treat human capital as a core strategic asset (Bartol & Martin, 1998). Dissatisfied and unmotivated employees are less likely to meet their responsibilities, potentially undermining the organization’s overall performance and strategic objectives.

According to Shanks (2012), while resources such as technology and finance are important, they are ineffective without a motivated workforce. Even highly skilled employees may underperform if they lack the motivation to apply their abilities. Employees who are not engaged may waste time on non-work-related activities such as extended breaks or idle internet use (Shanks, 2012), which ultimately hampers efficiency and goal attainment (Asim, 2013).

Motivation is central to the managerial function. It is the responsibility of leaders to harness and direct employee effort toward organizational goals, yet this is often easier said than done (Dinler, 2008). Shahzadi et al. (2014) argue that despite the vast literature on motivation, the concept is still poorly understood and inadequately applied. Uzona (2013) attributes this to the complexity of human nature, emphasizing that effective motivation requires a deep understanding and respect for both the simple and complex aspects of individual behavior.

Organizations adopt various motivational techniques such as communication, training, team building, rewards and recognition, job enrichment, and participatory programs to enhance employee engagement (Yang, 2008). According to Re'em (2011), the term "motivation" stems from the Latin word *motus*, implying movement, drive, and stimulation. Bartol and Martin (1998) describe motivation as a powerful tool that reinforces behavior and ensures continuity in performance.

Shanks (2012) further explains that motivation comprises three key elements: stimulation (the energy to act), behavior (the direction of action), and persistence (the duration of effort). Dobre (2013) stresses that individuals are motivated by different factors, making it crucial for managers to identify and align these drivers with organizational goals.

Motivation can be classified into intrinsic and extrinsic types. Intrinsic motivation arises from within an individual and is often linked to personal satisfaction and fulfillment (Re'em, 2011; Burton, 2012). It is considered the most sustainable form of motivation, fostering long-term engagement and the development of cognitive, social, and physical competencies (Ryan & Deci, 2000). Extrinsic motivation, by contrast, is driven by external rewards or fear of consequences, such as monetary compensation or managerial pressure (Ryan & Deci, 2000; Burton, 2012).

Recognizing the importance of motivation in driving employee performance, it becomes essential to understand how individual performance is shaped. Employees contribute to a wide range of organizational functions, including production, marketing, finance, human resources, and administration (Dinler, 2008). Their performance, reflected in output quality, quantity, adaptability, and punctuality, directly influences organizational success (Yazici, 2008).

According to Yang (2008), effective performance appraisal and reward systems can significantly enhance individual productivity. Similarly, Re'em (2011) found that recognition and fair rewards for individual contributions improve overall performance. Yazici (2008) also established a strong link between performance management systems and employee morale.

While many organizations focus on customer satisfaction, they often overlook the importance of employee satisfaction. Ahmad, Wasay, and Malik (2012) argue that satisfied employees are more likely to satisfy customers. Motivation, therefore, has a direct impact on employee performance, productivity, and ultimately, the achievement of organizational goals (Azar & Shafighi, 2013).

Rationale of the Study

Kenya Highlands University is an institution of higher learning plagued with all kinds of challenges which has stalled growth over the years. The researcher thus conducted the investigation to assess the outcome of inspiration on the performance on staff at the institution. The study was triggered by poor performance in every area and high staff turnover accompanied by high transfer of bright students to other universities. Government allocates about seven hundred first year students to KHU each year but only about one hundred will report and the rest transfer to other universities. There are less than ten full time lecturers in the institution. The institution is lectured by mostly part time lecturers who work as they look for green pasture. It has been difficult for the institution to attract are retain quality lecturers. Very few lecturers have PhD as over eighty presents are hold master's degrees and struggle to finish PhD in areas of specialization due to poor salaries. Sad reality is that upon acquiring PhD they transfer to other institution.

Empirical research done in motivation have concentrated in companies that have structured business model which is different from higher learning institution (Ahmad, Wasay & Malik, 2012; Uzona, 2013). Even though the learning institution share some small similarly in functional units the institution partly dependent on government and school fee to run. There is also an existence in conceptual gaps raised where empirical evidence has either been done on non-financial motivation (Burton 2012; Ryan & Deci, 2000; Re'em, 2011) while other have concentrated on financial motivation (Locke, 2008; Robert & Shen, 1998; Armstrong, 2007; Wallace & Zeffane 2011). The current study therefore, examined financial motivation in relation to performance of KHU. Moreover, it examines it there is mediating effect of employee related factors which have not been examined by other researchers on the relationship between both financial motivations on employee performance.

Problem Statement

This study aimed to determine the effect of financial motivation and employee related factors on employee performance of Kenya Highlands University, Kericho, Kenya.

THEORETICAL BACKGROUND

Review of Related Literature

Seng & Arumugam (2017) financial rewards or pay and motivation remain crucial in enhancing employee job performance. The study identified financial reward and job motivation factors as important competencies on job employee performance. Financial incentives were among financial motivation according to Barongo (2013). Hence financial motivation was examined in terms of pay, incentive and benefits.

Pay and employee performance

As per Wallace & Zeffane (2011), administration uses financial incentives as the major drive since, in accordance to needs from Maslow's hierarchy, revenue is the only incentive that may meet a range of needs, entailing the physiological requirements for nutrition. In accordance to McClelland's acquired needs notion, cash is a crucial means of feedback performance for achievers of greater–need. Schneider (2001) defines financial motivation as an employee's income (piece rate, wages, salary), incentives (profits, bonuses, commissions), and additional reimbursements (vacation pay, sick pay, and retirement benefits, to remark a few). Financial incentives involve pay, bonuses, and worker benefits.

According to research, consistent income is essential for the vast mainstream of the operatives is to realize basic safety and physiological demands, therefore operatives of lower-level are trapped (Wallace & Zeffane, 2011). Money also functions as a staff scorecard, helping them to determine the value placed on their services by the company. As an outcome, being a treasured asset to the company fosters individual motives, concluding in fund having a beneficial effect on inspiration (Langton & Robbins, 2007).

According to Armstrong (2007), awards may be used as both a target for workforces to strive towards and a form for producing meaningful consequences. It's also a representation of the receiver's worth to the establishment, and since it's tied to good feed-back, it may act as an overall individual to reinforce (Langton & Robbins, 2007). Many establishments struggle to comprehend the association between incentive and rewards; nevertheless, the writers claim that these criteria shall be fulfilled for rewards to inspire oneself, namely, the form of incentive must be vital to personnel and ought to be directly observed as a recompense for performance; if the award is in cash, the sum marginal must be regarded as fundamental by the personnel; thus, for cash to inspire, the dissimilarity in marginal in pay rises between employees shall be regarded as important by the staff; thus, for financial to inspire, the marginal difference in pay (Wallace & Zeffane, 2011).

Pay, according to Mathis and Jackson (1988), is the fundamental remuneration that employees get, which is generally in the form of a salary or wage. Income, which comprises wages and salary, encourages staff to enhance their output parallel with projected cost, according to Moorhead and Griffin (1989). Salary is a method of compensating employees for the period they spend working and is constant throughout time. Wages, on the other end, are amounts pay based on the time period spent. Whereas piece rate compensation is when an employee's salary is related to productivity and they are paid for each unit of production, it is not always the case. Commissions, for example, are calculated as a percentage of sales. However, productivity-based remuneration should be created with prudence in order to incentivize both quality and quantity. Paying a radio packer only on the quantity basis, for example, may encourage him or her to pack radios recklessly, resulting in a loss of quality. Several studies have tried to found a link between compensation and performance of employee. Nankinga (2006), for example, found that in Kakungulu memorial secondary school, pay does not always motivate lecturers to perform better, especially if it is not perceived to be commensurate with the effort put in and is not paid on time. Justification for this researcher's decision to investigate if compensation is connected to employee performance at Kenya Highlands University Rift Valley.

Incentives and employee performance

According to Applebaum and Shappiro (1991), incentives are a type of motivation that is used to motivate and reward employees for going above and beyond regular performance expectations. Incentives can take the shape of commissions, bonuses, or profit-sharing, among other things. According to Mathis and Jackson (1988), incentives improve employee performance because employees boost output in exchange for expected rewards for additional force put in a workforce. In his investigation of incents and performance of lecturers at Nkumba University, Nyuakiiza (2005) found that rewards such as bonuses, profit sharing, and commissions among other things, additionally to month income, were among the elements that made lecturers awaiting incentives in extra to income hard worked. As a result, this researcher feels compelled to do more investigation on the outcome of incentives on performance of staff in the perspective of Kenya Highlands University Rift Valley.

According to Fisher et al. (1993), commission is a sort of incentive given to employees based on their individual performance. It is calculated as a percentage of overall trades and can be included to primary pay. Commissions commonly are employed in sales positions because they allow salespeople to get a proportion of their gross revenues, such as a percentage of all sales. Employee performance is induced by commission programs, and individual are urged to operate effectively if commissions are awarded based on productivity or the number of units developed or supplied. Although, payments on commission may discourage employees from working together as a team, and they may fight for sales and the most profitable sales region. As a result, this researcher feels compelled to do more investigation on the outcome of commissions on teaching lecturer performance in Uganda's private universities. Pei (2007), in his research of the association between directors and lecturer influence in the Sasol polypropylene industry in South Africa, found that commissions motivate people to labor more because they intended greater commission for further effort attained. As a result, this researcher feels compelled to do more investigation on the outcome of commissions on employee performance at Kenya Highlands University Rift Valley.

Bonus systems, according to Moorhead and Griffin (1989), are when a company's management pays its workforce extra money on top of payments existing rooted on the company's performance. Correspondingly, Bernadin (2007) claims that a system of bonus pay improves workforce performance since employees anticipate to be paid more on top of their base income for putting in extra work. various conduct has been performed to determine the correlation between workforce performance and bonuses. For instance, in his research of the influence of administration practices on yields in business of fishing in Eritrian, Kharti (2004) found that incentives earned on top of income motivate employees to increase output in line with projected bonuses. As a result, this researcher feels compelled to do more investigation on the outcome of incentives on employee productivity at Kenya Highlands University Rift Valley.

Employee incentive system in which the director pays present and deferred payments depending on firm profitability additionally to predetermined income or wages, according to Freeman (2001). Employees become more invested in the organization's success as a result of profit sharing, which leads to increased vow and advanced enterprise performance. Lecturer see the organization's success as their own, which fosters cooperation and collaboration for the organization's mutual benefit. Profit sharing and employee performance have been linked in several research. For example, in his investigation on rewards and lecturer performance at Nkumba University, Nyuakiiza (2005) found that sharing profit additionally to income is one of the elements that makes lecturers expect sharing profit in addition to income work harder in the hopes of sharing profits when revenue arrives, but lecturers sharing profits must endure the pain of losses when there is bad business. As a result, this researcher feels compelled to do more exploration on the outcome of profit sharing on employee performance at Kenya Highlands University Rift Valley.

Employee benefits and performance of employees

Benefits are defined by Mathis and Jackson (1988) as "what is offered to an individual or a group of workers as part of organizational membership." Vacation pays, sick fee, retirement pensions and health cover, are just a little examples of employee perks. According to Maicibi (2005), if employee benefits are tailored to individual requirements and interests, employee performance improves, despite the fact that employee benefits contribute to the organization's operating expenditures. Various investigations have been performed in the historical to see if there is a link between workforce benefits and staff performance. For instance, in his research of performance and compensation of employees in the United Kingdom food business, Hume (1993) discovered that, among other things, employee perks influence employee performance. As an output, this investigator feels constrained to do further exploration on the consequences perceived of personnel perks on lecturer performance at Kenya Highlands University Rift Valley.

Emergence of COVID-19 declared by World Health Organization (WHO) on March 11th, 2020 brought in control measures like contact tracing, severe social distancing and economic lockdowns Hale, et al., (2021) that affected their morale of the work force.

Kniffin, et al., (2021) study recognizes the immense effects that COVID-19 may have on employees depending on differences, demographic and authentic institutional rules. Changes in wages and incomes as the coronavirus spread across the globe and work places closed negatively affected the motivation of employees across the world. Millions of workers lost part or all of their incomes. Even when still working, lots of employees had to accept shorter duration of work or even wages cut in different industries like retail, manufacturing, food industry, service, textile and garments sectors. In some situations, wage cut was negotiated agreements between workers and employees. Huge numbers of service workers were being laid off as eateries and stores were downsized and closed. Loss of income for these workers and their families were overwhelming and discouraging Chaganti et al; (2020).

Based on the above premise, the study hypothesizes that:

Hypothesis 1: Financial motivation positively influences employee performance.

Financial motivation, personal factors on employee performance

Financial motivation that is salaries and benefits have been found to have an impact on commitement of employee as well as their efficients (Ayeni, 2015). However, there is no clear relationship between commitment of employee and employee performance. Myint & War (2020) alluded there existed interrelation between employee performance and employee commitment. In there findings financial rewards improved commitment as personal factor and increase performance as compared to non-financial. However, there was no clear inteconnection between financial motivation, employee commitment and employee performance. There is need to examine the mediating role of personal factors on the relationship between financial motivation and employee performance.

Based on the above premises, the study hypothesizes that:

Hypothesis 2: Mediating effect of personal factors positively influence the relationship between financial motivation and employee performance

Theoretical Framework

The researcher chose to focus at KHU lecturer performance as a unique instance of lecturer performance in this study, allowing him to use staff performance theories, which say that there are elements financial that influence a staff's act of performance (Herzberg, 1959). Several conduct, such as Kagubaire's, have looked at the causes of better and lesser organizational performance (2006). Herzberg's (1959) Two-Factor notion, which elaborates how hygiene aspects and drive affect employee performance, was used as the foundation for this examination.

The Hygiene Theory

The two-factor hypothesis, often recognized as the hygiene notion, was proposed by Fredrick Herzberg in 1959, and satisfiers were cited as motivators. Sense of success, bonuses, recognition, the work aforementioned, being provided more promotion, responsibility, and advancement or career improvement are all motivators or job satisfaction. Dissatisfiers are hygienic considerations. While hygiene factors or workplace displeasure primarily imply to working situations, contextual elements of the working environment including administrative culture or organizational policies, method of leadership or association with coworkers, job status, wage or salaries, temperature, lighting, safety and noise levels, are also important. Dissatisfaction at work is caused by the absence of hygienic aspects, especially when they are suddenly withdrawn. Motivation factors, according to Herzberg (1959), are aspects that cause satisfaction of job that staff can only obtain by the means they operate, and they inspire personnel to work harder since they may be seen as an immediate link between their outcome and efforts that they believe is worthwhile, dissimilar to hygiene factors, that are present irrespective of how anyone works hard. The inspection claims that performance of personnel in chosen valley railway stations in Uganda may be impacted by inspiration, based on this notion. He acknowledged that employment experience and environmental conditions were motivators and dissatisfier, respectively. These are subdivided in a tabular form below.

Table 1. Motivation satisfiers and dis-satisfiers

Motivators (satisfiers)	Maintenance factor (dissatisfier)
Challenging work	Status
Achievement	Interpersonal relations
Growth of the job	Quality supervision
Responsibility	Company policy
Advancement	Working condition
Recognition	Salary

Source: Fredrick Herzberg (1959). The Motivation to Work.

Personnel are not inspired by dissatisfier elements, yet they ought to be current in the enterprise to evade displeasure. Content of Job considerations are true instigators because they found an attainment sense.

METHODOLOGY

The exploration used positivist research philosophy. The research philosophy was appropriate since assumption that the subject is not affect by the research or researcher opinion. This study applied a descriptive study approach. The study was conducted at Kenya Highland University (KHU) located at Kericho County Rift Valley Kenya. It is a private chattered university, offering various courses from five different schools that is business, theology, education, library sciences and computer science. All employees from various departments within the business were included in the research population. A census of all the 80 employees comprising of 52 Part-Time lecturers, 20 Full-Time lecturers, and 8 HOD's and management working at Kenya Highlands University was used in the study.

Data was obtained through a structured questionnaire. A structured questionnaire, especially a self-administered structured questionnaire, was utilized to collect data. The data collecting tool (structured questionnaire) was tested with 10 participants in Great Rift University who were not included in the sample. The results showed that the questionnaires were reliable based on Cronbach Alpha above 0.7. The results indicated that the questionnaire was reliable. Face, content and criterion validity of the questionnaire was achieved through examination by supervisor and experts.

Since the instrument had achieved both reliability and validity necessary transmittal letter given to the university to seek permission. Permission letter was obtained from Kenya Highland University for data collection. The data was collected and filled by respective part-time and full-time lectures while the HOD were able to rate employee performance. Once the data was collected the data was cleaned coded and entered into SPSS version 26 while a copy file was exported to SMART PLS version 4.0. Structure Equation Modelling using Partial Least Squares (SEM-PLS) was adopted to assess direct association between financial motivation on employee related factors which covered the first hypothesis. The second hypothesis tested the mediation impact of employee-related factors on the connection between financial motivation and performance was also modelled using SEM-PLS.

RESULTS AND DISCUSSIONS

Level of Financial Motivation

Level of financial motivation in KHU was examined using descriptive statistics that were based a five point Likert Scale where 1 is strongly agree and 5 is strongly agree. The summary of mean and standard deviation was obtained on the level of agreeability of adoption and utilization of different financial motivations in table 2.

Table 2: Financial Motivation Sub-Categorize Statistics

Financial Motivation	Sub-Categorize	N	Minimum	Maximum	Mean	Std. Deviation
Pay	Financial Reward	74	1.75	4.00	2.6182	.60566
	Salary	74	1.00	4.67	3.0180	.72547
	Wages	74	1.00	5.00	2.5912	.80087
	Average	74	1.73	4.55	2.7174	.59766
Incentive	Commission	74	1.00	3.67	2.5586	.56565
	Bonus	74	2.00	4.25	2.4358	.59545
	Profitability Sharing	74	1.00	4.25	2.3007	.64768
	Average	74	1.79	3.50	2.4575	.43471
Benefits	Sick Pay	74	1.00	5.00	2.5236	.72760
	Vacation Benefit	74	1.00	5.00	2.4122	.74189
	Retirement Benefits	74	1.00	5.00	3.0912	.71622
	Average	74	1.25	4.00	2.7095	.56855

The financial motivation variables that is pay, incentive and benefits were further subdivided. In the pay sub-variable salary was the highest but weak positive financial motivator (mean=3.0180). Financial rewards and wages are the lowest level of pay in financial motivation (mean=2.6182 and 2.5912 respectively). The variation registered are high with financial reward as the lowest from salary and wages. This indicates that salary and wages vary based on some underlying issues. Therefore, the revealed that pay is the mostly adopted financial motivation but had negative motivation among the lecturers based on the level of payment the lecturers receive in the university (Mean=2.7174). However, the pay method has higher variation than other

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume IX Issue VI June 2025

financial motivation which will be examined later whether the difference is based on department or designation (Standard deviation=0.59766).

Incentive registered negative level of motivation where profitability share is the rarely adopted across all financial motivation (mean=2.3007). Bonus and commission are considered more as compared with profit sharing (mean =2.4358 and 2.5586 respectively). The variation register among the incentive are low than pay and benefit since it does not vary across the lecturers. Benefits is the second adopted method in financial motivation but with negative motivation based on it level of motivation in the institution (Mean =2.7095). It is also the second highest varying after pay (standard deviation =0.56855).

Finally, retirement benefit was adopted as it had positive level among the benefit (mean =3.0912). It was also found that sick pay and leaves had the lowest negative level of contribution among the benefits (Mean=2.5236 and 2.4122 respectively). The variation across this group is moderately high which indicates some level of difference among different lecturers. The last but adopted method of financial motivation is incentive which has the highest level of demotivation in to the lecturers (mean = 2.4575). It variation was also low indicating that it is highly homogenous across the lecturers (Standard deviation = 0.43471).

Level of Employee Personal Factors

Personal factors of the employees were also examined and the summarized in table 3. The results utilized mean and standard deviation derived from a five point Likert scale.

Table 3: Employee Personal Factors Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Job Commitment	74	1.29	4.14	2.7664	.74158
Effort put in to Accomplish Tasks	74	1.00	5.00	3.5135	.84793
Understanding Work Process	74	1.00	5.00	3.2162	.76338
Customer Care	74	1.00	5.00	3.2162	.89550

The findings showed that effort put in to accomplishing task was the highest level of personal factors (mean = 3.5135). However, there is high variation among lecturers (standard deviation = 0.84793). The results further show that understanding work process and customer care had the same level of personal factor (mean = 3.2612). Nevertheless, customer care varies more that understanding work process across the lecturers (standard = 0.89550 and 0.76338 respectively). Job commitment was the lowest with negative level in personal factors of an employee (mean = 2.7664). It was had also the lowest variation among the lecturers (standard deviation = 0.74158).

Table 4: Job Commitment Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Affective Job Commitment	74	1.00	5.00	2.7072	.91321
Continuous Job Commitment	74	1.00	4.00	2.8851	.84216
Normative Job Commitment	74	1.00	5.00	2.7365	.80334

Continuous job commitment has been found to have the highest but negative level of impact among the job commitment variables (mean=2.8851). This is followed by normative job commitment and affective job commitment respectively (mean=2.7365 and 2.7072 respectively). The variation registered obtain in job commitment are high which indicate variation across the lecturers.

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume IX Issue VI June 2025

Level of Employee Performance

Level of employee performance was also examined and presented using descriptive statistics. The results were summarized in table 5 using mean and standard deviation based on five-point Likert scale.

Table 5: Employee Performance Sub-Variables Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Task Accomplishment	74	1.00	5.00	2.8649	1.02469
Meeting Deadlines	74	1.00	5.00	3.0405	.89808
Completion of Course Work	74	1.00	5.00	3.0811	.93276
Punctuality	74	1.00	5.00	3.0811	.96169
Employee Performance	74	1.00	5.00	3.0473	.78829

Performance was further examined based on task accomplishment, meeting deadlines, completion of course work as well as punctuality. According to the results punctuality and completion of course work is the highest but slightly positive level of employee performance (Mean=3.0811). This is followed meeting deadlines are somehow achieved (mean=3.0405). Task accomplishment had the lowest negative level of employee performance (mean=2.8649). The variation is slightly high across the lecture especial task accomplishment. Hence, the revealed that there was low but positive employee performance in the institution (mean = 3.0473). The results further vailed moderately high standard deviation which implies that there was variation in level of employee performance across the lecturers.

Test of Hypotheses

The study intended to test the following hypotheses;

Hypothesis 1: *Financial motivation positively influences employee performance.*

The first hypothesis which examined if there is significant relationship between financial motivation and employee performance. To address this hypothesis individual aspect of financial motivation through benefit, incentives and pay were analyzed in relation with employee performance.

Table 6: Financial Motivation and Employee Performance

Details	Original sample (O)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values	Decision on H_o
Pay -> Financial Motivation -> Employee Performance	-0.000	0.062	0.004	0.997	Reject
Benefit -> Financial Motivation -> Employee Performance	-0.000	0.070	0.004	0.997	Reject
Incentives -> Financial Motivation -> Employee Performance	-0.000	0.052	0.004	0.997	Reject
Financial Motivation -> Employee Performance	0.001	0.157	0.004	0.997	Reject

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume IX Issue VI June 2025

The results in table 5 indicated that pay, benefit and incentive had no significant influence on employee performance individually (t=0.004, t=0.004, t=0.004 respectively, P>0.05). However, financial motivation had no significant relationship on employee performance (t=0.004, P>0.05). This indicated that the null hypothesis was rejected and alternative adopted.

Hypothesis 2: Mediating effect of personal factors positively influence the relationship between financial motivation and employee performance

The mediating effect of personal factors was examined on the relationship between financial motivation and employee performance. The analysis done in relationship to individual aspect of financial performance as well as collective aspect in comparison with direct effect of financial performance. This assisted in ascertaining whether it is no-mediation, partial mediation or full mediation. The summary results were presented in table 7.

Table 7: Mediating Effect of Personal Factors on Financial Motivation and Employee Performance

Details	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
Pay -Financial Motivation -> Personal Factors -> Employee Performance	0.125	0.124	0.043	2.918	0.004
Incentives -> Financial Motivation -> Personal Factors -> Employee Performance	0.104	0.109	0.049	2.116	0.034
Benefit -> Financial Motivation -> Personal Factors -> Employee Performance	0.135	0.140	0.047	2.855	0.004
Financial Motivation -> Personal Factors -> Employee Performance	0.309	0.324	0.110	2.812	0.005
Financial Motivation -> Employee Performance	0.001	0.009	0.157	0.004	0.997

Table 6 results for individual path analysis from pay, incentives and benefit in financial motivation through personal factors to employee performance were positive and significant (P<0.05). Personal factor mediates relationship between pay, incentive and benefit with employee performance. This implies that whether pay, incentives or benefit are utilized by the organization it has positive influence on personal factor which eventually leads to employee performance. Personal factors were also found to positively mediate the relationship between financial motivation and employee performance (t=2.812, P<0.05).

Personal factors had full positive mediating effect in the relationship between financial motivation and employee performance, since there exists no direct relationship between financial motivation and employee performance. This implies that financial motivation that not directly affect employee performance but must first affect personal factors which would eventually lead to improvement of employee performance.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The study concludes that financial motivation have no direct relationship with employee performance. However, personal factor fully mediated the relationship between financial motivation and employee performance

Recommendations

The study recommends that organization should consider both financial motivation in respect to personal factor through enhancing job commitment that is effective, continuance and normative as well as improving the effort put in accomplishing the work, understanding work process and customer care. Through improving these personal factors, the organization will be able to enhance performance of employees.

ACKNOWLEDGEMENT

I give thanks to my advisor Dr. Ana Liza, R. Tan for continuous assistance through my research. I also acknowledge the members of the panel committee for continuous assistances through development of the study. Finally, I acknowledge my family continuous support in the research.

REFERENCES

1. Ahmad, M. B., Wasay, E., & Malik, S. U. (2012). Impact of Employee Motivation on Customer Satisfaction: Study of Airline Industry in Pakistan. Interdisciplinary Journal of Contemporary Research in Business, 4(6), 531-539.
2. Albeiti, M. (2015). The Role of Motivation on Employees' Performance: The Case of Victoria Commercial Bank of Kenya. Unpublished MBA, Thesis. United States
3. Armstrong, M. (2007). Organization and People Employee Reward. Broadway, SW: CIPD
4. Armstrong, M. (2010). A Handbook of Performance Management. (4th Ed.). New Delhi, IN: Kogan Page Limited.
5. Asim, M. (2013). Impact of Motivation on Employee Performance with the Effect of Training: Specific to Education Sector of Pakistan. International Journal of Scientific and Research Publications, 3(9), 1-9.
6. Ayeni, G. (2015). Impact of Financial Reward on Employees' Commitment in College of Education, Ikere-Ekiti, Ekiti State, Nigeria. The Asian Conference on Business & Public Policy 2015 (pp. 1-14). Nigeria: The International Academic Forum.
7. Azar, M. B., & Shafighi, A. (2013). The Effect of Work Motivation on Employees' Job Performance. International Journal of Academic Research in Business and Social Sciences, 3(9), 22-69.
8. Barongo, E. (2013). The Role of Financial Incentives on Employees' Motivation in Financial Institutions in Tanzania: A Case of Bank of Tanzania. University of Tanzania. Tanzania.
9. Bartol, K. M., & Martin, D. C. (1998). Management. New York, NY: McGraw Hill.
10. Burton, K. (2012). A Study of Motivation: How to Get Your Employees Moving. Unpublished MBA, Thesis, SPEA Honors Thesis Spring, IN: Indiana University.
11. Chaganti, S., Higgins, A., & Mattingly, M. J. (2020). Health insurance and essential service workers in New England: Who lacks access to care for COVID-19. Federal Reserve Bank of Boston: Boston, MA, USA.
12. Dinler, M. (2008). Organization development techniques in relation with organization structure. Retrieved from http://sbmyo.uludag.edu.tr/08-sosyalce/mdinler-9.html (Accessed 13/02/2016).
13. Dobre, O. I. (2013). Employee motivation and organizational performance. Review of Applied Socio-Economic Research, 5(1), 53-60.
14. Hale, T., Angrist, N., Goldszmidt, R., Kira, B., Petherisk, A., Philips, T., . . . Tatlow, H. (2021). A global panel database of pandemic policies (Oxford COVID-19 Government Response Tracker). Nat Hum Behave, 5(4), 529-538.
15. Knapp, P. R., & Mujtaba, B. G. (2010). Strategies for the Design and Administration of Assessment Center Technology: A Case Study for the Selection and Development of Employees. International Journal of Trade in Services, 2(2), 163-188.
16. Kniffin, K., Narayanan, J., Anseel, F., Antonakis, J., Ashford, S., Bakker, A., & Vugt, M. (2021). COVID-19 and the workplace: Implications, issues, and insights for future research and action. American Psychologist, 76(1), 63.
17. Langton, N., & Robbins, S. (2007). Organizational Behavior Concepts, Controversies and Application. Toronto, ON: Pearson Prentice Hall.
18. Locke, C. (2008). Revisiting "how many steps are enough? Medical Science Sports Exercise, 537-43.

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume IX Issue VI June 2025

19. Myint, O., & War, D. (2020). The Effect of Rewards System on Employee Performance of KBZ Bank in Yangon. South East Asia Journal of Contemporary Business, Economics and Law, 23(1), 338-350.
20. Noy, C. (2008). Sampling Knowledge: The Hermeneutics of Snowball Sampling in Qualitative Research. International Journal of Social Research Methodology, 11(4), 327-344.
21. Osei, M. (2011). The Effect of Motivation on Employee Performance in Ghana Education Service: A Case Study of Angel Educational Complex. Unpublished MBA, Thesis. Institute of Distance Learning, Kwame Nkrumah University of Science and Technology.
22. Re'em, Y. (2011). Motivating public sector employees: An application-oriented analysis of possibilities and practical tools. Hertie School of Governance Working Papers, 60, 1-17.
23. Robbins, S. P., & Judge, T. A. (2011). Organizational behavior. (14th Ed.). Upper Saddle River, NJ: Prentice Hall.
24. Robbins, S. P., Odendaal, A., & Roodt, G. (2013). Organizational Behavior; Global and South African Perspectives. Cape Town, SA: Maskew Miller Longman.
25. Robert, B. L., & Shen, Z. (1998). Organizational Psychology: Foundations and Applications. Oxford, OX: Oxford University Press.
26. Ryan, R. M., & Deci, E. L. (2000). Intrinsic and Extrinsic Motivations: Classic Definitions and New Directions. Contemporary Educational Psychology, 25, 54-67.
27. Seng, L. & Arumugam, T. (2017). Financial reward and motivation toward employee job performance in the hospitality industry in Klang Valley. Electronic Journal of Business & Management, 2(1), 51-60.
28. Shahzadi, I., Javed, A., Pirzada, S. S., Nasreen, S., & Khanam, F. (2014). Impact of Employee Motivation on Employee Performance. European Journal of Business and Management, 6(23), 159-167.
29. Shanks, N. H. (2012). Management and motivation. As cited in Jones and Barlett, 23-35. Retrieved from http:www.Skill2lead.com/Southwest-airlines-employee (Accessed 13/02/2016).
30. Uzona, U. R. (2013). Impact of Motivation on Employees Performance: A Key Study of Credit West Bank Cyprus. Academy of Management Journal, 15, 2-29.
31. Wallace W. J., & Zeffane, R. M. (2011). Organizational Behavior. A Global Perspective. (2nd Ed.). Perth, WA: John Wiley & Sons Australia ltd.
32. Yang, H. (2008). Efficiency Wages and Subjective Performance Pay. Economic Inquiry, 46(2), 179-196.