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### CONTEXT

Compensation is directly tied to organisations' budget, profitability, and survival (Giancola, 2012; Gupta et al., 2012; McNullen, 2013; Williams, McDaniel, & Ford, 2007), but also its workforce composition. It influences prospective and current employees' decisions to stay or quit their organization (Kuvaas et al., 2006; 2016).

Research conducted on the use of financial incentives to motivate people yields inconsistent findings between field studies (e.g. Condly, 2003; Lazear, 2000), lab studies (e.g., Deci et al., 1999; Jenkins et al., 1998) and meta-analyses (e.g., Jenkins et al., 1998; Lazear, 2000; Cerasoli et al., 2014).

### Self-Determination Theory (SDT, Deci & Ryan, 2000)

According to SDT, **autonomous motivation** is described as doing something because it is inherently interesting or enjoyable. It includes intrinsic and identified motivation. It is associated with optimal functioning (Brien et al., 2012; Deci et al., 2000). **Controlled motivation**, on the other hand, is described as doing something for an external reason like avoiding punishment or getting a reward. It includes introjected and extrinsic motivation and is associated with suboptimal functioning (e.g., Ntoumanis, 2015; Sebire et al., 2009).

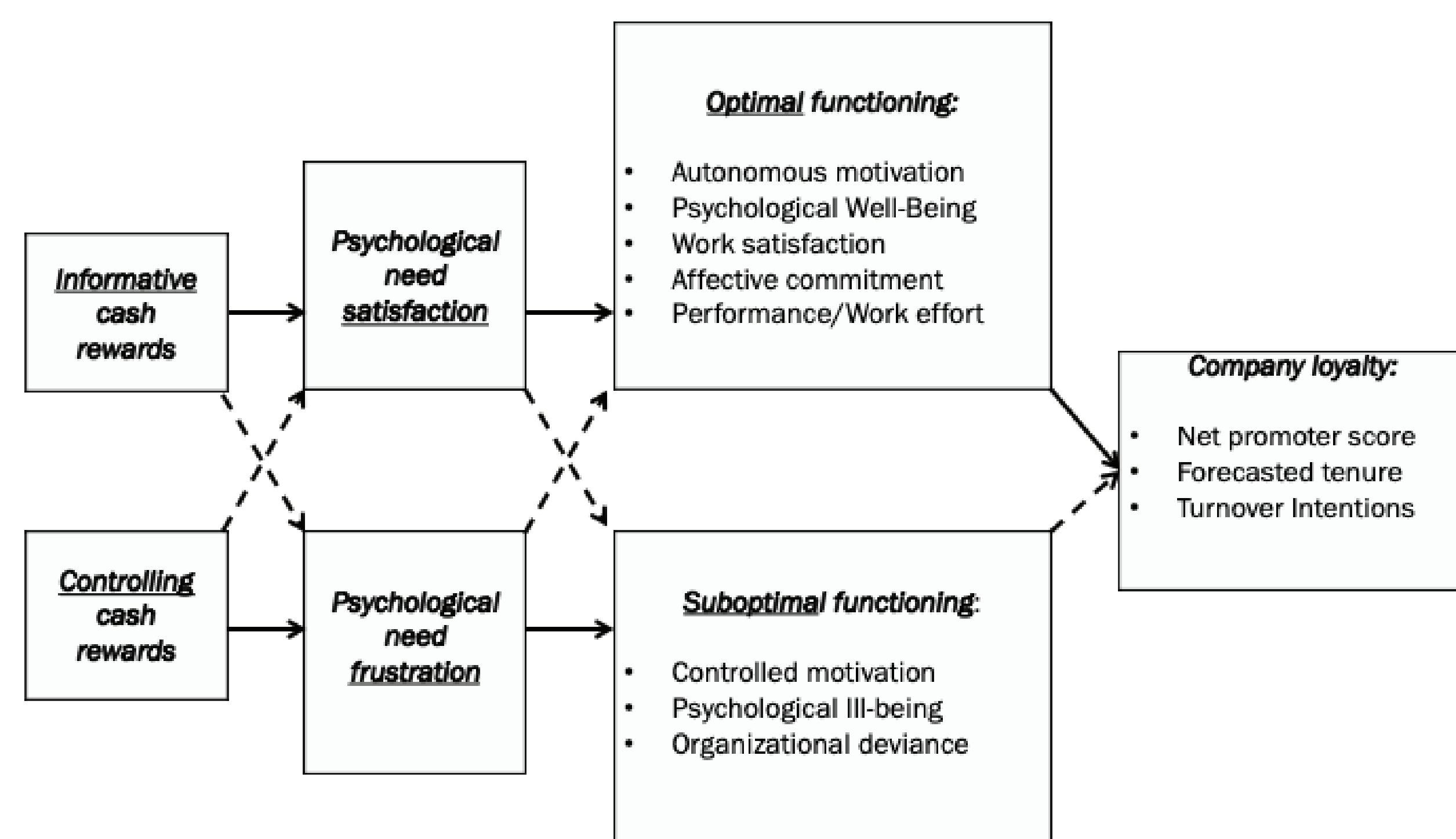
According to SDT, there are 3 basic psychological needs, essential for human thriving and optimal functioning. **Autonomy** is described as the need to have freedom to choose and act (Sheldon & Bettencourt, 2002). **Competence** is described as the need to experience mastery and the ability to achieve a desired goal (Deci & Ryan, 2000; White, 1959). **Relatedness** is described as the need to have meaningful connection with peers (Baumeister & Leary, 1995; Deci & Ryan, 2000). These needs can either be fulfilled in one's various settings, including at work, thus implying **psychological need satisfaction** (Ryan & Deci, 2008), or thwarted, thus implying **psychological need frustration** (Vansteenkiste & Ryan, 2013).

According to SDT, external elements in one's setting such as rewards can be perceived differently by individuals and hence hold different **functional meaning** (Deci et al., 1989; 1994; Ryan et al., 1983). This would suggest that **informative cash rewards** could be perceived as a thank you for employees' contribution, in other words, as a means to encourage and recognize employees' efforts. They would thus be perceived as a symbol of employers' appreciation. On the other hand, **controlling cash rewards** would be those perceived as a commodity exchanged for meeting performance goals and instrumental to reinforce expectations and standards. This would imply them being perceived as emphasizing employers' requirements and lacking authentic recognition.

### OBJECTIVES & HYPOTHESES

Based on SDT and studies conducted in social psychology, health, education and sports settings showing the benefits of external elements perceived as informative, a model was elaborated for the workplace to investigate the relation between the distinctive functional meaning of cash rewards and employees' psychological needs and their downstream implications for employees functioning.

### Hypothesized model



### METHODOLOGY & PARTICIPANTS

	Sample 1	Sample 2	Sample 3	Sample 4	Sample 5
<b>Sample size</b>	236	934	417	399	336
<b>Origin</b>	Canada	International	International	International	Canada
<b>Gender</b>	64% women 36% men	56% women 44% men	52% women 48% men	52% women 48% men	78% women 22% men
<b>Bachelor's degree</b>	73%	92%	85%	83%	71%
<b>Age</b>	34.8 (SD = 10.4)	50.7 (SD = 10.5)	50.3 (SD = 9.5)	51.0 (SD = 9.8)	34.6 (SD = 9.4)
<b>Tenure</b>	5.7 (SD = 6.2)	12.1 (SD = 9.8)	11.9 (SD = 9.3)	11.2 (SD = 9.5)	5.3 (SD = 5.3)
<b>Working full time</b>	77%	95%	97%	98%	67%
<b>Working in the private sector</b>	67%	52%	54%	51%	57%
<b>Salary</b>	\$ 74 869 CAN (SD = \$54 531)	n/a	\$ 87 859 US (SD = \$62 812)	\$ 83 782 US (SD = \$58 491)	\$ 56 306 CAN (SD = \$38 200)

### 20-min online survey with validated scales in French and English

#### Functional meaning of cash rewards

- Informative meaning (Hagger et al., 2007)
- Controlling meaning (Bartholomew et al., 2011)

#### Psychological needs

- Satisfaction (Van den Broeck et al, 2010)
- Frustration (Bartholomew et al., 2011)

#### Functioning at work

- Motivation:
  - ✓ Autonomous (Gagné et al., 2014)
  - ✓ Controlled (Gagné et al., 2014)
- Psychological Health:
  - ✓ Well-being (Watson et al., 1988)
  - ✓ Ill-being (Watson et al., 1988)
  - ✓ Burnout (Shirom & Melamed, 2006)
- Organizational commitment:
  - ✓ Affective commitment (Allen & Meyer, 1990)
  - ✓ Intention to stay in the organization (Nimon & Zigarmi, 2015)
- Work ethics:
  - Organizational deviance (Bennett & Robinson, 2000)
  - Intention to provide in-role & extra-role effort (Nimon & Zigarmi, 2015)

### RESULTS

#### Standardized Path coefficients

	Sample 1	Sample 2	Sample 3	Sample 4	Sample 5
<b>Informative meaning -&gt; Need satisfaction</b>	-	-	.30**	.25**	.00
<b>Informative meaning -&gt; Autonomy need satisfaction</b>	.10*	.28**	-	-	-
<b>Informative meaning -&gt; Competence need satisfaction</b>	.03	.03	-	-	-
<b>Informative meaning -&gt; Need frustration</b>	-	-	-.23**	-.30**	.07
<b>Informative meaning -&gt; Autonomy need frustration</b>	-.09 <sup>†</sup>	-.22**	-	-	-
<b>Informative meaning -&gt; competence need frustration</b>	-.07	-.24**	-	-	-
<b>Controlling meaning -&gt; Need satisfaction</b>	-	-	-.31**	-.24**	-.16*
<b>Controlling meaning -&gt; Autonomy need satisfaction</b>	-.16**	-.23**	-	-	-
<b>Controlling meaning -&gt; Competence need satisfaction</b>	.07	.07	-	-	-
<b>Controlling meaning -&gt; Need frustration</b>	-	-	.31**	.34**	.41**
<b>Controlling meaning -&gt; Autonomy need frustration</b>	.17*	.31**	-	-	-
<b>Controlling meaning -&gt; Competence need frustration</b>	.10*	.22**	-	-	-
<b>Need satisfaction -&gt; Autonomous motivation</b>	-	-	.53**	.56**	.53**
<b>Autonomy need satisfaction -&gt; Autonomous motivation</b>	.52**	.34**	-	-	-
<b>Competence need satisfaction -&gt; Autonomous motivation</b>	.15	.08*	-	-	-
<b>Need frustration -&gt; Autonomous motivation</b>	-	-	-.17**	-.01	-.09
<b>Autonomy need frustration -&gt; Autonomous motivation</b>	-.14*	-.02	-	-	-
<b>Competence need frustration -&gt; Autonomous motivation</b>	.07	.00	-	-	-
<b>Need satisfaction -&gt; Controlled motivation</b>	-	-	.24**	.22**	.01
<b>Autonomy need satisfaction -&gt; Controlled motivation</b>	.18*	.09*	-	-	-
<b>Competence need satisfaction -&gt; Controlled motivation</b>	-.28*	.08	-	-	-
<b>Need frustration -&gt; Controlled motivation</b>	-	-	.26**	.15*	.36**
<b>Autonomy need frustration -&gt; Controlled motivation</b>	.15*	.04	-	-	-
<b>Competence need frustration -&gt; Controlled motivation</b>	.04	.09*	-	-	-

\*\* p < .01; \* p < .05; † p < .08

### FINDINGS

#### Informative meaning of cash rewards

Most samples used to test the hypothesized model provide support to the hypothesis that informative cash rewards positively contribute to psychological need satisfaction, and more specifically to autonomy need satisfaction. All three international samples also provide converging evidence for the negative association between the informative meaning of rewards and psychological need frustration, more specifically with autonomy need frustration, and with competence need frustration. Perceiving cash reward offered in one's workplace is associated not only with feeling meaningfully connected, competent, and (even more so) autonomous at work, but also could potentially buffer against increased feelings of incompetence, oppression, and rejection in the workplace.

#### Controlling meaning of cash rewards

Perceiving cash rewards as controlling was associated in all five samples with greater psychological need frustration, and specifically competence and autonomy need frustration, as well as lower psychological need satisfaction, with specific evidence for autonomy need satisfaction. This suggests that perceiving cash rewards as controlling is associated with more negative psychological experience in the workplace, including not only feeling restricted, but actively pressure and coerced into behaving in certain ways.

#### Overall model

Overall, we found support for validity and applicability of the concept of the functional meaning of cash rewards and work and its implication for employees' functioning at work. It is interesting to note that even when including the need for relatedness, we found evidence for a significant association between employees' perception of the meaning of the cash rewards offered at work and their psychological needs. This would thus suggest that cash rewards can have an effect on one's sense of belonging and connection to others at work.

Further corroborating previous findings in SDT, we found empirical evidence supporting the positive association between employees' psychological needs and healthier motivation, including greater autonomous motivation in all samples and lower controlled motivation in all three international samples (see appendix). We also found evidence for better work ethics, including lower organizational deviance in Sample 1 and in samples 4 and 5, as well as greater intentions for in-role and extra-role efforts Sample 2, as well as for greater organizational commitment, which closely relates to greater intentions to stay and recommend the organization, and greater psychological health (as indicated by psychological well-being and ill-being).

### CONCLUSIONS

This research emphasizes the point that offering a cash reward, as well as any other type of rewards, occurs within the context of a social exchange between a giver and a recipient, and that as a result, this reward can take on different meanings for the recipients based on their perceptions of the giver's intention. This further suggests that this subjective, or functional, meaning can then become a potent driver and contribute to explaining the downstream consequences of the rewards with regards to how the recipients feel and behave subsequently.

Hence for cash rewards to be efficient tools to motivate employees in healthy ways, there must be an intent on behalf of the giver (i.e., the employer), and such intent must be perceived by the recipient (i.e. the employees), otherwise, the act of exchanging cash rewards within the work context could fall short (e.g., Fiske & Neuberg, 1990; Lewicki, Hill, & Sasaki, 1989; Tajfel & Forgas, 2000).

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