# IMPACT OF PERCEIVED REWARDS AND RECOGNITION ON WORK OUTCOMES THROUGH ORGANIZATIONAL ATTRACTIVENESS AND INTRINSIC MOTIVATION

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## ABSTRACT

This study tests the mediating role of organizational attractiveness and intrinsic motivation between perceived rewards and recognition and two important work outcomes, namely, continuance commitment and work alienation. It develops from the social exchange theory in an attempt to justify the impacts of perceived rewards and recognition toward organizational attractiveness having further influence on intrinsic motivation, continuance commitment, and work alienation. 792 full-time managerial employees of nine different organizations in India have been covered under the study. Based on data analyses that included different statistical techniques including structural equation modeling, it was found that organizational attractiveness and intrinsic motivation were quasi-mediators connecting perceived rewards and recognition with the outcomes. The findings provide managers with insights into designing effective organizational practices and systems and point out the important part intrinsic motivation plays in better continuance commitment of employees and work alienation reduction.

**Keywords.** Perceived Rewards and Recognition, Organizational Attractiveness, Intrinsic Motivation, Continuance Commitment, Work Alienation, Structural Equation Modeling.

#### **INTRODUCTION**

In the last few decades, human resource management (HRM) has become an essential factor in shaping organizational performance (Ismail and Ahmed, 2015). This change can be traced from the shift of HRM practices from a primarily administrative approach aimed at employer-employee relationships to aligning staff with organizational goals and objectives (Rai *et al.*, 2018). Consequently, HRM has acquired strategic importance in the contemporary management of business by integrating human resources (HR) through factors such as employee satisfaction, motivation, and commitment, which subsequently determine business outcomes and promote organizational efficiency (Ndungu, 2017). Thus, contemporary HRM is focused on the ability to fulfill the motivational needs of employees, which will make them make a common cause with the broader organizational goals.

With competitive rivalry growing for talent acquisition, firms are increasingly becoming dependent on effective HRM practices to recruit, nurture, and retain skilled individuals (Akafo and Boateng, 2015). Therefore, HRM strategies that concentrate on improving employee engagement, organizational attractiveness (OA), and employees' perceived rewards and recognition (PRnR) now play an essential role in attracting and retaining talent, and subsequently, promoting organizational effectiveness (Barrick *et al.*, 2015; Farooq and Shafique, 2016). The current research, drawing from the foregoing discourse, attempts to explore the idea that the PRnR on the

part of employees in a workplace largely influences the attractiveness of their work environment, as well as their intrinsic motivation (IM). This, subsequently, has an impact on their work intentions by showing their continuance commitment (CC) but simultaneously decreasing their levels of work alienation (WA).

Employees' PRnR through both, monetary and non-monetary rewards will increase their job satisfaction and their sense of belongingness to the organization (Yang and Chen, 2019). It is a perception that involves increased IM, whereby when employees consider their work meaningful and valuable, their allegiance to the organization becomes stronger (Sorensen *et al.*, 2020). As such, the purpose of this study is to examine the mediating roles of OA and IM between PRnR and two important work outcomes namely, CC and WA. Specifically, PRnR has been long understood as a key driver of employee behavior (Cote, 2019). However, most of the current research has focused on direct relations between rewards and recognition and outcomes for employees with little attention paid to mediating factors that might impact relationships between rewards and recognition perceptions and employee results (Ferdousi *et al.*, 2019). This study aims to bridge this gap by proposing OA and IM as a potential mediator toward explaining how PRnR leads to specific employee outcomes.

Additionally, the study seeks to provide answers for managers about how to improve employees' CC and reduce their WA by refining organizational rewards and recognition practices.

#### **Theoretical Framework, Literature Review, and Hypotheses**

Since most studies that deal with employer-employee relationships often indicate the social exchange theory (SET) as the most applicable framework in explaining its fundamental constructs (Kromidha *et al.*, 2023), this study also attempts to apply SET as the most appropriate theoretical framework. This is more so because, all the constructs that the study investigates revolve around mutual exchange and hence, address promise-based obligations from both, the perspective of the employer as well as of the employees (Coyle-Shapiro and Conway, 2005; Kim, 2022).

Specifically, employees evaluate the likelihood of maintaining their relationship with their organization by rating the perceived balance of rewards and recognition they are receiving (Hassan, 2022). If positively appraised, employees opine their job position and, therefore, the work environment that their organizations are offering, as meaningful and supportive, which fosters OA, and thereafter, drives their IM (Nadler et al., 2017). As a result, although OA and IM encourage employee commitment, the feeling of disequilibrium in this exchange, rewards and support inappropriately available for instance, leads to feelings of alienation and disengagement (Ardakani et al., 2016; Park and Word, 2012). In essence, SET emphasizes the proposition that employees are more committed, especially if considering their continuance in the prevailing employment when the employer-employee exchange relationship satisfies the norms of reciprocity, though, whenever imbalances arise, it results in employees' WA (Dash and Vohra, 2019; Rodrigues et al., 2022).

## PRnR, OA, and IM

PRnR pertains to workers' attitudes toward the visible and/or invisible rewards earned due to their labor, which could be wages, bonuses, and/or performance incentives (Hooi and Chan, 2022; Liu, 2018). According to some recent studies, the rewards aspect has changed with time and so, contemporary employees are not only money-minded but also expect recognition of their

performance, such as verbal praise, public awards, and/or promotion (Balakrishnan *et al.*, 2022; Emmanuel et al., 2023). This argument is further supported by findings that organizations with attractive rewards and recognition are, as expected, more desirable to the target pool of recruits (Story et al., 2016; Wilhelmy et al., 2019). As such, organizations that focus on recognition and building a positive image thus making them more appealing as a place of work, are consistent with the notion that a successful PRnR is a key to OA (Bakanauskiene et al., 2017). In this regard, the following hypothesis is advanced to test this assertion.

*H*<sub>1</sub>. The stronger the perceptions about an organization's rewards and recognition practices, the more attractive it is to its employees.

From the above discussion, it can be observed that, for its existing employees, an organization's attraction is determined by how much the organization is perceived as a preferable workplace (Slatten et al., 2019). Consequently, an organization that allocates resources toward the development of desirable work conditions via strategic HR practices, initiatives in employer branding, and the overt acknowledgment of employee contributions, tends to have a greater likelihood of retaining a workforce of high quality (Onur et al., 2024). This suggests that the way employees perceive their organization's atmosphere is more likely to intrinsically motivate them, increase their enjoyment of in-role responsibilities, and strengthen their attachment to the work environment (Riley, 2016). Therefore, a positive attitude toward the organization supports the belief among the organizational members that their personal values are in line with that of the organization which strengthens their IM (Datta et al., 2020). Ergo, the following hypothesis is posited.

*H*<sub>2</sub>. The stronger the conceptions about an organization's attractiveness, the higher the level of its employees' intrinsic motivation.

## IM, CC, and WA

IM refers to the internal drive of the workforce that is mainly molded when employees begin to feel autonomy, competence, and relatedness during their services at the workplace, which enhances both, their engagement and their productivity (Janus, 2014). Thus, individuals with higher IM levels tend to be more attached to their respective organizations as they feel that the extrinsic and intrinsic consequences of leaving their present workplace would be very adverse (Kim, 2018).

Furthermore, the IM of employees reduces their WA, that is, the situation where an individual feels estrangement and separation from his or her tasks or professional duties (Vinokurov and Kozhina, 2020). As per previous research (Khan *et al.*, 2019; Liu and Lipowski, 2021), employees who experience an IM to participate in the tasks they consider meaningful and satisfying remove negative perceptions regarding WA. The discussion above leads to the following hypotheses.

*H*<sub>3</sub>. *Higher levels of employees' intrinsic motivation would be related to higher levels of their continuance commitment.* 

*H*<sub>4</sub>. *The stronger the employees' intrinsic motivation, the weaker their feelings of work alienation.* 

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#### OA and IM as Mediators

When workers sense substantial rewards, they tend to perceive the organization as more attractive, thus bolstering their internal motivation to work (Cinar, 2019). This outcome supports the role of OA as an intermediary between PRnR and IM. Since OA boosts employees' IM, it promotes their CC toward the organization while at the same time reducing their WA (Liu *et al.*, 2023). Thus, IM plays a very crucial role in determining the level of engagement or detachment of employees at work (Nantha, 2013).

Accordingly, the next study hypotheses are conjectured as follows.

 $H_{5A}$ . Organizational attractiveness mediates the relationship between perceived rewards and recognition and intrinsic motivation to work.

*H*<sub>5B</sub>. Intrinsic motivation mediates the relationship between organizational attractiveness and continuance commitment as well as work alienation.



## FIGURE 1 THE PROPOSED CONCEPTUAL LATENT VARIABLE MODEL METHOD Sample and Procedure

Data for this research were obtained through a random survey conducted in several organizations across India. As the actual data regarding the population of the workforce were not available, an approximation of the sample size based on the method when the population is infinite was used (Liu, 2014). Accordingly, the minimum sample size required to detect the effect was 266 while the recommended minimum sample size was 778.

This research study took a step-by-step approach to collect data. The Yellow Pages Business Directory of India was consulted, and a random selections of 28 organizations from all over the country were made. Subsequently, the respective HR departments of 28 organizations were contacted and approval was sought to collect data. HR departments of nine of these 28 organizations allowed employees to participate in the study survey. Among the nine, four belonged to the manufacturing sector and were engaged in businesses like textiles and garments, automobiles, paints and chemicals, and iron and steel products. The remaining five came from the services sector, like life insurance, banking, hotels and hospitality, tax consultancy, and the print media. Afterwards, a list of participants agreeing to fill up the study questionnaire was prepared. Along with each questionnaire, a cover letter explaining the purpose of the study, a brief profile of the researcher, a pledge of respondent anonymity, and an assurance that the data were being

collected only for academic purposes and served no commercial interest, were also attached. 1600 study questionnaires were distributed, of which 792 were completely filled and returned. Thus the response rate of this survey was 49.5 percent.

Here, it should be mentioned that each respondent of this survey was a full-time managerial cadre executive in his/her organization. They were of an average age of 37.07 years and had an average work experience of 10.67 years. The respondents who belonged to the manufacturing sector organizations numbered 438 while those from services sector organizations were 354 in number. Of the respondents, males comprised 568 while females comprised 224 of them. Additionally, 55 respondents were taken from the senior, 333 from the middle, and 404 from the junior managerial cadres of their respective organizations.

#### Measures

All five study constructs, namely PRnR, OA, IM, CC, and WA, were measured on a fivepoint Likert scale from 1 = strongly disagree to 5 = strongly agree.

*PRnR*. PRnR was assessed with a variant of the 10-item rewards and recognition inventory developed by Saks (2006). A sample item from the inventory was 'I am respected by the people I work with'. The Cronbach's alpha internal consistency reliability index for this measure was .86.

*OA*. Three scale items adapted from Gomes and Neves (2011) were used in getting the employees' attitudes on OA. An example of the scale items was 'This company is attractive to me as a place for employment'. The internal consistency reliability for this measure as per its Cronbach's alpha value was .86.

*IM*. Four items reported by Lawer III and Hall (1970) were adopted to assess employees' IM to work. A sample of the items that were included in the questionnaire comprised 'When I do my work well it gives me a sense of accomplishment'. The Cronbach's alpha reliability index for this measure was .81.

*CC*. Respondents' CC was assessed by eight of the 24 items of the organizational commitment inventory developed by Meyer and Allen (1997). A sample item of this inventory was 'It would be very hard for me to leave my organization right now, even if I wanted to'. Two of the eight items had to be reverse-scored one of which was 'It wouldn't be too costly for me to leave my organization now'. The Cronbach's alpha index denoting the measure's internal consistency reliability was computed as .92.

*WA*. WA of employees was measured with the seven-item inventory developed by Hirschfeld and Feild (2000). An example of the items used was 'I wonder why I work at all'. The internal consistency reliability as per the measure's Cronbach's alpha was .91.

*Control variables.* For all of the following analyses, age, work experience, sector (1 = manufacturing and 2 = services) to which their organization was affiliated, gender (1 = male and 2 = female), and the level of management (LoM) (1 = senior, 2 = middle, and 3 = junior) to which they belonged in their respective organizations were used as control variables. These have been selected based on research resembling the present study (Kim *et al.*, 2020).

#### **RESULTS Common Method Bias**

A single latent factor approach was adopted to investigate the presence of common method bias (CMB) associated with latent variables (Siemsen *et al.*, 2010). A common latent variable

model (LVM) linking the indicators of all the study variables PRnR, OA, IM, CC, and WA was estimated against the conceptual LVM mentioned earlier to test the divergence in fit. The comparative-fit-index and the incremental-fit-index of the proposed model were .92 and .92, respectively, whereas the same indices were .71 and .71 for the common LVM. In this regard, the common LVM could not be accepted and the risk of CMB in the conceptual LVM was also eliminated.

#### **Evaluation of the Measurement Model**

The measurement model was judged based on its reliability and validity as the two main criteria of assessment (Ramayah et al., 2011). As shown in Table 1, the composite reliability values were between .72 and .86 therefore confirming construct reliability while the average variance extracted (AVE) values ranged between .51 and .67 which was an indication of convergent validity. From Table 1, it was clear that the squares of the correlations among the study variables were less than the AVE values hence giving evidence of discriminant validity (Koufteros, 1999). Besides, discriminant validity was also examined by the implementation of the heterotrait-monotrait (HTMT) technique (Henseler et al., 2016). As indicated in Table 1, these range from .22 up to .39 thereby further supporting the test of discriminant validity.

Table 1								
EVALUATION OF THE MEASUREMENT MODEL								
Variables	C.R.	1	2	3	4	5		
1. PRnR	.77	.61						
2. OA	.74	.21	.55					
		(.35)						
3. IM	.72	.30	.44	.51				
		(.34)	(.39)					
4. CC	.86	.27	.26	.18	.67			
		(.32)	(.22)	(.29)				
5. WA	.83	.10	.05	.28	.09	.65		
		(.27)	(.29)	(.27)	(.32)			

*Note.* n = 792; C.R. is 'Composite reliability'; The diagonal values of the matrix represent the average variance extracted while the off-diagonal values are the squares of the inter-correlations between the study variables; Off-diagonal values in parentheses are results of the heterotrait-monotrait (HTMT) analysis; 'PRnR' is 'Perceived rewards and recognition', 'OA' is 'Organizational attractiveness', 'IM' is 'Intrinsic motivation to work', 'CC' is 'Continuance commitment' and 'WA' is 'Work alienation'.

#### **Configural Invariance Tests**

The results of configural invariance tests confirmed that the measures were invariant between the various groups, that is, sector ( $\Delta \chi 2 = 536$ ,  $\Delta df = 485$ , p = .50), gender ( $\Delta \chi 2 = 505.3$ ,  $\Delta df = 485$ , p = .25), and LoM ( $\Delta \chi 2 = 1023.7$ ,  $\Delta df = 970$ , p = .11) and therefore, the results obtained applied consistently to all groups considered in the present study.

#### **Descriptive Statistics, Correlations, and Internal Reliabilities**

Table 2 presents the means, standard deviations, correlations, and Cronbach's alpha internal reliability indices of the key study variables. As hypothesized, PRnR was significantly and

positively correlated with OA (r = .46,  $p \le .01$ ). Similarly, OA was significantly and positively correlated with IM (r = .66,  $p \le .05$ ). Also, the correlations of IM with CC were positive and significant (r = .43,  $p \le 0.01$ ), and that between IM and WA were negative and significant (r = .23,  $p \le .05$ ). The values in parenthesis on the diagonal of Table 2 represent Cronbach's alpha reliability indices per key study variable.

Table 2 DESCRIPTIVE STATISTICS, CORRELATIONS, AND CRONBACH'S ALPHA RELIABILITY INDICES												
Values $(\rightarrow)$ Variables $(\downarrow)$	Mean	S.D.	1	2	3	4	5	6	7	8	9	10
1. Age	37.07	8.7	1									
2. Work experience	10.67	7.72	.09*	1								
3. Sector	1.45	0.5	-0.05	-0.12	1							
4. Gender	1.16	0.36	-0.04	16*	0.12	1						
5. LoM	2.5	0.62	-0.02	14**	0.06	0.01	1					
6. PRnR	3.61	0.64	0.03	0.03	-0.06	-0.04	0.07	-0.86				
7. OA	3.7	0.74	0.05	0.06	-0.03	-0.04	0.09	.46**	-0.86			
8. IM	3.37	1.23	-0.03	-0.02	0.04	.01**	-0.06	.55**	.66*	-0.81		
9. CC	3.24	0.59	0.03	0.05	0.09	0.04	0.05	.52**	.51**	.43**	-0.92	
10. WA	2.19	0.89	-0.04	02*	0.06	0.04	0.07	31**	23**	23*	30**	-0.91

*Note.* n = 792; \*  $p \le .05$ , \*\* $p \le .01$ ; SD, Standard Deviation. Cronbach's Alpha reliability indices are reported in parentheses on the diagonal; LoM is 'Level of management', other short-forms are as mentioned in the previous table(s) and in text.

#### Path Analyses Result for the Proposed Model

The paths connecting the main study variables were evaluated through structural equation modeling (SEM) procedures that relied on simultaneous regression methods through maximum likelihood estimation. Thus, because OA was significantly and positively regressed onto PRnR (standardized  $\beta = .45$ ,  $p \le .01$ ), as was IM onto OA (standardized  $\beta = .68$ ,  $p \le .01$ ), H1 and H2 were supported. In addition, CC regressed significantly and positively on IM with standardized  $\beta = .46$ ,  $p \le .01$  which led to acceptance of H3. Finally, WA regressed significantly and negatively on IM with standardized  $\beta = -.22$ ,  $p \le .01$  leading to the acceptance of H4. The results of this analysis are presented below in Table 3.

Table 3 REGRESSION ANALYSES RESULTS								
Values $(\rightarrow)$ Unstandardized coefficients								
	b	Standard	Standardized $\beta$					
$Paths(\downarrow)$		error	estimates	$C.R.^{\dagger}$	Remarks			
$PRnR \rightarrow OA$	.79	.08	.45	7.46	H1 accepted			
OA → IM	.88	.08	.68	2.23	H2 accepted			
$IM \rightarrow CC$	.62	.04	.46	9.43	H3 accepted			
IM →WA	41	.05	22	-6.57	H4 accepted			

*Note.* n = 792; short-forms are as mentioned in the previous table(s) and in text; <sup>†</sup>C.R. is 'Critical Ratios', a recommended basis for testing the statistical significance of SEM components. C.R. $\geq \pm 1.96$  indicates significance at the 95% level and C.R. $\geq \pm 2.58$  indicates significance at the 99% level.

#### **Mediation Analyses through Competing LVMs**

The analysis proceeded to investigate the sequential mediation effects in the proposed conceptual model in Figure I. For that purpose, three alternative LVMs were fit against three absolute and four comparative fit indices. The absolute fit indices included normed  $\chi^2$ , the goodness-of-fit index (GFI), and the root-mean-square-error-of-approximation (RMSEA). The comparative fit indices included the comparative-fit-index (CFI), the incremental-fit-index (IFI), the normed-fit-index (NFI), and the relative-fit-index (RFI). According to the literature (Byrne, 2001), the proposed cutoffs were RMSEA  $\leq$ .06, 1.00  $\leq$  normed  $\chi^2 \leq$  3.00, and for all of the fit indices that is GFI, CFI, IFI, NFI, and RFI  $\geq$ .90. Based on these proposed cut-offs, a model could be accepted for further analyses only when they met these minimum acceptable threshold values. As mentioned, three competing LVMs were cross-tested and these were named LVM1, LVM2, and LVM3.

LVM1 consisted of PRnR as the latent exogenous variable and CC and WA as the latent endogenous variables excluding OA and IM thus exemplifying a model with no mediation. LVM2 included OA and IM, the mediator variables but excluded direct paths from PRnR to either CC or WA thus indicating a fully mediated model, while LVM3 comprised OA and IM, the mediator variables, and included direct paths from PRnR to CC and WA, thus representing a *quasi*-mediated model. While running a check of the absolute and the comparative fit indices of the three LVMs, only those of LVM3 were found to be not only over the threshold but to have the best fit among all. For LVM3, the absolute fit indices that are, normed  $\chi^2$  was 2.58, GFI was .95, and RMSEA was .05 while the comparative fit indices that are, CFI and IFI were both .92, NFI was .91 and RFI was .90. In keeping with these results that conformed to the recommendations of Chin *et al.* (2003), LVM3 was chosen against the other LVMs for further empirical analyses. The results are presented in Table 4 below.

Table 4 ANALYSIS OF COMPETING LVMS									
Values ( $\rightarrow$ )Fit IndicesAbsolute Fit IndicesComparative Fit IndicesNormed $\chi^2$ GFIRMSEACFIIFINFIRFI									
Models()	1. connect X	011	1000000	011			141		
LVM1 (no mediation)	7.51	.85	.09	.78	.78	.74	.76		
LVM2 ( <i>full</i> -mediation)	4.48	.82	.09	.81	.81	.81	.79		
LVM3 (quasi-mediation)	2.58	.95	.05	.92	.92	.91	.90		

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*Note.* n = 792; short-forms are as mentioned in the previous table(s) and in text; Minimum acceptable values of the fit indices are as mentioned in the text.

#### Additional Meditation Analyses for the Accepted LVM

While the SEM procedures established OA and IM as crucial mediators between PRnR on the one hand and CC and WA on the other, and thereby ruled out possible problems of correlated measurement errors, it was considered prudent to conduct Sobel's (1982), the Aorian's (1944), and Goodman's (1960) tests via *z*-prime method of MacKinnon *et al.* (2002), controlling for the possibility of Type-I error and also testing the mediation strength. Also, the ratios of the indirect to the total effects were computed and named 'percentage of mediation'. These are noted in Table 5 below.

These procedures tested for two conditions of mediation: first, whether the direct paths from the primary antecedent to the final consequent variables were larger than the indirect paths through the designated mediators; and, second, whether the direct paths persisted to be significant in the presence of mediation (MacKinnon *et al.*, 1995). As both these conditions were affirmative, all mediators in the accepted LVM that is, LVM3 were considered *quasi*mediators as depicted in Table 5 below. A test of mediation was conducted for LVM3, using the AMOS 24.0 plugin for indirect effects (Gaskin and Lim, 2018). The results of this analysis found all the mediated paths in LVM3 to be significant, which resulted in accepting H5(A) and H5(B). This test's results are shown in Table 6 below.

Table 5 ADDITIONAL ANALYSIS OF MEDIATION									
Values $(\rightarrow)$	Additional Mediation Tests				Path Analyse				
Paths (↓)	Sobel's test	Aorian's test	Goodman's test	Percentage of mediation	Whether regression estimate of (direct paths) > (paths under mediated condition)?	Whether regression estimate of (paths under mediated condition) is significant?	Results of the additional mediation analyses		
$\begin{array}{c} PRnR \rightarrow OA \rightarrow \\ IM \end{array}$	7.34**	7.33**	7.36**	38.09			All variables designated		
$\begin{array}{c} \text{OA} \rightarrow \text{IM} \rightarrow \\ \text{CC} \end{array}$	8.97**	8.95**	8.98**	33.16	YES	YES	as mediators fulfill the		
$\begin{array}{c} \text{OA} \rightarrow \text{IM} \rightarrow \\ \text{WA} \end{array}$	-6.57**	-6.55**	-6.59**	28.17			<i>quasi-</i> mediator role		

*Note*. n = 792; \*\* $p \le .01$ ; short-forms are as mentioned in the previous table(s) and in text.

Table 6 SPECIFIC INDIRECT EFFECTS								
Indirect Path Unstandardized estimate P-value Standardized estimate								
PRnR> OA> IM	.35	.001	.25					
PRnR> OA> IM> CC	.55	.01	.38					

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PRnR> OA> IM> WA	19	.02	24
OA> IM> CC	.38	.01	.23
OA> IM> WA	13	.03	19

*Note.* n = 792; short-forms are as mentioned in the previous table(s) and in text.

## DISCUSSION

The analyses demonstrate a holistic path model where PRnR drives OA that subsequently affects IM, such that there are concomitant effects on CC and WA. The outputs furnish the

necessary empirical evidence to accept all the study hypotheses and the conceptual model proposed in Figure I above and proved to be LVM3. The theoretical and practical implications of these results are discussed in the section below.

### **Theoretical Implications**

This study's findings indicate that PRnR not only contributes to better employee satisfaction but also enhances the organization's appeal for both prospective and existing employees. This underscores the applicability of the SET (Simbula *et al.*, 2023) in modern organizational setups.

Apart from this, it is clear that OA is a crucial mediator that will connect employees' PRnR with their IM to work. This substantiates the relevance of OA in the retention of personnel. An interesting and pertinent theoretical implication that comes out from the study is that though it is generally bound to extrinsic rewards, CC was susceptible to intrinsic factors as perceived by employees. This was supported by the results wherein it was affirmed that IM strengthens the connection between OA and both, CC augmentation and WA reduction, emphasizing the critical role of internal drives over and above external rewards. Furthermore, it is in accordance with the self-determination theory as given by McAnally and Hagger (2024), which suggests that IM strengthens the various manifestations of organizational commitment through autonomy, competence, and relatedness. Similarly, WA was also found to be an outcome of either an inadequate reward or failure to create OA and IM rather than just being a consequence of extrinsic factors.

In this regard, a motivational climate can reduce WA and therefore suggest that HR practices based on employees' psychological climate considerations have reasonable repercussions for employee engagement. In this respect, organizations can ensure the reward system will align with the organizational values and objectives and therefore serve its intended purpose. This is a fallout of the motivation-hygiene theory as espoused by Wu *et al.* (2023), where an internal motivator's role in enhancing worker well-being is essential.

## **Practical Implications**

Based on the findings of this research, managers should design both monetary and nonmonetary individualized reward and recognition processes that incorporate public acknowledgment, which enhances OA. In this manner, they would also be able to create a strong employer brand that makes attracting and retaining talent easier. Generally, managers may implement and invest in programs, such as those of meaningful work and skill development, which promote IM. Indeed, it does affect long-run benefits in the form of increased employee commitment.

In this regard, the outcome of the research suggests that business organizations need to implement an HR system with provisions for rewards, recognition, and career advancement. To illustrate, they can offer flexible working hours and locations, which can convey a positive PRnR and OA. They can also initiate well-being programs rewarding the employees with good worklife balance so that they contribute to OA and IM. Alongside, they should regularly conduct employee satisfaction and engagement surveys, which would help them know how the rewards and recognition are being perceived and how such perceptions are affecting OA and IM.

Managers, therefore, need to involve employees in the reward policies and show them the transparent nature of the policies so that the employees perceive the reward mechanism as being fair. This can be done through the utilization of online and offline feedback methods that would be used by the employees themselves for the mutual recognition of each other's achievements enhancing both PRnR and OA.

Insofar as employees' CC is concerned, the results of this study indicate that managers create an environment at work that employees consider too valuable to leave by focusing on both extrinsic rewards, such as special rewards for long-serving employees, in making them feel that their tenure is well appreciated, retirement benefits, and intrinsic elements such as meaningful work and job significance. Targeted training and emphasis on the long-term benefits of employees' organizational tenure may constitute part of the policy that the organization adopts to improve their employees' CC. Following the study results, managers may counter WA by promoting engagement among their workforce by way of intrinsic motivators such as job autonomy, participatory performance reviews, and formal task appreciation. With this perspective, managers should offer routine, developmental performance reviews and requirements to encourage employees to grow within their positions and give them more control over how to accomplish their work. All things considered, managers have to regularly monitor levels of employees' WA through surveys or discussions and take prompt action to reconnect them with work by attacking the causes, whether recognition or motivation.

All these implications, based on the findings of this study, would be a comprehensive approach to deal with all the interrelated factors of rewards, motivation, commitment, and alienation at work.

#### Limitations

The current study enables discussion regarding the mediating effects of OA and IM within the general framework of PRnR. However, there are several limitations that the study possesses, which are outlined below.

One main drawback is the possibility that the sampled population lacks diversity. Since the focus of the research was on particular sectors along with specific demographic populations, the findings may not apply universally. A sample that offers stronger external validity would be had by including a more diverse sample across sectors, cultural backgrounds, and levels in the service profession.

A cross-sectional design through this study also constrained the capacity to establish a causal relationship among the variables. Hence, a longitudinal research design will provide stronger evidence of such dynamics in the long run.

The study results, while incorporating an in-depth discussion on internal organizational factors, did not include external economic or market conditions that might also influence attitudes at the employee level. Economic downturns, industry-specific challenges, or changes in employment law factors can affect perceptions about OA and CC.

The findings of this study were bound to certain cultural settings. PRnR and OA may take different forms in different cultures, so the generalizations here may not hold universally. Cross-cultural studies might be useful in trying to make sense of how these variables operate across different cultural contexts.

### **Future Research Scope**

All the foregoing, therefore, imply that more could be achieved in the future as far as longitudinal monitoring and analyzing changes with regard to PRnR, OA, and IM and their effects over time on employees' CC and WA are concerned. This would help track the dynamics and evolution of these relationships better. In the future, studies may thus focus on other external factors including economic trends, technological advancement, or even changes specific to an industry that may influence how employees perceive rewards and recognition. By studying these dynamics, one can trace broader perspectives and understand what shapes organizational commitment and alienation of the employees. Cross-cultural comparisons can thus be used to study how different cultures interact with the perception of rewards, motivation, and OA. This would give one an insight into whether certain HR strategies apply universally or are culturally contingent by increasing their understanding of such relationships.

Against this background, it would be interesting to reflect a bit deeper on how the functions of PRnR translate in virtual environments, particularly considering that the trend of working outside the office and general digitization of the workplace is ongoing. Future studies, based on this study, may explore the factors determining OA, IM, and CC in the new workplace context, such as digital recognition schemes and possibilities of remote work. Conceptually, although this study focused on OA and IM as mediators, there may be other mediators or moderators that would provide further information to be gained by knowing the pathways through which rewards and recognition relate to outcomes for employees.

As noted, this study relies on self-reporting measures that are considered subjective for assessing the constructs. Future studies can develop more objective measures, like productivity metrics, rate of absenteeism, or employee retention data, to validate the given self-reported findings and devise more inclusive implications.

#### CONCLUSION

The study demonstrates a complete model of PRnR linked to employee outcomes in the form of CC and WA, with OA and IM as mediators. It underscores such an organizational culture that provides nonmonetary recognition and an appealing work environment is as important as financial rewards. The study points out that it is possible for organizations to reduce employee alienation and improve employee commitment by fostering their levels of IM within an attractive work environment.

However, limitations, such as the cross-sectional design and potential cultural bias, call for a very cautious interpretation of these results. Further studies should address these limitations by designing longitudinal studies, taking into account both external and cultural variables, and using a combination of subjective and objective measures of employee outcomes.

In a nutshell, organizations that would like to advance their employees' CC along with minimizing their WA must strive for an inclusive strategy with extrinsic rewards and intrinsic motivators. By creating an attractive environment in an organization that ensures proper alignment between personal and professional values, managers can increase their overall employee productivity which will eventually reflect in improving overall organizational performance.

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