

## **HERZBERG'S MOTIVATION-HYGIENE THEORY AND JOB SATISFACTION IN THE MALAYSIAN RETAIL SECTOR: THE MEDIATING EFFECT OF LOVE OF MONEY**

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### **ABSTRACT**

*This paper examines what motivates employees in the retail industry, and examines their level of job satisfaction, using Herzberg's hygiene factors and motivators. In this study, convenience sampling was used to select sales personnel from women's clothing stores in Bandar Sunway shopping mall in the state of Selangor. The results show that hygiene factors were the dominant motivators of sales personnel job satisfaction. Working conditions were the most significant in motivating sales personnel. Recognition was second, followed by company policy and salary. There is a need to delve more deeply into why salespeople place such a high importance on money. Further analysis was performed to assess how much the love of money mediates the relationship between salary and job satisfaction. Based on the general test for mediation, the love of money could explain the relationship between salary and job satisfaction. The main implication of this study is that sales personnel who value money highly are satisfied with their salary and job when they receive a raise.*

**Keywords:** Herzberg's motivation-hygiene; job satisfaction; love of money, mediator, pay satisfaction, retailing, Malaysia

### **INTRODUCTION**

This paper explores the effect of motivational variables on the job satisfaction of salespeople in the Malaysian retail sector. Retail is crucial to the economies of most countries, mainly because of its large scale at all levels; local, national and even international. The retailing sector in Malaysia has undergone continuous and significant change over the last few decades. New facilities ranging from superstores to retail warehouses have widened the retail landscape (Market Research, 2009). Retail has become one of the most dynamic sectors of the Malaysian economy because it is not only employs 20% of Malaysia's entire population, but is also the second largest contributor to the national GDP,

contributing about US\$ 35 billion in 2009, with a projection of US\$ 58 billion in 2014 (PwC, 2009). Tourism contributes greatly to Malaysia's retail sales growth, as shopping revenue, which totalled US\$ 4.6 billion in 2008 (Market Research, 2009), is the second highest component of the country's tourism revenue. Thus, the retail industry is considered to be a significant contributor to the growth, economy and stability of Malaysia.

The retail industry is subject to various problems and challenges. First, intense competition has resulted in price wars between foreign and local retailers. The majority of modern retail operations are foreign-owned and located in urban areas, whereas local stores dominate outside urban areas. Foreign retailers in Malaysia include Daily Farm (Giant), Tesco, Jaya Jusco, and Carrefour. As reported by Bailey (2009), Giant has the greatest market share with 8%, followed by Tesco (4%), Jusco (3%) and Carrefour (2%). Most local retailers are not geared to meet the challenges of globalization and do not have sufficient knowledge to compete with foreign retailers. Second, consumers these days prefer spacious shopping areas, attractive and trendy products, and ample parking space; preferences that are a major concern of many local retail stores as they attempt to combat competition. Third, consumer demands and shopping patterns are changing. Retailers are struggling to change their marketing strategy to suit consumer preferences. Malaysian shoppers have become more knowledgeable and discerning, and are not easily influenced by advertisements and promotions. In addition to being price- and quality-conscious, and they also care about the service they receive in stores. According to ACNielsen (2006), 75% of customer purchase decisions are influenced by the service the customer receives.

With the expansion of the retail industry, the issue of how retailers strive to capture and retain their best staff becomes relevant. The effort and contribution of employees is a key competitive advantage and is crucial to the success of the firm (Bent & Freathy, 1997). In any institution, be it in the retail industry or any other industry, it is important for management to increase workers' productivity by allowing workers to achieve their maximum potential. Keeping sales people inspired is one of the most difficult tasks faced by retail organizations.

In the retail sector, employees have a direct impact on the customer, and the employee-customer relationship is an important consideration in a company's success. Salespeople deal directly with customers, so salespeople's attitudes, behaviour, and how they treat customers will determine whether customers will be loyal to a particular retailer. Companies spend millions of dollars every year recruiting, training and compensating their sales personnel in an effort to inspire them to perform well and thus increase company profits (Susan, 2003). An unmotivated workforce could lead to high sales force supervision costs, high absenteeism, and high turnover rates. In Malaysia, sales jobs are far from

exciting, and the majority of retailers employ a large number of poorly paid part-time staff, which may contribute to low morale and high turnover. Organizations, regardless of their size, are facing retention challenges (Ramlall, 2004). Sempene (2002) mentioned that voluntary turnover is a major problem for companies in Malaysia and that job-hopping has become a part of the country's culture.

This paper explores what motivates sales personnel in the retail industry, and explores their level of job satisfaction, using Herzberg's motivation-hygiene factor theory. Senior managers may benefit from the results of this research because they could alter their reward system to better motivate their staff, which could lead to higher job satisfaction and better performance. Based on previous research, salary seems to be very important to salespeople. However, it is reasonable to believe that the results of such findings by various scholars may be overstated. Therefore, further analysis has been conducted to examine whether there is a mediating variable affecting the relationship between salary and job satisfaction. As pointed out by Tang, Luna-Arocas, Sutarso and Tang (2004), one such mediating variable is the love of money.

## **LITERATURE REVIEW**

### **Herzberg's Motivation-Hygiene Theory of Motivation**

As pointed by Vroom (1964), the word "motivation" is derived from the Latin word *movere*, which means "to move". Motivation is an internal force, dependent on the needs that drive a person to achieve. Schulze and Steyn (2003) affirmed that in order to understand people's behaviour at work, managers or supervisors must be aware of the concept of needs or motives, which will help "move" their employees to act. According to Robbins (2001), motivation is a needs-satisfying process, which means that when a person's needs are satisfied by certain factors, the person will exert superior effort toward attaining organizational goals.

Theories of motivation can be used to explain the behaviour and attitude of employees (Rowley, 1996; Weaver, 1998). The theories include content theories, based on the assumption that people have individual needs, which motivate their actions. Theorists such as Maslow (1954), McClelland (1961), Herzberg (1966) and Alderfer (1969) are renowned for their works in this field. In contrast to content theories, process theories identify relationships among variables which make up motivation and involve works from Heider (1958), Vroom (1964), Adams (1965), Locke (1976) and Lawler (1973). The main focus of this paper, however, is on Herzberg's theory of motivation.

Herzberg's motivation-hygiene theory, also known as the two-factor theory, has received widespread attention as having a practical approach toward motivating employees. In 1959, Herzberg published his analysis of the feelings of 200 engineers and accountants from over nine companies in the United States. These professionals were asked to describe experiences in which they felt either extremely bad or exceptionally good about their jobs and to rate their feelings on these experiences. Responses about good feelings are generally related to job content (motivators), whereas responses about bad feelings are associated with job context (hygiene factor). Motivators involve factors built into the job itself, such as achievement, recognition, responsibility and advancement. Hygiene factors are extrinsic to the job, such as interpersonal relationships, salary, supervision and company policy (Herzberg, 1966).

In the retail setting, Winer and Schiff (1980) have conducted studies using Herzberg's two-factor theory. They found that "achievement" was the highest rated motivator. Likewise, "making more money" received the second-highest rating in the study, followed by "chances of promotion" and "recognition". In contrast, Lucas (1985) discovered that the "supervisor-employee relationship" was a significant factor influencing worker satisfaction in a study of U.S. retail stores, and two hygiene factors were reported as significant, namely "company policy" and "relationship with peers".

Herzberg perceived motivational and hygiene factors to be separated into two dimensions affecting separate aspects of job satisfaction. This belief differed from the traditional approach of viewing job satisfaction and dissatisfaction as opposite ends of the same continuum (Herzberg, 1966). Hygiene factors prevent dissatisfaction but they do not lead to satisfaction. They are necessary only to avoid bad feelings at work. On the other hand, motivators are the real factors that motivate employees at work.

The two-factor theory was tested by many other researchers, who showed very different results. Some research has shown that some of the factors declared by Herzberg (1966) as hygiene factors are actually motivators. The results of Herzberg's theory can vary if the test is conducted in different industries. The differences are due to the intensity of the labour requirement and the duration of employment (Nave, 1968). Extensive commentary has emerged about how to distinguish between hygiene factors and motivators. While some factors have proved to fall clearly in one of the two categories, other factors, particularly salary, have proven to be ambiguous as to whether they are motivators or a hygiene factors.

## **Job Satisfaction**

Job satisfaction is important to an organization's success. Much research has been conducted into ways of improving job satisfaction of workers in various sectors of the Malaysian economy, including the academic sector (Wong & Teoh, 2009; Noordin & Jusoff, 2009), the hotel sector (Abd. Patah, Radzi, Abdullah, Adzmy, Adli Zain, & Derani, 2009), the government sector (Yahaya, A., Yahaya, N., Arshad, & Ismail, 2009), the non-profit sector (Ismail & Zakaria, 2009), the naval sector (Mohd. Boki & Abu Talib, 2009), and the automobile manufacturing sector (Santhapparaj, Srinivasan, & Koh, 2005). There has been relatively little research into the determinants of job satisfaction in the retail sector using Herzberg's two-factor theory. Therefore, this paper endeavours to address this literature gap.

Previous studies generally found that job satisfaction is associated with salary, occupational stress, empowerment, company and administrative policy, achievement, personal growth, relationship with others, and the overall working condition. It has been argued that an increase in job satisfaction increases worker productivity (Wright & Cropanzano, 1997; Shikdar & Das, 2003). As mentioned by Dunnette, Campbell and Hakel (1967) and Robbins (2001), job satisfaction is an emotional state in which a person perceives various features of his/her work or the work environment. Therefore, job satisfaction has a major effect on people's lives. Locke (1976) indicated that job satisfaction most commonly affects a person's physical health, mental health and social life. Moreover, Rain, Lane and Steiner (1991) wrote that job satisfaction is connected to life satisfaction, whereby people who are satisfied with their jobs will tend to be happy with their lives as well, and vice versa. Coster (1992) supported the view that work can have on people's lives. Furthermore, Breed and Breda (1997) indicated that job satisfaction may affect absenteeism, complaints, and labour unrest. Therefore, it is understood that satisfied workers will be much more productive and be retained within the organisation for a longer period, in contrast to displeased workers who will be less useful and who will have a greater tendency to quit their jobs (Crossman, 2003). More importantly, satisfied workers not only perform better but also provide better service to customers, which could result in improving customer satisfaction. According to Dawson (2005), employee satisfaction is associated with positive employee behaviour. It is undeniable that satisfied workers generate customers who are satisfied and loyal.

It is assumed that motivation and satisfaction are very similar and that, in many cases, they are considered to be synonymous terms. According to Hersey and Blanchard (1988), motivation and satisfaction are quite different from each another in terms of reward and performance. The authors pointed out that motivation is influenced by forward-looking perceptions about the relationship

between performance and rewards, whereas satisfaction involves how people feel about the rewards they have received. In other words, motivation is a consequence of expectations of the future while satisfaction is a consequence of past events (Carr, 2005). Huselid (1995) believes that if workers are not motivated, turnover will increase and employees will become frustrated and unproductive. Various other researchers who have investigated motivation and job satisfaction support this statement (Maidani, 1991; Tietjen & Myers, 1998; Robbins, 2001; Parsons & Broadbridge, 2006).

Under Herzberg's (1966) theory, workers who are satisfied with both motivation and hygiene factors would be top performers, and those who are dissatisfied with both factors would be poor performers. Christopher (2005) found no support for this, and his research concluded that Herzberg's results prove accurate only under his original methodology.

Theories of worker motivation address a model connecting job satisfaction, motivation and performance. Considerable importance is attached to these concepts, and there is a need for clarification on how satisfaction and motivation differ from each other. Job satisfaction is an emotional response accompanying actions or thoughts relating to work, whereas motivation is the process that activates behaviour. As satisfaction is an attitude, it is possible for a worker to be satisfied with his job but not be motivated. Hence, motivation and satisfaction are not synonymous with each other. It is vital to clarify the distinction between the concepts so that it is easier to understand that motivation leads to satisfaction, which ultimately leads to enhanced performance.

### **The Role of Salary, the Love of Money, and Pay Satisfaction**

It is undeniable that sales managers always use high salary to attract, retain and motivate workers. Robbins (2001) pointed out that money can be considered as "scorecard" through which workers can assess how much an organization values them. However, there have been quite a few nonconformist views on the role of salary. Kochan (2002) argued that money results only in temporary obedience from workers and that money does not transform workers' attitude and behaviour in the long term. He pointed out that money only motivates workers to seek further rewards and that, in the process, can undermine workers' intrinsic interest in their jobs.

Money may or may not motivate people. According to the contingency view, workers from different countries, age groups, income levels, career stages, and cultural backgrounds may rank the desire for money differently. As mentioned by Furnham (1994), the desire for money is rated higher by young workers in Far East and Middle East as compared with those in North America and South

America. Based on a study of 1,000 employees, Kovach (1987) showed that younger workers with low incomes are more concerned about money, whereas older workers with high incomes and management positions are motivated more by job security, interesting work and recognition.

Under Maslow's hierarchy of needs theory, salary is associated with the lower-level needs, such as physical and security needs. Maslow (1954) stated that once the lower-order needs are met, higher-order needs will become most important. Thus, additional salary increases do not motivate employees any further. To improve job satisfaction and performance level of workers, managers must work on motivators by providing opportunities for career advancement and development, as workers value motivators more than hygiene factors (Ramlall, 2004).

As indicated in most of the literature, salary plays an important role in motivating salespeople. However, the strength of the relationship between salary and job satisfaction may be influenced by a mediator. The mediator may serve to clarify and explain how and why such relationships occur. The concept of love of money was introduced by Tang et al. (2004), who argued that the love of money reflects an employee's wants and values, and stated that someone who values money highly will be satisfied with his salary and ultimately his job when he receives a desired raise. Sloan (2002) mentioned that a person never has enough money and wants to have more money as having money is considered to be the most important goal in life.

According to Lawler (1973), employees' pay satisfaction usually influences their job satisfaction. Tang et al. (2004) found that pay satisfaction is a part of job satisfaction, which could lead to higher worker productivity. Workers are inspired to achieve more and to give full effort only if they are satisfied with their pay. Lawler (1973) reported that absenteeism can result when pay dissatisfaction is present. According to Mani (2002), workers who were absent from their works frequently were not satisfied with their pay, whereas 69% who were absent once or more in six months were not satisfied with their pay.

Based on the discussion above, there are two research questions for this paper. The first research question is to determine job satisfaction of sales personnel by using Herzberg's two-factor theory. The second research question is to assess whether the love of money mediates the relationship between job satisfaction and money.

**Research Question 1:**

Which of Herzberg's motivation-hygiene factors is valued more by salespeople in Malaysia?

**Research Question 2:**

To what extent does love of money mediate the relationship between money and job satisfaction?

**METHODOLOGY**

In this study, 180 sales personnel from women's clothing stores in the shopping mall of Bandar Sunway in the state of Selangor were administered a questionnaire after they had been selected through convenience sampling. Of the 180 questionnaires, 152 were found to be useful for analysis. The other 28 questionnaires contained incomplete information.

The questionnaire, written in English, was handed to the salespeople at their place of work. Researchers did not ask permission from the store manager to conduct the survey. The questionnaire included a series of statements and the respondents were asked to indicate their degree of agreement with each statement. Responses were scored on a five-point scale: 1 for "strongly disagree", 2 for "disagree", 3 for "neutral", 4 for "agree", and 5 for "strongly agree". All questions used in the survey pertaining to determinants of job satisfaction were derived from Ewen, Smith, and Hulin (1966), Graen (1966), Sergiovanni (1966), House and Wigdor (1967), Lindsay, Marks, and Gorlow (1967), Maidani (1991), Pizam and Ellis (1999), Klassen, Usher, and Bong (2010), and Tang et al. (2004).

Linear regression analysis was performed to test the relationship between Herzberg's motivation-hygiene factors and job satisfaction. Further analysis was performed to assess to what extent the love of money mediates the relationship between money and job satisfaction. According to Baron and Kenny (1986), testing for mediation involves a four-step process. First, the relationship between the predictor variable and the criterion variable is examined to determine whether those two variables are correlated. Second, the relationship between predictor and mediator variables were examined to determine whether those variables correlate. Third, the relationship between the mediator and the predictor on the criterion variable, controlling for the predictor, is assessed to establish the effect of the mediator on the criterion variable. Fourth, the effect of the predictor on the criterion variable, controlling for the mediator, is examined to determine whether the mediator completely or partially mediates the relationship between the predictor and the criterion variable. The effects in both step 3 and 4 are estimated in the same equation to determine whether the beta levels change. If all four of these steps are fulfilled, then the mediator completely mediates the predictor-criterion relationship. If only the first three steps are satisfied, then partial mediation is shown.



Motivation levels of participants were measured using the scales developed by Ewen et al. (1966), Graen (1966), Sergiovanni (1966), House and Wigdor (1967), Lindsay et al (1967), Maidani (1991), and Pizam and Ellis (1999). For each factor, several questions were asked in order to compute an average and to enhance the accuracy of the measure. A person's attachment to money was measured using eight items and employees' satisfaction with their pay was measured using three items. Both of those scales were adopted from Tang et al. (2004). Job satisfaction was measured using four items from Klassen et al. (2010) (see Appendix 1).

## ANALYSIS AND RESULTS

A reliability test was performed to check the consistency and accuracy of the measurement scales. Table 1 shows that the results of Cronbach's coefficient alpha were satisfactory (between 0.70 and 0.84), indicating questions in each construct are measuring a similar concept. As suggested by Cronbach (1951) and Nunnally (1978), the reliability coefficients between 0.70–0.90 are generally found to be internally consistent.

Table 1  
*Testing reliability with Cronbach's coefficient alpha*

The job satisfaction factors	Number of items	Cronbach's alpha
Achievement (AC)	3	0.70
Recognition (R)	3	0.71
Advancement (AD)	2	0.70
Work Itself (W)	3	0.72
Growth (G)	3	0.71
Company Policy (P)	3	0.72
Security at Work (S)	3	0.76
Relations with Peers (RP)	3	0.80
Money Factor (M)	2	0.84
Relations with Supervisor (RS)	3	0.74
Working Conditions (WC)	2	0.80
Love Of Money Scale (LM)	8	0.84
Pay Satisfaction (PS)	3	0.80
Job Satisfaction (JS)	4	0.75

Table 2 shows the profile of respondents in terms of gender, age, ethnicity, education level, number of years of work experience, and monthly income. Of the

152 respondents, 91 were men (59.9%) and 61 were women (40.1%). In terms of age, 73% of the respondents were between 15 and 24 years of age, 22% in the 25–35 age range, 3.3% in the 35–44 age range, and 1.3% aged 45 and above. Most respondents were Chinese (46%), followed by Malays (32.2%), and Indians (21.3%). The education level of 76.3% of the respondents was below an undergraduate degree. In terms of number of years of work experience, most of the respondents had 5 years or less (79.6%), followed by 6–10 years (16.5%), and 10 years or above (3.9%). As for the monthly income, 39.5% of the respondents earned between RM1,000 and RM2,000, 37.5% earned less than RM1,000, and 23% earned RM2,000 and above. In this survey, respondents were generally young and had received only a primary or secondary education, which is quite similar to the profile of the respondents in the study of Parsons and Broadbridge (2006). Because about three-fourths of the respondents were less than 25 years old, the analysis may not be generalizable to the whole population of sales personnel. Older salespeople may differ from their younger colleagues in attitudes, beliefs, behaviour, and attributes related to motivation and job satisfaction.

Table 2  
*Characteristics of the respondents*

Respondents' characteristics	Number	Percentages
<b>Gender</b>		
Male	91	59.9%
Female	61	40.1%
<b>Age</b>		
15–24	111	73%
25–35	34	22%
35–44	5	3.3%
45 and above	2	1.3%
<b>Race</b>		
Malay	49	32.2%
Chinese	70	46%
Indian	32	21.3%
<b>Education</b>		
Below Bachelor's degree	117	76.3%
Bachelor's degree and above	35	23.7%

(continued)

Table 2 (continued)

Respondents' characteristics	Number	Percentages
<b>Years of Experience</b>		
0–5 years	121	79.6%
6–10 years	25	16.5%
10 and above	6	3.9%
<b>Income</b>		
Below RM1000	57	37.5%
RM1000–2000	60	39.5%
RM2000 and above	35	23%

Table 3 presents the correlation matrix of the motivational factors and job satisfaction. Work itself ( $r = 0.271$ ) and recognition ( $r = 0.055$ ) correlated in a statistically significant manner with job satisfaction at the 0.01 level, while only achievement ( $r = -0.135$ ) was significantly correlated to job satisfaction at the 0.05 level. As far as hygiene factors are concerned, company policy ( $r = 0.017$ ), relationship with peers ( $r = 0.381$ ), money ( $r = 0.383$ ), and working conditions ( $r = 0.376$ ) were significantly and positively associated with satisfaction.

Table 3  
Correlation analysis

	JS	AC	AD	W	R	G	P	RP	S	RS	M	WC
<b>JS</b>												
<b>AC</b>	-.135*											
<b>AD</b>	.100	-.023										
<b>W</b>	.271**	-.079	.134									
<b>R</b>	.055**	.308**	.208**	.023								
<b>G</b>	.068	.197**	.232**	.091	.282**							
<b>P</b>	.017**	.059	.344**	.022	.060	.198**						
<b>RP</b>	.381**	.189**	.199**	.371**	-.086	.397**	.298**					
<b>S</b>	-.018	-.260*	.060	-.336*	-.094	.182*	.597**	-.079				
<b>RS</b>	.084	.152*	.095	-.194*	.190**	.029	.355**	-.068	.209**			
<b>M</b>	.383**	-.144*	.346**	.239**	.221**	.213**	.164*	.075	-.143*	.146*		
<b>WC</b>	.376**	-.180*	.017	.360**	-.207*	.235**	.067	.279**	.007	.161*	.320**	

Note: \* Correlation is significant at the 0.05 level (1-tailed); \*\* Correlation is significant at the 0.01 level (1-tailed)

Regression analysis was conducted to determine the relationship between Herzberg's two-factor theory and job satisfaction in Malaysia. To assess whether the regression analysis suffers from multicollinearity, the variance inflation factor (VIF) was calculated. As indicated in Table 4, all VIF values are less than 5, indicating there is no multicollinearity problem in the model. The results suggested that 54% of the variance in job satisfaction in Malaysia could be explained by Herzberg's motivational and hygiene factors. The F-ratio of 14.90

( $p = 0.00$ ) indicated that the regression model of work motivation and satisfaction on the motivational variables assessed was statistically significant. The results also revealed that only four of the ten motivational variables were found to be significant in the Malaysian context. The analysis demonstrated that the most significant motivational variable of job satisfaction was the working conditions, indicating that salespeople value most the working environment provided by sales managers. Recognition was the second significant factor, followed by company policy, and the money factor. Of four main motivational variables of salespeople in Malaysia, only recognition was a significant motivator. The evidence is sufficient to conclude that hygiene factors are more effective than motivators in motivating salespeople in Malaysia.

Table 4  
Regression analysis (Dependent variable: Job Satisfaction)

Motivational factors	B	Std. error	<i>t</i>	VIF
<b>AC</b>	.063	.113	.563	1.758
<b>R</b>	.241*	.100	2.416	1.543
<b>AD</b>	.039	.089	.440	1.637
<b>W</b>	.067	.088	.759	1.601
<b>G</b>	.019	.091	.215	1.736
<b>P</b>	.215*	.094	2.283	2.745
<b>S</b>	-.060	.085	-.702	2.572
<b>RP</b>	-.059	.060	-.984	1.754
<b>RS</b>	-0.14	.073	-.191	1.574
<b>M</b>	.199**	.073	2.711	1.803
<b>WC</b>	.262**	.091	2.888	1.555
<b>F</b>	14.9			
<b>R<sup>2</sup></b>	.540			
<b>Adjusted R<sup>2</sup></b>	.504			

Note: \*significant at the 0.05 level (1-tailed); \*\* significant at the 0.01 level (1-tailed)

Similarly, the problem of multi-collinearity was addressed before performing mediation analysis. Again, VIF values are less than 5 for the variables of money (M), love of money (LM), and pay satisfaction (PS). As shown in Table 4, money was one of the significant factors in motivating salespeople in terms of job satisfaction. However, there is a need to delve more deeply into the reasons that salespeople place such high importance on money. To provide a clearer picture of the role of salary, the general test for mediation was performed to examine whether there is a mediating variable affecting the relationship between the money factor and job satisfaction. As indicated in literature, the love of money

may explain why there is a strong relationship between money and job satisfaction. Based on Tang et al. (1992), pay satisfaction was used in this study to indicate job satisfaction. As pointed out by Lawler (1973), pay satisfaction usually influences the job satisfaction of workers.

Following Baron and Kenny (1986), mediation analysis was used to assess whether the love of money mediates the relationship between money and pay satisfaction. The results in Table 5 show that money was significantly and positively related to pay satisfaction (significant at < 0.01). The results of the regression test of money (predictor) on love of money (mediator) showed that money significantly correlated with love of money at the 0.05 level. The results also showed that the effect of love of money (mediator) on pay satisfaction (criterion) was significant at the 0.05 level after controlling for the money variable (predictor). Finally, the effect of money (predictor) on pay satisfaction (criterion), controlling for the love of money (mediator), was also statistically significant. As a result, it is reasonable to believe that the love of money may explain why there is a relationship between the money factor and job satisfaction among salespeople in the retail sector. In this survey, salespeople who value money highly are satisfied with their salary and job when they receive a desired raise.

Table 5  
Testing love of money (LM) as a mediator on the relationship between money (M) and pay satisfaction (PS)

	DV: PS (w/o mediator)		DV: LM		DV: PS (w mediator)	
	<i>B</i>	<i>t</i>	<i>B</i>	<i>t</i>	<i>B</i>	<i>t</i>
M	0.510**	7.234	0.137*	2.496	0.168*	2.042
LM					0.21**	2.638

Note: \*. significant at the 0.05 level; \*\* significant at the 0.01 level)

## DISCUSSION

This paper examines what motivates sales personnel in the retail industry in Malaysia and examines their level of job satisfaction as a result of Herzberg's hygiene factors and motivators. The first research question addresses whether motivators actually do lead to job satisfaction, as proclaimed by Herzberg in his study on sales personnel in Malaysia, and addresses whether hygiene factors contribute to job satisfaction.

The results obtained reveal that only four of the 11 determinants are found to be significant in the context of Malaysian retail workers. Contrary to the finding of Herzberg (1966), the analysis demonstrates that the strongest motivation factor with the highest significance level on job satisfaction in the women's clothing store was the working conditions, which is a hygiene factor. It was observed that retail outlets in the surveyed mall are air-conditioned and have music playing and that salespeople deem the stores to be comfortable. In line with the findings of Winer and Schiff (1980) and Lucas (1985), recognition, company policy, and the money factor seem to be important factors in motivating sales personnel in this survey. Of four significant factors, only recognition is a motivator as defined by Herzberg's two-factor theory. Therefore, it is observed that hygiene factors dominate the motivators in terms of job satisfaction among sales personnel in Malaysia. This observation is supported by Islam and Ismail (2008). They say that compared with American workers, Malaysian workers are generally more concerned about hygiene factors (money and working conditions) than about motivators (full appreciation of work done). Similar findings are also reported in Bangkok (Sithiphand, 1983) and Yemen (Al-Mekhlafie, 1991).

This study observes the importance of money in the lives of sales personnel. The second research question examines whether the love of money mediates the relationship between money and pay satisfaction among employees in the retail sector. Similar to the findings of Tang et al. (2004), the love of money appears to be identified as a mediator influencing the relationship between money and job satisfaction. Sales personnel generally are not the highest paid people in Malaysia, and they may experience pay compression even if they have been in service for a long time.

## **CONCLUSIONS AND RECOMMENDATIONS**

Salespeople in Malaysia place greater emphasis on hygiene factors than motivators, namely working conditions, money and company policy. Among the motivators defined by Herzberg, only one – recognition – was found to be significant in this survey. The study also found that the love of money has a mediating effect on the relationship between money and job satisfaction. These findings suggest that any retail organization in Malaysia preparing a reward scheme may need to consider the four motivational factors of working conditions, recognition, company policy, and money and emphasize them over other motivational factors. Those four factors can be used to help improve job satisfaction, productivity and performance of salespeople.

The main implication of this study is that sales managers and supervisors need to keep salespeople happy and take care of workers' concerns and needs. Satisfied

salespeople will talk about how great their job is and they will perform better in their jobs. That will result in retailers making higher profits due to customer satisfaction. Additionally, if retailers improve working conditions, employee turnover will be lower, which, in turn, will reduce the considerable costs that retailers incur in training new salespeople. The importance of money to salespeople in the Malaysian retail sector is clearly shown in this study. Sales managers and supervisors should consider:

1. Providing salespeople with a flexible working schedule
2. Linking the performance of salespeople with the appropriate monetary rewards and incentives
3. Providing salespeople with opportunities to grow in their job

In addition, the morale of salespeople can be improved if company policy toward salespeople is productive. A good policy can exert significant influence on how salespeople perform their jobs. For example, a company needs to build a strong sales culture as the first step to improving performance. Without the right sales culture, sales managers will not build a powerful sales force. In many smaller retail companies, the sales leader does not know how to build a sales force and relies heavily on hiring experienced salespeople in the hope that they will build the company. In mid-size and large-size retailers, the typical culture is "nothing matters but results". Most of these sales managers want results but they do not adequately train or motivate the salespeople. If a company develops a strong sales culture, sales leaders and salespeople can work together successfully to achieve the company's goals. The results discussed here indicate that workers can be concurrently intrinsically and extrinsically motivated. With that in mind, managers should use a mixture of methods – including monetary rewards, praise and recognition – to effectively motivate workers and promote job satisfaction.

## **LIMITATIONS AND FUTURE RESEARCH**

Given the scarcity of empirical studies on the Malaysian retailing industry, there is a need to undertake more research addressing the motivations of sales personnel. Although quantitative research was used in this study, it is believed that qualitative research would be beneficial in helping to enhance our understanding of how salespeople are motivated. Observing employee behaviour and interviewing employees can enable researchers to gain insight that typically is difficult to acquire through quantitative analysis.

The findings obtained from the questionnaire administered in this study are limited by the perceptions and opinions of the respondents. It is assumed that the respondents have answered the questions accurately and honestly. The findings

apply only to sales personnel in Bandar Sunway in Selangor. This means that the results may not be generalizable to other regions in Malaysia. Future research needs to obtain information relating to sales personnel in other regions of Malaysia to permit a comparison of perceptions and expectations from salespeople throughout Malaysia. Additionally, further research could include a study comparing job satisfaction levels of salespeople in Malaysia and other countries.

Another concern is that the questionnaires used in this study were available only in English. Although the respondents could understand English, it is recommended that in the future the questionnaire be translated into Malay, Chinese and Tamil to minimize the risks of misunderstanding and misinterpretation that might influence the results.

It also must be noted that the research focuses only on Herzberg's theory. It is recommended that future research explore other factors of motivations such as feedback, leadership styles and employee confidence to see whether they could result in any increased variance in motivation and satisfaction.

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## APPENDICES

### Appendix A

#### *Measurement scales of the study*

Factor	Questions
<b>Motivators</b>	
Achievement	<ul style="list-style-type: none"> <li>• I am proud to work in this company because it recognizes my achievements</li> <li>• I feel satisfied with my job because it gives me feeling of accomplishment</li> <li>• I feel I have contributed towards my company in a positive manner</li> </ul>
Advancement	<ul style="list-style-type: none"> <li>• I will choose career advancement rather than monetary incentives</li> <li>• My job allows me to learn new skills for career advancement</li> </ul>
Work itself	<ul style="list-style-type: none"> <li>• My work is thrilling and I have a lot of variety in tasks that I do</li> <li>• I am empowered enough to do my job</li> <li>• My job is challenging and exciting</li> </ul>
Recognition	<ul style="list-style-type: none"> <li>• I feel appreciated when I achieve or complete a task</li> <li>• My manager always thanks me for a job well done</li> <li>• I receive adequate recognition for doing my job well</li> </ul>
Growth	<ul style="list-style-type: none"> <li>• I am proud to work in my company because I feel I have grown as a person</li> <li>• My job allows me to grow and develop as a person</li> <li>• My job allows me to improve my experience, skills and performance</li> </ul>
<b>Hygiene Factors</b>	
Company policy	<ul style="list-style-type: none"> <li>• The attitude of the administration is very accommodative in my company</li> <li>• I am proud to work for this company because the company policy is favourable for its workers</li> <li>• I completely understand the mission of my company</li> </ul>

(continued)

(continued)

Factor	Questions
Relationship with peers	<ul style="list-style-type: none"> <li>• It is easy to get along with my colleagues</li> <li>• My colleagues are helpful and friendly</li> <li>• Colleagues are important to me</li> </ul>
Work security	<ul style="list-style-type: none"> <li>• I believe safe working at my workplace</li> <li>• I believe my job is secure</li> <li>• My workplace is located in an area where I feel comfortable</li> </ul>
Relationship with supervisor	<ul style="list-style-type: none"> <li>• I feel my performance has improved because of the support from my supervisor</li> <li>• I feel satisfied at work because of my relationship with my supervisor</li> <li>• My supervisors are strong and trustworthy leaders</li> </ul>
Money	<ul style="list-style-type: none"> <li>• I am encouraged to work harder because of my salary</li> <li>• I believe my salary is fair</li> </ul>
Working conditions	<ul style="list-style-type: none"> <li>• I feel satisfied because of the comfort I am provided at work</li> <li>• I am proud to work for my company because of the pleasant working conditions</li> </ul>
<b>Job Satisfaction</b>	<ul style="list-style-type: none"> <li>• I am satisfied with my job</li> <li>• I am happy with the way my colleagues and superiors treat me</li> <li>• I am satisfied with what I achieve at work</li> <li>• I feel good at work</li> </ul>
<b>Love of Money</b>	<ul style="list-style-type: none"> <li>• Money reinforces me to work harder</li> <li>• I am motivated to work hard for money</li> <li>• Money reflects my accomplishments</li> <li>• Money is how we compare each other</li> <li>• Money is a symbol of success for me</li> <li>• Money reinforces me to work with more enthusiasm and vigor</li> <li>• Money is attractive</li> <li>• Money is an important factor in our lives</li> </ul>
<b>Pay Satisfaction</b>	<ul style="list-style-type: none"> <li>• I am satisfied with my pay</li> <li>• The pay I receive is appropriate for the work I do</li> <li>• My pay is high in comparison to my colleagues pay for doing a similar job</li> </ul>

**Appendix B**  
**Conceptual Model**

