Pay for Performance (Pfp) Increasing Creativity Through Intrinsic Motivation

Sidra Rehman
Corresponding Author: School of Business Administration, National College of Business Administration and Economics, Lahore, Pakistan. Ph: +92(42)35752716

Hafiz Muhammad Shahrukh
Master in Business Administration, Preston University, Karachi, Pakistan.

Ayesha Mansha Virk
School of Business Administration, National College of Business Administration and Economics, Lahore, Pakistan.

Mattiullah Butt
PhD., School of Business Administration, National College of Business Administration and Economics, Lahore, Pakistan. Ph: +92(42)35752716

Abstract
Supervisor enhance their subordinates’ level of creativity to provide latest insights into intrinsic motivation. Therefore, demonstrating the other site in which pay for performance decisions are controlled by HR department through individual interaction with increasing (PFP) pay for performance and their employees’ creativity (CR). By utilizing 250 questionnaires out of which 206 were completed from Lahore, the city of Pakistan. We establish that the consequence of (PFP) on creativity was invariably mediating by intrinsic motivation in such a way that both mediator or moderator, PFP had stronger positive effects on creativity. Findings show that regression, mediation and moderation analysis the actual best fit was an PFP model and the Cronbach’s alpha values shows higher reliability and consistency of values & all variables are very highly correlated to each other. Future study is needed for testing the scale with different cultures and different organizations. Furthermore, intrinsic motivation, as enhanced through trust in management, which moderating this mediating effect of PFP on creativity. In addition to, the regression path analysis exposed the intrinsic motivation that mediated the moderated effect between the supervisors’ PFP, their trust in management, and also their employees’ creativity. Findings of current study illuminate the processes and situations through which, pay-for-performance may encourage creativity.

Key words: PFP (pay for performance), Intrinsic motivation, trust in management, creativity.

JEL classification: M10, M59

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Introduction

In public management sector, pay-for-performance is considered as its essential component which is used for the purpose to enhance efficiency in the general public sector (Rafacz, Houmanfar, Smith, & Levin, 2018). It has just like fashionable sector (B. S. Frey, Homberg, & Osterloh, 2013; Menges, Tussing, Wihler, & Grant, 2017). When the given task is interesting, individuals are motivated to perform their tasks in a better way (Kruglanski et al., 2018). Many research shows that intrinsic motivation is the preference to make investments effort because the employee feels more enjoyment in their work for the sake of higher performance in the job (Grant, 2008; Piccolo & Colquitt, 2006; Rich, Lepine, & Crawford, 2010; R. Ryan & Deci, 2000). Intrinsic motivation makes effortless aversive, top level individuals to perform their duties (Kruglanski et al., 2018), hardly, smartly, longer, and more effectively and efficiently (T. Amabile, Phillips, & Collins, 1993; Gagne & Deci, 2005; Menges et al., 2017).

Employee creativity is stated as improving or enhancing the recent and beneficial products, techniques and procedures (T. M. Amabile, 1988; Christina E. Shalley, Zhou, & Oldham, 2004), is noted to be a significant determinant factor for the organizations to inventive, endure, and expand in the worldwide competition of marketplace (Christina E Shalley & Zhou, 2008). Considering that creativity is the social process end result element, others inside the place of work, inclusive of managers, can assist to encourage or invigorate an individual’s creativity (Teresa M. Amabile & Pillemer, 2012; Koseoglu, Liu, & Shalley, 2017; Perry-Smith, 2006).

Provocative and encouraging programs are often accustomed and utilized in employment environment to inspire exceptional performance (X. Zhang & Bartol, 2010). While such encouragements and motives (pay for performance) are discovered to have positive and significant impacts on job performance (Fay & Thompson, 2001; X. Zhang & Bartol, 2010), the importance of PFP have been raised by giving incentives (Cook, Ramón, Ruiz, Sirvent, & Zhu, 2019), that shows the greatest impact on employees’ creativity. In contrast, researcher suggested that incentives for exceptional performance raised discerned self-determination, consequent for higher intrinsic motivation and creativity (Fischer, Malycha, & Schafmann, 2019; Robert Eisenberger & Aselage, 2009; Robert Eisenberger, Pierce, & Cameron, 1999).

Employee creativity is essential to organizational development, success and existence (Kanter, 1983; Nonaka, 1991). Employees create new and potentially valuable ideas and thoughts about organizational products, services, recitation, or methods to enhance creativity at their workplace (Christina E Shalley & Gilson, 2004). The management patterns and activities that can enhance creativity of employees, which is substantial advantage for the organization (Li, Deng, Leung, & Zhao, 2017; Zhou & Oldham, 2001; Zhou & Shalley, 2003).

Intrinsic motivation is explained as “the passion for accomplish a goal for its personal benefit, so that to enjoy the gratification and satisfaction in the achievement of that goal (Deci, Connell, & Ryan, 1989). Work performance is essential for supervisor and it’s subordinates with regards for each emotional and physical rewards (Kuvaas, Buch, Weibel, Dysvik, & Nerstad, 2017; Sonnentag, 2001). According to Amabile (1983), Creativity is componential formulation for intrinsic motivation, which are considered as an essential and powerful effect on the creativity of employees (Fischer, Malycha, & Schafmann, 2019; T. M. Amabile, Contt, Coon, Lazenby, & Herron, 1996; Teresa M Amabile, 1988; C. E. Shalley, 1995; Christina E. Shalley, 1991; X. Zhang & Bartol, 2010).

Pay for performance for following two reasons may enhance employees’ intrinsic motivation. Firstly, the employees desire to apply a wider variety of competencies and a more superiority of excessive-degree capabilities as a way to perform their duties well and overcome the opposite occurrence of performance stress and pressure. They also investigate additional considerate methods to accomplish their goal effectively that deviate by usual activity, and immense application of a wide sequence in their differentiated capabilities. Secondly, the mental stress and burden connected with the necessity to fulfill their higher performance demands that improve subordinates’ spending of their efforts on the specified obligations. The modern principles of labor commitment and better experience, venture attention is an essential component in
improving intrinsic interest (Robert Eisenberger & Aselage, 2009; Robert Eisenberger, Jones, Stinglhamber, Shanock, & Randall, 2005; González-Romá, Schaufeli, Bakker, & Lloret, 2006).

Intrinsic motivation is considered essential for the effective performance of the employee. Due to this, intrinsic motivation is assume to acquire “the highest levels of effort” (Meyer, Becker, & Vandenberghe, 2004), because it has related to the higher effort levels (R. M. Ryan & Deci, 2008) and determination (Kuvaas et al., 2017; Vallerand & Blissonnette, 1992).

Social cognitive orientation that claim, giving to the employees extraneous incentives decrease intrinsic motivation and creativity because of decreased dedication, commitment and also the over justification impact (Fischer, Malycha, & Schafmann, 2019; T. M. Amabile et al., 1996; Robert Eisenberger & Cameron, 1998). In contrast, behaviorally orientation that claim extrinsic incentives enhance self-determination, that promoting intrinsic motivation of employees (Eisenberger and Cameron 1996; Robert Eisenberger, Pierce, and Cameron 1999) and their creativity (Robert Eisenberger & Aselage, 2009; Li et al., 2017).

According to “cognitive evaluation theory” (Miller, Deci, & Ryan, 1988b), incentive suggestion for the purpose of an entertaining challenges and also efforts to restrain the bad behavior of the employees. The disgusting decreasing in self-determination that adopted to reduce the employees’ intrinsic motivation and also their creative performance. (Robert Eisenberger & Aselage, 2009; Robert Eisenberger et al., 1999) also follow Deci and Ryan’s cognitive evaluation theory however, claims the required incentives to increases the quality performance highly, as comparatively reduce the employees’ intrinsic motivation and their self-determination.

Trust, stated as the agreeableness to remain unprotected grounded on high quality expectancies concerning the determination of some other party (Mayer, Davis, & Schoorman, 1995; Rousseau, Sitkin, Burt, & Camerer, 1998), that essential for the organization. For instance, the study signify that those employees who are more reliance show more cooperation and dedication, shows more involvement in gaining, seeking and sharing knowledge, and executed inferior in ineffective work conduct (Dirks & Ferrin, 2001; Fulmer & Gelfand, 2012; Robinson, 1996). Consequently, supervisor’s trust in management that considered as essential mechanism for effective managing activities of the organization (Verburg et al., 2017; A. Y. Zhang, Tsui, Song, Li, & Jia, 2008).

**Literature Review**

**PFP (Pay for Performance) and Intrinsic Motivation**

Crowding Principle is an essential component of Behavioral theory; it helps by considering that the employees are inspired not through extrinsic motivation, however also by the intrinsic motivation. That motivational act provides an essential guidelines change in how individuals’ performance should be affected (B. Frey, 2017). In extensive circles of the enterprises, in addition to the latest path to influence individuals for enhancing and organizing their efforts for an organizational aim. Exceed this aim, through the increase in additional benefit acquired. The relative-price effect (Becker, 1976; B. Frey, 2017; B. S. Frey, 1999) and the procedure influence employees to apply the more attempt. The relative-price effect is the higher supply of products and services that proposes the better economic rewards.

It has been regarded for decades inside the social sciences that, limited particular requirements, pay-for-performance enhance the crowds of individuals’ intrinsic motivation. Various situations need the employees influence and motivation intrinsically, and they understand the regulating exterior interference. The employee’s performance is needed to carry out intrinsic motivation. Therefore, extrinsic motivation replaces into the intrinsic motivation for acquiring the higher revenue. That consequent requires an intrinsic work motivation on the beginning. Moreover, the participants understand the regulating economic interference (B. Frey, 2017).

Most supervisors attempt to enhance employees’ intrinsic motivation (for example, through imparting positive remarks, by focusing on the job obligations, and supplying aggressive initial remuneration) and also supplying rewards which enhance extrinsic motivation through remarkable rewards that are dependent upon outcomes. Even through the employees’ intrinsic and extrinsic motivation that manage work regarding activities at the same time, whereas, existing research suggests the both intrinsic and extrinsic motivation importance...
The study question of our importance is about, when individuals are more or less interested about their pay for performance related to their tasks as they work.

The recent meta-analysis, (Cerasoli, Nicklin, & Ford, 2014; Kuvaas et al., 2017) stated a stronger high-quality affiliation in intrinsic motivation and its overall performance of work. When rewards were indirectly provided to show higher performance of results than the rewards in which without delay to show overall performance.

The crowding-out effect recognized in the behavioral theories with the researchers’ contributions (Deci, 1971; Deci, Ryan, & Koestner, 1999; Meyer et al., 2004; Miller, Deci, & Ryan, 1988a) and become particularly carried out to analyze the process of acquiring knowledge. In psychology the impact consider thought names, inclusive of their “over justification effect”, “corruption effect”, “rewards hidden costs”, or “the detrimental effects of rewards on performance” (B. Frey, 2017).

A recent research confirmed, the remarkable and valuable rewards given to the employees which definitely enhance their work capabilities (Kuvaas, Buch, Gagné, Dysvik, & Forest, 2016). Therefore, impact of extrinsic motivation was not much understandable for complicated tasks which shows better employees’ capabilities for their intrinsic motivation (Ariely, Gneezy, Loewenstein, & Mazar, 2009; Weibel et al., 2010). However, pay for performance is subjective in nature and their estimated extend values were utilized for gaining control over individuals’ capabilities on their overall performance (J. R. Deckop, Mangel, & Cirka, 1999; Kuvaas et al., 2017). We suggest the subsequent hypothesis:

**H1: The supervisors’ provided PFP (Pay for Performance) positively related to their employees’ Intrinsic Motivation.**

**Intrinsic Motivation and Creativity**

Creativity which is associated with intrinsic motivation is stated as those new generating ideas which are interlinked with delicate and enjoyable tasks (Tierney, Farmer, & Graen, 1999) and it is that selected degree of intrinsic motivation which focused on creativity, and their association shows more coherency with creativity (Li et al., 2017; Shin & Zhou, 2003; X. Zhang & Bartol, 2010).

Empirical research (T. M. Amabile et al., 1996; Robert Eisenberger & Aselage, 2009; Kanter, 1983) shows that the intrinsic motivation is an essential demand for creativity in various research. The research shows definitely possible means of supplying monetary rewards to engaged researchers that perform their “job” with full commitment but not promoted the ways that are unbelievable and truly innovative. For this reason, while expecting the crowding-out effect of the current intrinsic motivation sometimes higher authorities feel themselves very cautious for investing pay-for-performance schemes in different research centers.

Researcher have display effectiveness creativity, that corresponds the proficient belief of employees’ intrinsic motivation, that displays their inquisitive about performing, the important cognitive mechanisms using creativity (Gong, Huang, & Farh, 2009). Intrinsic motivation, the best choice to invest exertion which based on personal interest within the workplace (Gu, He, & Liu, 2015; R. Ryan & Deci, 2000). If there is high intrinsic motivation, individuals did not exercising and independently regulating the “push” towards the work; that evidently “pulled” into the given task (Grant, 2008). Because the work achievement environment is pleasant instead of repulsive, individuals are most probably create awareness through their full concentration, make investments substantial attempt, and prevail within the limit of boundaries (Menges et al., 2017; Thau & Mitchell, 2010).

According to Teresa M. Amabile, 1983) the componential conceptualization of creativity, through intrinsic motivation that related toward task motivation and also its essentialness, for unexcepted state which providing creative results. Amabile claim the prosecute of creative process tasks have an equal, but have not much essential, influence on the creative behaviors of the employees. Numerous investigators start focusing on understanding the importance of creative process, therefore employees engage to develop innovative ideas, and they conduct many researches for addressing their issues (Drazin, Glynn, & Kazanjian, 1999; Mumford, 2000; Christina E. Shalley & Gilson, 2004; X. Zhang & Bartol, 2010).
The problem of whether incentives reduces or enhances intrinsic concern and creativity is related to the organizations for the reason that creative offerings assist companies to turn out to be more efficient, adapt to modify, and also to develop innovative goods and services (Mumford, Scott, Gaddis, & Strange, 2002; Christina E. Shalley & Gilson, 2004). Employees’ self-satisfaction of their performing duties for its personal interest (intrinsic job concern) that makes major contribution in their task creativity (Robert Eisenberger & Aselage, 2009; Christina E. Shalley & Gilson, 2004).

Employees’ energy probable to be falter in the absence of their intrinsic motivation: while techniques of implementing activities is not proper, employees’ shows deficiency of involvement in their task and push themselves towards their work, which is regularly hard (Grant & Sonnentag, 2010). Although individuals experience pressure at work for numerous reasons. However, the mainly highlighted reason is the lack of intrinsic motivation among employees because when there is no intrinsic motivation among employees then it automatically makes them vulnerable to burnout, emotionally exhausted, strain and stressful (Grant & Sonnentag, 2010; Houkes, Janssen, de Jonge, & Nijhuis, 2001; Shropshire et al., 2017).

H2: The employees’ Intrinsic Motivation positively influence to their Creativity.

PFP (Pay for Performance) and Creativity

The employees’ job that mainly concern with new product researcher and designers that are significant contribution towards creativity. New product creation with the help of individuals accomplish their tasks without any delay require creativity additionally that has importance for organizations. For example, industrial individuals have established to give efficient recommendation that enhance productiveness and decrease manufacturing expenditure (Carrier, 1998; Robert Eisenberger & Aselage, 2009).

The crowding-out theory insights strongly contradicts pay for performance, the individuals regulating the pre-decided targets. The various targets were measured that regulating as they were described or enforce by the superiors. Managers display the individuals which determine their accomplishment adapt for the standard set by defined target (B. Frey, 2017).

Robert Eisenberger et al. (1999), claim that PFP can advance creativity through enhance intrinsic motivation and perceived self-dedication by extrinsic motivation. As recommended by Robert Eisenberger & Rhoades (2001), incentives dependent upon the employees that indicate (i) the individual, group, or an organization providing incentives that absence control by the recipient’s performance over the potential incentives, and (ii) the potential incentives receiver have the chance for reducing incentives and that are not act as requirement. Consequently, enhance creativity and self-dedication through the utilization of reward for high performance (i.e., the employee’s intelligence so that it effectively working on the given task of self-commitment) and, also encourage intrinsic motivation (Robert Eisenberger et al., 1999; Y. Zhang, Long, Wu, & Huang, 2015).

Social cognitive theory have applied by creative researchers to examine the impel method of management on creativity (Liao, Liu, & Loi, 2010). The “social cognitive theory”, explained that individual performance occur/possible through forceful method, that comprises mutual associations between three division of determinants: conduct, perception, and overall performance situations (Bandura 1986; Gu, He, and Liu 2015).

While “cognitive evaluation theory” stated (Cerasoli et al., 2014; Miller et al., 1988a; Y. Zhang et al., 2015), intrinsic motivation is an essential emotional motivational need for creativity be created from the emotional necessity of self-sufficiency and proficiency. Hence, specific type of incentives impact on intrinsic motivation rely on the way that affects skills self-dedication, will power and discerned proficiency.

Supervisors could show a significant effect of employees' creativity (Byrne, Mumford, Barrett, & Vessey, 2009; Christina E. Shalley & Gilson, 2004). The most important individuals to achieve extra creatively is claims that distinct for conventional management approaches, because creativity exact a distinctive set of necessities, which includes extreme self-sufficiency and a superior level of acceptance for disappointment in the organization (Shropshire et al., 2017; Vessey, Barrett, Mumford, Johnson, & Litwiller, 2014).


H3: The supervisors’ provided PFP (Pay for Performance) positively influence their employees’ Creativity.

Intrinsic Motivation as A Mediator

The employees’ Intrinsic motivation, that correspond emotional preparedness (‘will’), also shows when the opposite significant association involving in the leadership styles and also graduate scholar creativity. Intrinsic motivation related toward the offering where employees is internal focused, is inquisitive about or concerned with a mission, and pursue the mission for the purpose of its completion (Utman, 1997). According to social cognitive theory, employees’ incentive for respond of distinct exterior conditional factors are independently controlled. Intrinsic motivation creates “the mark of distinction involving what an employee can perform and what an employee will perform” (Teresa M. Amabile, 1998). Literature has recognized the significant association involving intrinsic motivation and creativity (Robert Eisenberger & Shanock, 2003; Gu et al., 2015).

Argument regarding impacts of given incentives on intrinsic motivation and creativity which consider an essential characteristic of individuals’ response of rewards that increase performance. Incentives generally be given that enhance the willingness of accomplished the target through which incentives are restricted, therefore employees might turn into greater dedication for that target (Robert Eisenberger & Aselage, 2009; Locke & Latham, 2002).

The essential purpose of the study to find the performance stress attend like an emotional method in overall performance-delegation incentives affects intrinsic motivation and finally creativity. This examination be different for existing perspectives of intrinsic motivation which regularly targeted on encouragement of effective cognitive states, that experience of self-dedication, because approach which enhancing intrinsic motivation (Deci et al., 1999; Robert Eisenberger & Aselage, 2009).

By adding overall performance, intrinsic motivation stimulate a comprehensive form of conducts, influences, sentiments and mental position—the principle incentives that show the experiences of independence (Cho & Perry, 2012; P.-N. Lemyre, Treasure, & Roberts, 2006; Miller et al., 1988a). Intrinsic motivation that related to significant effect, feelings, and positions, it also defends individuals in opposition to negative feelings (Bakker & Demerouti, 2007; Gagné et al., 2010; Kuvaas et al., 2017; P. N. Lemyre, Roberts, & Stray-Gundersen, 2007; R. M. Ryan & Deci, 2008).

Performance demands increasing the estimated incentives of higher overall performance result in improved creativity, as well as intrinsic motivation. Intrinsic motivation additionally creates a significant involvement in creativity. Individuals that forcefully concerned are more enthusiastic to acquire risks, estimate various solutions of problems, and persist in changing preliminary thoughts in conceivable improvements (Christina E. Shalley & Gilson, 2004). Incentives particularly of creative performance had developed to enhance creativity (Robert Eisenberger & Aselage, 2009; Robert Eisenberger & Shanock, 2003).

PFP developed individuals’ creativity and improvement, that is an essential factors of organization achievement. The existing literature suggested varied results concerning the effect of PFP on individuals’ intrinsic motivation and their creativity. Therefore, this study imparts the existing literature by building a contextual theoretical model that forecast the suggestions of pay-for-performance for intrinsic motivation and creativity.

H4: The employees’ Intrinsic Motivation mediating the relationship between supervisors provided PFP (Pay for Performance) and also their employees’ Creativity.

Trust In Management as Moderator

Why could organizational patterns to regulate individuals’ interpretation of supervisors provided PFP and, have an effect on their employees’ intrinsic motivation and their creativity? Their study endorse the trust issues in management and explained as “the level in which individuals demonstrate the higher authorities that create the accurate judgment, which have a powerful feeling of reliability, behave constantly with terms, perform according to accurate thoughts” (He, Chen, & Zhang, 2004; Y. Zhang et al., 2015), the employees’
trust in management moderates the relationship between pay-for-performance and employees’ intrinsic motivation as well as their creativity.

There could be a number of referents involve by trust within an organization like while adding employees it can create trust among colleague and supervisor, or creating the specific type of groups management or workgroup, or the whole organization (Schoorman, Mayer, & Davis, 2007). There are theoretically and empirically totally different targets and stages of trust, which in result also have at least partially dissimilar antecedents and consequences (Searle, Weibel, & Den Hartog, 2011; Verburg et al., 2017). Maguire & Phillips (2008), defined trust in management as “the employee’s expectancy that management system will behave with expectedness and goodwill”.

According to Grant & Berry (2011), the study forecasting supposes following conditions that expressed. Firstly, HRM patterns and policies decline management trust. Secondly, trust in management moderates the relationship of PFP and creativity through intrinsic motivation. Trust in management is consequent from workers’ valuations of whether the management has the capability to consistently chase targets and obligations (management skill), indicate positive goals concerning employees’ well-being (management kindness), and stick to generally known morals and ethical issues (management honesty) in its associations with dissimilar employees (Gillespie & Dietz, 2009; Searle et al., 2011; Verburg et al., 2017).

When the individuals’ trust in management excessive, that will (i) consider the overall performance values are considered equally for completely everybody, and (ii) characteristic reduced performance by lower degree capacity, instead of partial overall performance measurement or not sufficient resource allocation. The individuals might intrinsically motivated and stimulated through the using of PFP arrangement (John R. Deckop, Merriman, & Blau, 2004; Y. Zhang et al., 2015). Consequently, PFP achieve success by motivating self-dedication, competence, intrinsic motivation and creativity, a match best between PFP and employees’ trust in management. Thus, hypothesized it:

\[ H5: \text{Employees’ Trust in Management moderating the relationship between supervisors provided PFP (Pay for Performance) and their employees’ Creativity.} \]

**Research and Methodology**

**Theoretical Framework**

**Sample and Procedure**

We directed our research in Lahore, city of Pakistan. The Data consists of 250 questionnaires were distributed, 206 were completed and restitution, consequential in a response rate of 82.4%. Convenience sampling the study has been used in this study. Our questionnaires contain two parts, one of employees rated their intrinsic motivation for the pay for performance, trust in management and other part of supervisors which rated the creativity of the subordinate for the organization. Of the employees, 128 males (62%) and
78 females (38%). Their average age is in between the interval (31-40) years was 2.71 (SD = 1.096), and their mean organization tenure in the middle interval (3-5) years was 2.73 (SD = 1.553). The employee was all in an industrial position therefore talent modify, superiority development, merchandise improvement, procedure practice enhancement and various problems resolution. The data were collected during work hours. Subordinate assessed PFP, management trust and their intrinsic motivation through classified surveys. Supervisors invited to evaluate their subordinates’ creativity. We asked subordinates or workers of various organizations to offer ratings of their views and thoughts of PFP and intrinsic motivations, trust in management, and asked supervisors to evaluate their subordinates’ creativity. The subordinates were conscientious for various organization management. Middle level staff provides an appropriate sample of our research for following major reasons: (i) fight in support of success also achieve higher degree performance, utilize PFP as a component of their remuneration method; (ii) comparability of lower-degree subordinates, middle-degree subordinates have benefits that show innovative solutions in their attempt; and (iii) although trust in management is an essential tool through which employees loyal to their performance.

Measures

PFP (Pay for Performance)
In this study pay for performance considered as independent variable that was measured by using the scale of (J. R. Deckop et al., 1999). The scale contains three items. The sample item is “increased productivity means higher pay for employees”. Each item was rated by using a 5-point Likert scale that ranged from “strongly disagree” (1) to “strongly agree” (5) and were averaged to form an index for each employee (α = .852).

Intrinsic Motivation
The intrinsic motivation of the employees considered as mediating variable that was measured using three items (X. Zhang & Bartol, 2010). The sample item included “I enjoy finding solutions to complex problems”. All the items were rated on a scale that ranged from “strongly disagree” (1) to “strongly agree” (5) and were averaged to form an index for each employee (α = .848).

Trust in Management
Participants reported their trust in management by using the six-item scale of (He et al., 2004). The sample item included “Confident in the integrity of top Managers”. Items were rated on a scale that ranged from “strongly disagree” (1) to “strongly agree” (5) and were averaged to form an index for each employee (α = .854).

Creativity
Supervisors assessed their subordinates’ the creativity the four-item scale by (Baer & Oldham, 2006). The sample item included “Often comes up with creative solutions to problems at work”. Items were rated on a scale that ranged from “strongly disagree” (1) to “strongly agree” (5) and were averaged to form an index for each employee (α = .861).

Results

Descriptive Statistics
(Descriptive statistics and correlation analysis) shows the means, standard deviations, and correlations along with key variables. As we know, the independent variable (PFP) was significantly correlated with intrinsic motivation (IM) (r = .415), two of these variables were significantly related to trust in management (TIM) (r ranged from .513 to .490), and three of these variables were significantly related to creativity (CR) (r .344, .341 and .356).
Table 1: Descriptive statistics and correlations

<table>
<thead>
<tr>
<th>Variables</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
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<tbody>
<tr>
<td>Age</td>
<td>2.71</td>
<td>1.09</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Qual</td>
<td>2.78</td>
<td>0.90</td>
<td>.420**</td>
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<tr>
<td>Income</td>
<td>3.20</td>
<td>1.64</td>
<td>.692**</td>
<td>.445**</td>
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<tr>
<td>Tenure</td>
<td>2.73</td>
<td>1.55</td>
<td>.749**</td>
<td>.376**</td>
<td>.728**</td>
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<tr>
<td>Exp</td>
<td>3.09</td>
<td>1.79</td>
<td>.764**</td>
<td>.381**</td>
<td>.697**</td>
<td>.904**</td>
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<tr>
<td>PFP</td>
<td>3.60</td>
<td>.86</td>
<td>.138*</td>
<td>.221**</td>
<td>.168*</td>
<td>.126</td>
<td>.123</td>
<td>(.852)</td>
<td></td>
<td></td>
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<tr>
<td>IM</td>
<td>3.81</td>
<td>.76</td>
<td>.103</td>
<td>.196**</td>
<td>.132</td>
<td>.047</td>
<td>.030</td>
<td>.415**</td>
<td>(.848)</td>
<td></td>
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</tr>
<tr>
<td>TIM</td>
<td>3.66</td>
<td>.71</td>
<td>.149*</td>
<td>.211**</td>
<td>.133</td>
<td>.114</td>
<td>.513**</td>
<td>.490**</td>
<td>(.854)</td>
<td></td>
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<tr>
<td>CR</td>
<td>4.00</td>
<td>.73</td>
<td>.260**</td>
<td>.270**</td>
<td>.181**</td>
<td>.230**</td>
<td>.193**</td>
<td>.344**</td>
<td>.341**</td>
<td>.356**</td>
<td>(.861)</td>
</tr>
</tbody>
</table>

Note: N = 206. M, mean; PFP=pay for performance; IM=Intrinsic Motivation, TIM=Trust in management, CR=Creativity, Exp=Experience. a Values in parentheses are alpha coefficients. b Gender: (1 = male, 2 = female). c Qualification: (1 = Intermediate; 2=bachelors; 3=Masters; 4= MS/M. Phil; 5=PhD). d Income: (1= Less than 16; 2=16-25; 3=26-40; 4= 41-60; 5=61-90; 6=91-130; 7=131-200; 8=More than 200).
**. Correlation is significant at the 0.01 level. *. Correlation is significant at the 0.05 level.

Hypothesis Testing

Regression and Mediating Analysis

For regression analysis, Preacher Haye’s Mediation (Hayes, 2013) with Bootstrapping (n=5000) was used. The direct effect of PFP on creativity fitted significantly with (β = .344, R² = .1186, p = .000, CI= .1828, .4034) supporting H3 showing that PFP significantly effects creativity. The p values being less than 0.01 and the 95% confidence intervals did not contain 0 in higher and lower values showing the significance. Then regression between the PFP and intrinsic motivation was also significant (β = .415, R² = .1725, p = .000, CI= .2567 , .4729) supporting H1 showing that PFP significantly effects intrinsic motivation. The indirect effect of PFP on creativity with intrinsic motivation fitted significantly with (β = .245, R² = .1660, p = .0008, CI= .0903 , .3267). Then regression between intrinsic motivation and creativity was also significant (β = .239, R² = .1660, p = .0006, CI= .0964 , .3633) supporting H2 showing that intrinsic motivation effects creativity.

Table 2: Coefficients for the mediating effects

<table>
<thead>
<tr>
<th>Testing paths</th>
<th>B</th>
<th>SE (β)</th>
<th>P</th>
<th>95% CI</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creativity (CR)</td>
<td>R² = .1186, F (1, 204) = 27.46, p = .0000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PFP (pay for performance)</td>
<td>.2931</td>
<td>.0559</td>
<td>.0000</td>
<td>.1828, .4034</td>
<td>.344</td>
</tr>
<tr>
<td>Intrinsic Motivation (IM)</td>
<td>R² = .1725, F (1, 204) = 42.54, p = .0000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PFP (pay for performance)</td>
<td>.3679</td>
<td>.0564</td>
<td>.0000</td>
<td>.2567, .4729</td>
<td>.415</td>
</tr>
<tr>
<td>Creativity (CR)</td>
<td>R² = .1660, F (1, 203) = 20.21, p &lt; .0000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PFP (pay for performance)</td>
<td>.2085</td>
<td>.0600</td>
<td>.0008</td>
<td>.0903, .3267</td>
<td>.245</td>
</tr>
<tr>
<td>Intrinsic Motivation (IM)</td>
<td>.2299</td>
<td>.0677</td>
<td>.0006</td>
<td>.0964, .3633</td>
<td>.239</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.0992</td>
</tr>
</tbody>
</table>

Note: PFP direct effect on CR through (path c) the standardized β = .344, PFP indirect effect on CR through (path c) the standardized β = .245, PFP effect on IM through (path a) the standardized β = .415, IM effect on CR through (path b) the standardized β = .239 and the total through (path a*b) β = .0991.
Moderating Analysis

We implemented moderating analysis to additional test our hypothesis. The results reported table3 supported the moderating effects, revealing significant moderating effects of trust in management because of the path from PFP to intrinsic motivation being significant ($\beta = -0.266$, $p < .001$). This provides support to our hypotheses H5 as well.

<table>
<thead>
<tr>
<th>BCCI</th>
<th>Coeff (β)</th>
<th>T</th>
<th>P</th>
<th>LLCI</th>
<th>ULCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>PFP → CR</td>
<td>1.0884</td>
<td>5.0400</td>
<td>.0000</td>
<td>.6435</td>
<td>1.5332</td>
</tr>
<tr>
<td>TM → CR</td>
<td>1.1326</td>
<td>4.8243</td>
<td>.0000</td>
<td>.6895</td>
<td>1.5757</td>
</tr>
<tr>
<td>PFP×TM → CR</td>
<td>-0.2656</td>
<td>-4.1533</td>
<td>.0000</td>
<td>-0.3911</td>
<td>-1.393</td>
</tr>
</tbody>
</table>

Note: $N = 206$ (sample size), PFP (pay for performance), TM (trust in management), CR (creativity).

The graphic representation showed that for employees with low trust in management, PFP (pay for performance) was significantly and positively associated with creativity. For employees with high trust in management, their PFP (pay for performance) was no significantly associated with creativity. The moderating effect is plotted in figure 1.

![Figure 1: The Moderating Effect](image)

The results are in line with hypothesis H5. Hence, we found that trust in management moderated the relationships between the PFP and intrinsic motivation with sample size of 206 employees from Pakistan even using a different measure of intrinsic motivation and that trust in management mediated these moderating effects between PFP and creativity.

General Discussion

Results evaluated from current study that given common support to theoretical framework of the study. Constant with the study hypotheses, the findings exposed that Intrinsic motivation make strong the significant effect of PFP on creativity by increasing employees’ management trust, which had a significant moderating result among PFP–intrinsic motivation relationship. The study recognized employees’ intrinsic motivation an essential method by trust in management enhance the effect of pay-for-performance on creativity.
Limitations and directions for future research

Although this study provided various contributions for future research, this research not lacking of limitations. Firstly, convenience research design by utilized inadequate talent and knowledge that establish causality. The achievable associations among PFP (pay for performance) and creativity alternative. The hypothesize in our framework, PFP shows a predecessor of creativity; however, an individuals’ creativity strengths improves their performance (Gong et al., 2009) and therefore, remuneration in the future, that shape their observations of the relationship among pay and performance. Therefore, the study powerfully recommends the utilization of experimental approaches and longitudinal research designs to drop light on PFP–Creativity relationships hypothesize in the framework and their potential alternative associations.

Secondly, this research emphasizes numerous causes why this study utilizes intuitive determine of PFP (pay for performance), an essential limitation of the intuitive determine that may not perfectly replicate compensate systems in special companies for their subordinates’ perceptive favoritism. An advanced approach applies for further purpose determine for compensate procedures in an organization, that might offer strengthen our opinions. Therefore, the study recommends that in future replicate the results by operate the authentic payment in sequence at beginning designed to the operationalization of PFP (pay for performance). Similarly, the intuitive determine of intrinsic motivation correctly gaining control the pressure of management trust for particular management decision-making through which individuals’ estimation biased by existing measures. While focusing on this limitation, the study also recommends that while doing future research we may use further valuable proceedings to examine such kind of patterns in an organization.

Thirdly, according to (Byron & Khazanchi, 2012) that if PFP (pay for performance) is dependent on creativity of the employees, that preserves improved forecast creative attitudes and performance of individuals. Conversely, this research, investigate cause and consequence of PFP (pay for performance). Numerous previous researches used to determine the PFP (pay for performance) relatively than creativity-unique incentives. The study follow practice, and believe by using a more common determine of PFP (pay for performance) permitted to execute a further traditional acknowledgement of the theory. Certainly, further investigation is able to discover the employee’s differential creativity through their perceived specific PFP (pay for performance) and general PFP (pay for performance) on intrinsic motivation.

Fourth, even though the study hypothesizes intrinsic motivation an important mediating variable between PFP (pay for performance) and creativity, we expect that the association between employees’ perceived PFP (pay for performance) and their intrinsic motivation moderated by trust in management. Therefore, previous research recommended the key moderating methods primary the PFP-work effect relationship an instrumentality (Byron & Khazanchi, 2012; J R Deckop, Merriman, & Blau, 2004). In fact, this study path examination results demonstrate that the direct association between PFP (pay for performance), creativity and the mediating path of intrinsic motivation is significantly strengthened than the moderating pathway of trust in management. Future research struggle recognizes examine the possible moderator that represented a complete representation in which PFP influence creativity.

In conclusion, preceding study shown the various traditional variables, such as Pakistanis traditionalism (Pillutla, Farh, Lee, & Lin, 2007) and communalism (He et al., 2004), manipulate employees’ aptitudes, behaviors and choice in the direction of reward distribution. It is consequently rational to anticipate the variables may moderate the association among PFP (pay for performance) and creativity by manipulating individuals’ understanding by PFP. Therefore, future study explores the variables that additional examination manipulates the conventional culture on individuals’ response for PFP (pay for performance).

Conclusion

The present study put up innovative perception concerning incentive–creativity association. Therefore, the current research for PFP (pay for performance) of 206 samples in Lahore points to the critical trust in management that in help researchers and scholars to additional appreciate that association. Results offered now, consequently, recommended significant and purposeful path for future research of expenses for PFP (pay for performance) refueling creativity and designed for future convenient requests considered for appreciate prospective advantage of PFP for creativity. Moreover, our comprehensive research conducted
by signifying the need to consider intrinsic motivation as a contingency of PFP’s impact on creativity. Therefore, this study also suppose the current research purpose that encourage future research behavior to move onward, the study concepts of incentives–creativity involvement by analytical the task of innovative constructs (Adarves-Yorno, Postmes, & Haslam, 2007).

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