

**YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF MANAGEMENT STUDIES
MBA PROGRAMME**

**THE EFFECT OF REWARD STRATEGY ON EMPLOYEE
ENGAGEMENT OF MAWLAMYINE CENTURY
LOGISTICS CO., LTD.**

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EMBAII-14

EMBA 19th BATCH (ONLINE)

APRIL, 2024

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ACADEMIC YEAR (2022 – 2024)

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“This thesis is submitted to the Board of Examiners in partial fulfillment of the requirements for the degree of Master of Business Administration (MBA).”

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ACCEPTANCE

This is to certify that this thesis entitled “**The Effect of Reward Strategy on Employee Engagement of Mawlamyine Century Logistics Co., Ltd**” has been accepted by the Examination Board for awarding Master of Business Administration (MBA) degree.

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ABSTRACT

This study examines the effect of reward on employee engagement of Mawlamyine Century Logistics Co., Ltd. (MCLC). The main objectives of this study are to analyze the moderating role of perceived reward fairness on the relationship between reward strategy and employee engagement of Mawlamyine Century Logistics Co., Ltd. Both descriptive and linear regression methods are applied for data analysis to meet the objective. Primary data are collected by questionnaire survey with 70 respondents, who are working in Mawlamyine Century Logistics Co., Ltd. In this study, the sample size was calculated using the Raosoft sample size calculator. The secondary data are collected from the HR department database of Mawlamyine Century Logistics Co., Ltd, relevant textbooks, some previous papers, journal articles, and internet websites. The findings reveal a positive perception of employees on remuneration, development and career opportunities, performance and recognition, work-life and benefits provided by MCLC. Employee also perceived that the reward distribution, reward procedures and reward interaction practices of MCLC are fair. From regression analysis, the perceived reward distributive fairness has the negative moderating effect between development and career opportunities and vigor of employees. The perceived reward distributive fairness has positive moderating effect between performance and recognition and dedication of employees. Moreover, it is also found that the perceived reward interactional fairness has positive moderating effect between benefits and dedication. The perceived procedural fairness has negative moderating effect between remuneration and absorption. The perceived interactional fairness has positive moderating effect between remuneration and absorption. The perceived interactional fairness has negative moderating effect between development and career opportunities and absorption. The perceived distributive fairness has positive moderating effect between performance and recognition and absorption. The perceived interactional fairness has negative moderating effect between performance and recognition and absorption. The distributive fairness has positive moderating effect between work-life and absorption. While it has negative moderating effect between benefits and absorption. All these moderating effects are complete effects. It is also found that the interactional fairness has partial negative moderating effect between development and career opportunities and absorption. MCLC should upgrade the perceived reward fairness for some cases, however in other cases MCLC should focus more on reward strategy.

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LIST OF ABBREVIATIONS

MCLC - Mawlamyine Century Logistics Co., Ltd.

CHAPTER 1

INTRODUCTION

The logistics industry holds a paramount position in Myanmar's economic landscape, serving as a critical enabler for trade, connectivity, and overall economic development. Global logistics acts as a backbone of countries' economies (Leheny, 2019). With Myanmar strategically positioned between key regional markets such as China, India, and Southeast Asia, the logistics sector plays a fundamental role in the efficient movement of goods, bolstering international trade relationships, and fostering economic integration. As the country continues to focus on infrastructure development, modernizing transportation networks, and enhancing logistical capabilities, the logistics industry emerges as a cornerstone of Myanmar's business landscape, contributing significantly to its economic growth and positioning the nation as a key player in regional trade dynamics.

In the logistics industry, the effect of a well-designed reward strategy and employee engagement is vital. A well-designed reward strategy serves as a linchpin for attracting, retaining, and motivating talent in this sector. Moreover, a carefully structured reward strategy aligns employee goals with organizational objectives, fostering a sense of purpose and ownership among the workforce. Ultimately, in the logistics industry, a well-crafted reward strategy stands as a cornerstone for nurturing a motivated, engaged, and high-performing workforce, essential for operational excellence and sustained success in a competitive market. Focusing on the effects of reward strategy on employee engagement can create actionable insights for management and contribute to the broader knowledge base in the field of organizational management. A thoughtfully crafted reward strategy, encompassing various elements such as remuneration, development and career opportunities, performance and recognition, work life balance, and benefits, plays a pivotal role in driving employee engagement within an organization.

In the fast-paced and increasingly competitive landscape of the modern business world, the success of organizations is intrinsically tied to the level of engagement and commitment of their workforce. Reward strategy is a structured plan or approach developed by an organization to effectively manage and align its reward systems with its overall business objectives, values, and culture. It involves the design, implementation,

and management of various rewards and incentives to attract, retain, motivate, and engage employees. Remuneration is the compensation or payment provided to an individual for their work or services. This compensation can come in various forms, including salary, wages, bonuses, benefits, or any other financial or non-financial rewards received in exchange for one's labor or services. It encompasses the entire package of what an employee receives for their contribution to an organization or for fulfilling a specific role or task. Development and career opportunities is the pathways and possibilities for growth, advancement, and improvement within one's professional life and essential for individuals to continually grow, learn, and progress in their careers, ultimately achieving their professional goals and aspirations.

Performance is the execution of tasks, duties, or responsibilities by an individual or a group within a specific context, such as a workplace. Recognition is the reinforce positive behaviors, boost morale, motivate employees, and foster a culture of appreciation and respect within the workplace. Work-life means to the balance or integration between an individual's professional or work-related activities and their personal life, including family, leisure, health, and other non-work-related pursuits. Achieving a healthy work-life balance is essential for maintaining physical and mental well-being, fostering positive relationships, and enhancing overall quality of life. Benefits is the additional perks or advantages that employees receive from their employer beyond their regular salary or wages. These benefits are designed to enhance the overall compensation package and contribute to the well-being, satisfaction, and motivation of employees.

Employee engagement holds significant importance for organizations across various industries due to its numerous benefits and impacts on overall performance and success. Employee engagement refers to the emotional commitment and connection employees have towards their work, their organization, and its goals (Kahn, 1990). It signifies the extent to which employees are vigor, dedicated, and absorbed in their roles, willing to contribute their best efforts to help the organization succeed. Organizations that prioritize and invest in fostering employee engagement tend to create a more vibrant, productive, and successful workplace.

Although the organizations set well-designed reward strategy, it is not sure it will lead to employee engagement. If employees perceived the reward strategy or the rewards are unfair, their engagement will be depleted. Perceived reward fairness can be seen in three forms: distributive fairness, procedural fairness and interactional fairness.

Distributive fairness refers to the comparison an individual makes of his or her outcome (e.g., reward) to another's outcome. Equity theory incorporates the "norm of distributive justice" or the desire of all members involved to have a fair and just distribution of outcome (Huppertz et al., 1978). Procedural fairness is whether the processes used to determine the outcome are consistent, without self-interest, and represent interests of all concerned parties. (Brockner & Wiesenfeld, 1996). Interactional fairness focuses on the perceived fairness regarding the interactions with the authorities. Perceived interactional fairness is generally viewed as a social dimension of organizational justice. Interactional fairness is the quality of relationship between superiors and employees which is determined by interpersonal fairness and information fairness (Colquitt, 2001). Interpersonal fairness is defined as superiors practicing good interpersonal communication in dealing with employees, such as treating employees with respect and dignity (Colquitt, 2001). Information fairness is defined as superiors providing clear, accurate, and honest information (Colquitt, 2001).

Perceived reward fairness is instrumental in shaping employee attitudes, behaviors, and overall organizational outcomes (Jerald Greenberg, 2000). A fair reward system not only motivates and engages employees but also contributes to a positive workplace environment, ultimately impacting organizational performance and success.

Mawlamyine Century Logistics Co., Ltd. (MCLC) is one of the fastest developing logistics companies with largest fleets in vessel quantity to operate water way transportation in Myanmar which is established in 2015. Currently, it has a workforce of 257 employees and specializes in total logistics requirements and services. This study aims to investigate the effects of the reward strategy on employee engagement at MCLC. By investigating the moderating effect of perceived reward fairness on the relationship between reward strategy and employee engagement, this study aims to contribute to the long-term business success of MCLC.

1.1 Rationale of the Study

As the country opens up to international trade and investment, the logistics sector plays a crucial role in supporting economic development, infrastructure expansion, and the facilitation of trade within the region. Myanmar's government has recognized the necessity to increase connection with its bordering, regional economies by upgrading the

investment on cross-border and trade as key components of its robust obligation to economic, social, political, and reforms (ADB, 2008). Organizations aim to enhance employee engagement as it correlates positively with various desirable outcomes, including increased productivity, employee retention, and overall organizational performance. This study aims to investigate the effect of reward strategy on employee engagement of MCLC.

Employee engagement has become a paramount focus in today's competitive business landscape. Companies now recognize that fostering employee engagement is crucial due to heightened global competition. This is particularly vital in harnessing the potential of innovative individuals to secure a competitive edge over others (Bailey et al, 2016). Consequently, examining work engagement has become a crucial focus of senior management within organizations (Hewitt, 2015). Employee engagement is highly relevant for organizations in Myanmar, providing a pathway to success in a rapidly evolving economic and business environment. By fostering a positive and engaging workplace culture, organizations can build strong, resilient teams that contribute to the overall growth and sustainability of the business in Myanmar.

Numerous studies indicate a significant global concern regarding employee engagement (Gallup, 2013). Employee engagement is the emotional and psychological commitment that employees have to their work, colleagues, and organization (William A.Kahn, 1990). Recently, organizations have redirected their focus toward comprehensive reward packages to motivate employees and elevate their engagement levels (Hay Group, 2015). Kahn (1990) noted that individuals' engagement levels differ based on their perceptions of the advantages they anticipate gaining from their work. Understanding how the reward strategy affects this engagement is vital for optimizing workforce performance. The interaction between a company's reward strategy and its employees' level of engagement is a central concern for contemporary human resource management.

Various studies have recognized that the reward system functions as a structured approach to attain favorable results or effects (Chebat et al., 2002). A reward strategy is a structured framework within an organization that outlines the methods, processes, and criteria used to recognize and compensate employees for their contributions, performance, and achievements (Michael Armstrong, 1980). A well-designed reward strategy can help align individual and team efforts with the company's mission, vision and objectives.

However, the success of a reward strategy in driving employee engagement is not solely dependent on the rewards offered but also on how employees perceive the fairness of these rewards.

Perceived reward fairness is the subjective evaluation by employees of the equity and impartiality of the rewards they receive within an organization (R. Wayne, 2000). When employees in the logistics sector perceive the reward strategy as fair and equitable, they are more likely to stay with their current employer. Since employee engagement is crucial success of service firms including logistics companies like MCLC, this study focuses on employee engagement of MCLC, which may be relating of MCLC's reward strategy. Because of potential moderating effect of employee perceived reward fairness, this study also emphatics on this moderating effect.

1.2 Objectives of the Study

This study includes three objectives,

1. To analyze the moderating effect of perceived reward fairness on the relationship between reward strategy and employee engagement (Vigor) of Mawlamyine Century Logistics Co., Ltd.
2. To analyze the moderating effect of perceived reward fairness on the relationship between reward strategy and employee engagement (Dedication) of Mawlamyine Century Logistics Co., Ltd.
3. To analyze the moderating effect of perceived reward fairness on the relationship between reward strategy and employee engagement (Absorption) of Mawlamyine Century Logistics Co., Ltd.

1.3 Scope and Method of the Study

This study aims to examine the effect of reward strategy on employee engagement within MCLC. This study focuses mainly on MCLC employees. There are 257 employees, who are working in MCLC. The 30% of 257 (77) are randomly selected as sample. Thus, sample size is 70. Simple random sampling method is applied to select 77 out of 257 employees. Primary data are collected by personal interview method by using structured questionnaires with a five-point Likert scale. The questionnaires in this study are structured with relevant and reliable questions related to reward strategy, perceived

reward fairness, and employee engagement. The complete data are received from 70 employees (91% response rate). To analyze the collected data, both descriptive and linear regression methods are applied. This research utilizes both primary and secondary data resources in its analysis. Secondary data are gathered from HR department database of MCLC, relevant text books, and some previous papers and online sources to enhance comprehension of the research discoveries.

1.4 Organization of the Study

This study is constructed with five chapters. Chapter one is the introduction which consists of the rationale of the study, objectives of the study, scope and method of the study, and organization of the study. Chapter two is about the theoretical background of reward strategy, perceived reward fairness, and employee engagement and also reviews the previous papers, and describes the conceptual framework of the study. Chapter three describes the profile and reward strategy of MCLC. Chapter four includes an analysis of the effect of reward strategy on employee engagement of MCLC. Chapter five is the conclusion with the findings, discussions, suggestions, recommendations, and needs for further research.

CHAPTER 2

THEORETICAL BACKGROUND

This study delves into the intricate relationship between reward strategies and employee engagement within the distinctive operational landscape of MCLC. Understanding how reward strategies impact employee engagement within this specific organizational context is essential for strategic decision-making and organizational development.

2.1 Theories of Link between Reward Strategy and Engagement

Reward strategies refer to the deliberate and systematic plans or approaches adopted by organizations to design, implement, and manage various forms of compensation, recognition, and incentives offered to employees. These strategies aim to attract, motivate, retain, and engage employees while aligning with the organization's goals and values. Reward strategies encompass a range of elements such as monetary compensation, bonuses, benefits, recognition, career advancement opportunities, work-life balance initiatives, and other incentives tailored to meet employee needs and drive desired behaviors and performance within the workplace.

According to Thompson (2002), the concept of total rewards extends beyond conventional and measurable aspects like salaries and benefits. It includes intangible components such as opportunities for responsibility, career growth, learning and development, the intrinsic motivation derived from the work itself, and the overall quality of the work environment provided by the organization. Armstrong (2006) argued employing a total reward approach brings about advantages by amalgamating various reward types, creating a profound and enduring influence on employee motivation and dedication.

Total rewards stand as a significant concept within compensation management. Individuals come to their workplaces with diverse needs, including a desire for engaging tasks, respect, and recognition. Total rewards encompass more than just monetary compensation and benefits; they also involve opportunities for personal and professional growth within a motivating work setting. This comprehensive approach goes beyond

traditional financial rewards like wages, incentives, benefits, and perks, extending to non-financial aspects and intangible incentives such as acknowledgment and career advancement opportunities.

Vroom's theory posits that individuals are motivated to perform when they expect that their efforts will lead to desired outcomes. Within reward strategies, understanding employees' expectations and the correlation between rewards and desired performance outcomes becomes crucial (Vroom, 1964). The equity theory of motivation suggests that individuals are driven to maintain a sense of fairness between what they believe they contribute and what they receive as rewards in various human interactions. Adams' theory revolves around fairness in the workplace. It suggests that employees compare their input and output with others, impacting their motivation and engagement levels. Aligning reward strategies with perceptions of fairness becomes essential (Adams, 1963).

Skinner's theory emphasizes positive and negative reinforcements in shaping behavior. Goal-Setting theory suggests that setting specific and challenging goals enhances motivation and performance. Reward strategies linked to goal achievement drive employee engagement (Locke & Latham, 1990).

The holistic approach to rewards includes recognition, career development, and work-life balance. Maslow's theory suggests that individuals have different levels of needs. Reward strategies catering to these diverse needs impact engagement (Maslow, 1943). Social Exchange Theory emphasizes fair exchanges between individuals and organizations. Reward strategies influencing social dynamics impact engagement outcomes (Blau, 1964).

Human capital theory highlights investing in employees' skills. Reward strategies acknowledging and rewarding employee development impact engagement (Schultz, 1961). Understanding the dichotomy between internal and external motivations is crucial. Effective reward strategies balance both types to foster engagement (Deci & Ryan, 1985). Psychological Contract Theory focuses on unwritten expectations. Aligning reward strategies with the psychological contract positively influences engagement (Rousseau, 1989). The short and long-term incentives such as reward strategies, and the offered benefits, need to be in harmony with one another and with the strategic objectives of the company.

These theories provide insight into the interplay relationship between reward strategies and employee engagement. Integrating aspects from these theories can assist companies in crafting benefit structures that encourage increased levels of employee engagement.

2.2 Concept of Reward Strategy

Many companies design a holistic rewards strategy to bolster their strategic objectives. This comprehensive approach, known as total rewards, includes the customary components like salaries, bonuses, and perks, alongside a broader spectrum of "rewards." These additional elements encompass compensation packages, avenues for growth and career advancement, acknowledgment for performance, initiatives promoting work-life balance, and a variety of benefits.

2.2.1 Compensation /Remuneration

Compensation refers to the remuneration offered by a company to its employees in exchange for the services they provide, encompassing the time, effort, and skills contributed to the organization (Bhattacharyya, D. K.2009). This compensation consists of both fixed and variable pay linked to employees' performance levels. Remuneration refers to the total compensation or payment, including salaries, wages, bonuses, benefits, and any other form of financial compensation, given to an individual or employee in exchange for their work, services, time, or contribution to an organization (Bhattacharyya, D. K.2009). It encompasses all monetary rewards and benefits provided by an employer to its employees as part of their employment agreement or contract.

2.2.2 Development and Career Opportunities

Development comprises a series of educational experiences tailored to improve employees' practical skills and various competencies. It aids employees in enhancing their performance while assisting leaders in advancing their organization's strategies related to its workforce.

Career opportunities encompass an organization's strategies aimed at assisting employees in pursuing their career aspirations. This may involve promoting employees to

more significant roles within the organization. Internally, the company fosters and facilitates career advancement for skilled individuals, ensuring they are placed in positions where they can contribute most effectively to the organization. Fulfilling relational needs aids in establishing stronger connections between employees and an organization by meeting individual requirements like personal growth and satisfaction (Armstrong & Murlis, 2007).

2.2.3 Performance and Recognition

Performance refers to the coordination and evaluation of collective organizational, team, and individual endeavors directed towards attaining overall organizational success (Richard L. Daft, 2016). This encompasses setting expectations, demonstrating skills, evaluating progress, providing feedback, and fostering a culture of ongoing enhancement.

Recognition involves acknowledging or giving specific attention to an employee's actions, efforts, behavior, or performance. It fulfills an inherent psychological need for appreciation of one's endeavors and can bolster an organization's business strategy by reinforcing specific behaviors, such as exceptional accomplishments that contribute to the organization's success. Whether formal or informal, recognition programs acknowledge employee contributions promptly, typically without predefined objectives or expected performance levels that employees must attain. Rewards may be either monetary or non-monetary, such as verbal praise, trophies, certificates, dinners, tickets, and other forms of acknowledgment.

2.2.4 Work-life

Work-life refers to the balance or integration between one's professional or work commitments and their personal or non-work life aspects (Jody Thompson and Cali Ressler, 2008). It encompasses the efforts made by individuals and organizations to effectively manage and harmonize the demands and responsibilities of both work and personal life, aiming for a satisfactory and fulfilling overall lifestyle. Work-life initiatives often include policies, programs, and practices implemented by organizations to support employees in achieving this balance. Work-life programs encompass distinct organizational policies, practices, and programs, along with an underlying philosophy that

actively encourages and supports employees in achieving success not only within their work environments but also in their personal lives.

2.2.5 Benefits

Benefits refer to initiatives utilized by an organization to complement the monetary compensation offered to employees (Gerhart, B. 2021). Benefits within an organizational context encompass a diverse array of programs implemented to complement the monetary compensation provided to employees. These initiatives encompass a broad spectrum of categories, including health insurance coverage, income protection plans such as disability insurance, and life insurance, as well as savings and retirement programs such as pension schemes.

The primary objective behind offering these benefit programs is to ensure a sense of security and stability for employees and their families. Health benefits often include medical, dental, and vision coverage, aiming to safeguard employees' health and well-being. Income protection programs, such as disability or life insurance, provide financial support during unforeseen circumstances, offering peace of mind to employees and their dependents. It is important to note that these categories of rewards primarily focus on fulfilling employees' protection needs and are generally not contingent upon or influenced by individual performance levels or achievements within the organization. Instead, they serve as foundational elements that contribute to employees' overall welfare and security, forming an integral part of an organization's comprehensive rewards package.

2.3 Employee Engagement

Employee engagement refers to the emotional and psychological connection employees have with their work, organization, and its goals (Kevin Kruse, 2012). It reflects the level of dedication, enthusiasm, and commitment employees bring to their roles, resulting in their willingness to invest discretionary effort to achieve organizational success. Engaged employees are typically passionate about their work, deeply involved in their tasks, and display a strong sense of commitment towards their organization's objectives. This state of engagement is characterized by a heightened sense of motivation, satisfaction, and a desire to contribute positively to the organization's growth and success.

Various researchers, human resources professionals, and scholars have defined employee engagement in diverse ways, indicating that there is not a universally accepted definition. Each definition is tailored to the author's unique understanding and perspective of this construct (Shuck, 2011). Kahn (1990) defined employee engagement as the alignment of employees' personal identities with their work roles. Engagement involves the utilization of physical, cognitive, and emotional aspects during working for job performances. The physical aspect involves the exertion of physical effort by employees to fulfill their responsibilities. The cognitive aspect relates to employees' beliefs regarding the organization, its leadership, and the working environment. The emotional aspect pertains to employees' positive or negative attitudes toward the organization and its leaders. Essentially, according to Kahn (1990), engagement signifies an employee's inclination to be fully present, both mentally and physically, when performing their role within an organization.

The modern understanding of engagement encompasses attitudes such as satisfaction, commitment, involvement, and empowerment, along with behaviors like organizational citizenship, taking initiative, embracing new responsibilities, and being receptive to change (Macey & Schneider, 2008). Similarly, it has been described as a favorable mental state of motivation reflected in employees' behaviors, including their willingness to go beyond required tasks, exhibit organizational citizenship, and invest discretionary effort (Shuck, 2011).

Saks (2006) defined employee engagement as a unique construct comprising cognitive, emotional, and behavioral facets linked to individual role performance. Engaged employees are recognized for their strong emotional attachment to their work and demonstrate attentiveness and deep absorption in their tasks. Engagement is an individual employee's cognitive, emotional, and behavioral condition directed towards achieving desired organizational outcomes (Shuck & Wollard, 2010).

Robinson (2004) characterized employee engagement as the favorable outlook an employee holds toward the organization and its principles. It involves collaborating effectively with colleagues and maintaining awareness of the business context to enhance job performance for the organization's optimal benefit. There are three elements of employee engagement: vigor, dedication and absorption.

2.3.1 Vigor

Vigor typically refers to a state of physical strength, robustness, or energy. In a psychological or behavioral context, it can also denote enthusiasm, vitality, and a high level of motivation or intensity in one's actions or endeavors (Ronald J. Burke, 2018). Vigor often implies a lively and dynamic approach to tasks or activities, characterized by a sense of liveliness, stamina, and zestful engagement.

2.3.2 Dedication

Dedication refers to a strong commitment, loyalty, or devotion to a particular cause, goal, task, or responsibility (Ronald J. Burke, 2018). It involves a deep sense of attachment and steadfastness in one's efforts, often characterized by a consistent and wholehearted focus on achieving objectives, even in the face of challenges or obstacles. Dedication implies a sustained and unwavering commitment to fulfilling duties or achieving desired outcomes, often driven by passion, determination, and a sense of purpose.

2.3.3 Absorption

Absorption, in a psychological context, refers to a state of deep concentration, immersion, or complete engagement in an activity, task, or experience (Mihaly Csikszentmihalyi, 1975). When someone is absorbed in something, they are fully engrossed and focused on it, often to the extent that they lose awareness of time, surroundings, or other distractions. It involves intense involvement and concentration, where the individual becomes highly absorbed and captivated by the activity at hand.

2.4 Perceived Reward Fairness

Perceived reward fairness refers to an individual's subjective judgment or perception regarding the fairness and equity of the rewards they receive within an organizational context (Jason A. Colquitt, 2001). It involves an employee's assessment of fairness and impartiality in how rewards, both tangible and intangible, are distributed and allocated within the workplace. Perceived reward fairness is a psychological construct, influenced by an individual's beliefs about whether they are being treated justly in

comparison to their peers, considering factors such as performance, effort, and contribution. Perceived reward fairness goes beyond the objective distribution of rewards; it reflects how employees interpret and make sense of the reward allocation processes, aiming to determine if they are being treated equitably in relation to their colleagues. This perception plays a significant role in shaping employee attitudes, motivation, job satisfaction, and overall engagement with their work and the organization.

2.4.1 Distributive fairness

Distributive fairness refers to the perceived fairness of the outcomes or rewards that individuals receive concerning their inputs or contributions in a given situation (Adams, J. S. 1965). In the workplace, distributive fairness involves the fair distribution of tangible rewards, such as salaries, bonuses, promotions, and other resources. It implies that employees should receive compensation and benefits in a manner that is perceived as equitable and just, considering factors like job performance, skills, effort, and contribution to the organization. In the context of organizational fairness, distributive relates to the fair and equitable distribution of rewards or outcomes among individuals within an organization. It is a key aspect of fostering a positive work environment and maintaining employee satisfaction and engagement.

2.4.2 Procedural fairness

Procedural fairness pertains to the perceived fairness of the processes or procedures used to make decisions, allocate resources, and administer rewards or punishments within an organization. In the workplace, procedural fairness involves ensuring that the methods and systems employed to make decisions are perceived as fair and transparent by employees. It emphasizes the importance of a fair decision-making process, including elements such as consistency, transparency, accuracy, and the opportunity for employees to voice their concerns or opinions. Within the realm of organizational fairness, procedural fairness refers to the fairness of the processes and procedures that guide decision-making and resource allocation in the workplace. It is a critical aspect of promoting a positive organizational culture and maintaining employee trust and satisfaction.

2.4.3 Interactional fairness

Interactional fairness pertains to the perceived fairness of interpersonal interactions, communication, and treatment that individuals receive during various organizational processes, such as performance evaluations, promotions, or conflict resolution. In the workplace, interactional fairness emphasizes the importance of treating employees with dignity, respect, and consideration. It involves communication that is perceived as honest, respectful, and free from bias. Interactional fairness is not only about the outcomes or decisions but also about the quality of the interpersonal treatment experienced by employees during organizational processes. Interactional, within the framework of organizational fairness, refers to the fairness of interpersonal interactions, communication, and treatment within the workplace. It underscores the significance of respectful and transparent communication to enhance employee perceptions of fairness and contribute to a positive organizational culture.

The exploration of distributive, procedural, and interactional fairness within the realm of perceived reward fairness reveals a comprehensive understanding of how employees interpret and respond to organizational practices. The interplay of these three dimensions creates a holistic framework that significantly influences the perception of reward fairness among employees. When distributive, procedural, and interactional fairness are present, employees are more likely to perceive that they are being treated justly, fostering a positive workplace environment.

2.5 Previous Studies

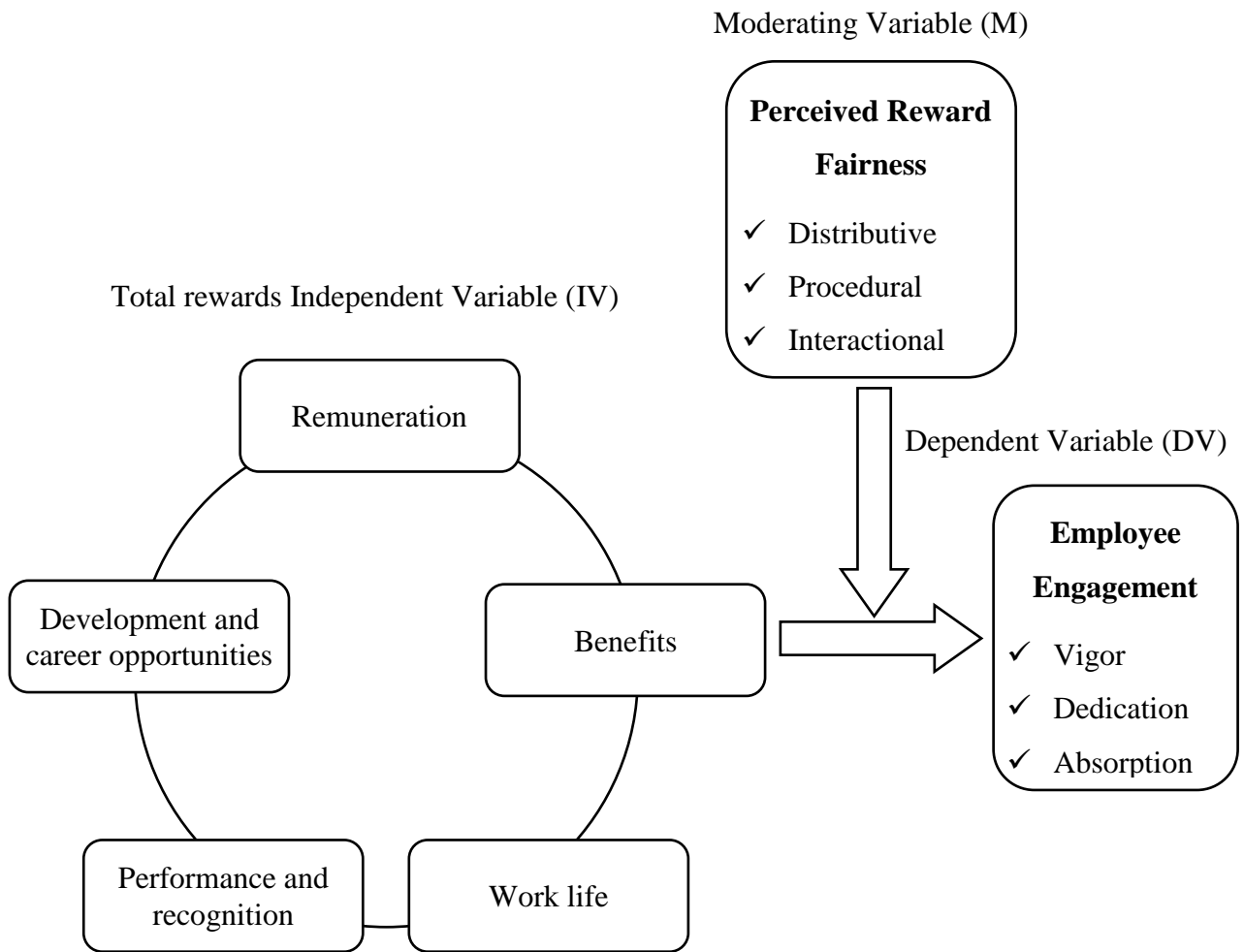
In the pursuit of understanding the intricate relationship between reward strategy and employee engagement, it is imperative to embark on a comprehensive exploration of existing literature and prior research endeavors. This study seeks to delve into a nuanced analysis of previous studies, providing a foundation upon which the investigation into "The Effect of Reward Strategy on Employee Engagement of MCLC" is built.

Reward strategies reinforcing positive behaviors significantly influence employee engagement (Skinner, 1953). Engaged employees have become a paramount asset sought after by organizations worldwide (Chhetri, 2017). While scholarly interest in employee engagement has been relatively recent and limited, organizations have increasingly directed their focus toward addressing the issue of inadequate employee engagement

within their workplaces (Chhetri, 2017). Studies have highlighted the burgeoning attention given to employee engagement, marking it as a widely employed term within global organizations (Macey & Schneider, 2008). Consequently, there exists a pressing need for a comprehensive theoretical framework to delve deeper into the construct of employee engagement, enabling organizations to better comprehend and leverage it. Furthermore, there is a necessity to expand the construct's scope concerning its interrelations with both its predictors and outcomes (Chhetri, 2017). This section of the study encompasses critical reviews of pivotal variables central to the investigation. By examining diverse perspectives and scholarly insights, this study seeks to construct a robust framework that elucidates the critical interplay between rewards, engagement, and organizational effectiveness.

To build the conceptual framework for the study on "The Effect of Reward Strategy on Employee Engagement of MCLC," three seminal international research papers are reviewed. The researchers behind this framework specifically investigated the moderating role of perceived reward fairness, seeking to comprehend how the perception of fairness influences the connection between reward strategy and the level of employee engagement within organizational settings. Figure (2.1), shows the first of these three frameworks, which centers on unraveling the intricate relationship between reward strategy and employee engagement.

Figure (2.1) Conceptual Framework of Seid



Source: Seid (2019)

At the core of this study the principal objective is to delve into the impact of total rewards on employee engagement and, crucially, to unravel the moderating role played by perceived reward fairness in shaping this relationship. To achieve this overarching aim, specific objectives have been outlined: (1) to explore the effect of total rewards on employee’s engagement, (2) to show which categories of total rewards have the most effect on employee’s engagement, and (3) to analyze the moderating role of perceived reward fairness in the relationship between total rewards and employee’s engagement.

The results, based on a sample size of 315 professional employees from Dashen and Wegagen banks in Addis Ababa, indicated a significant relationship between total rewards and employee engagement. The findings align with previous research by Hoole and Hotz (2016) and Scott et al. (2010), indicating a positive correlation between total rewards and work engagement. Further analysis through multiple regression revealed that

intrinsic rewards, encompassing factors like work-life balance and intrinsic motivators, had the most substantial impact on employee engagement. This result is consistent with Scott et al. (2010) which was emphasizing the influence of intangible rewards on engagement. In contrast, extrinsic rewards showed a negative impact on employee engagement, in line with studies by Wruck and Jensen (1998). This implies that traditional extrinsic rewards may not be effective motivators and can even diminish intrinsic motivation. The multiple regression analysis further revealed that the three categories of total rewards effect on employee engagement. Additionally, two demographic factors educational qualification and experience were found to contribute significantly to predicting employee engagement.

The findings underscore the importance of considering both intrinsic and extrinsic rewards in shaping employee engagement. The negative impact of extrinsic rewards highlights the need for organizations to reassess their reward structures and consider more holistic approaches that align with individual preferences. The influence of educational qualification and tenure on engagement suggests the need for tailored strategies for employees with different educational backgrounds and experience levels.

This study provides valuable insights into the dynamics of total rewards, perceived reward fairness, and their impact on employee engagement. The positive correlation between total rewards and engagement, especially with intrinsic rewards, highlights the significance of aligning reward systems with employee preferences. The negative impact of extrinsic rewards emphasizes the evolving nature of motivational factors in the workplace. Moreover, the study contributes to the growing understanding of the moderating role of perceived reward fairness, emphasizing its importance in shaping the relationship between total rewards and employee engagement. Organizations should consider not only the nature of rewards but also the perceived fairness in their distribution to optimize engagement outcomes. The demographic factors influencing engagement underscore the need for personalized approaches, recognizing the diverse needs of employees. As organizations continue to navigate the complexities of employee engagement, further research is encouraged to explore additional factors influencing engagement. The second previous researcher's model is shown in Figure (2.2).

Figure (2.2) Conceptual Framework of Habte



Source: Habte (2016)

The conceptual framework of the previous research study as mentioned in Figure (2.2) is to examine the effect of reward management practice on employee engagement: The case of commercial bank of Ethiopia (CBE). The objectives of this previous study are: (1) to investigate the perception of the practice of reward management and employee engagement in Commercial Bank of Ethiopia, (2) to identify the relationship between reward management practices and employee engagement, (3) to identify the specific components of reward management practices that lead to employee engagement, and (4) to investigate the impact of reward management practices on employee engagement.

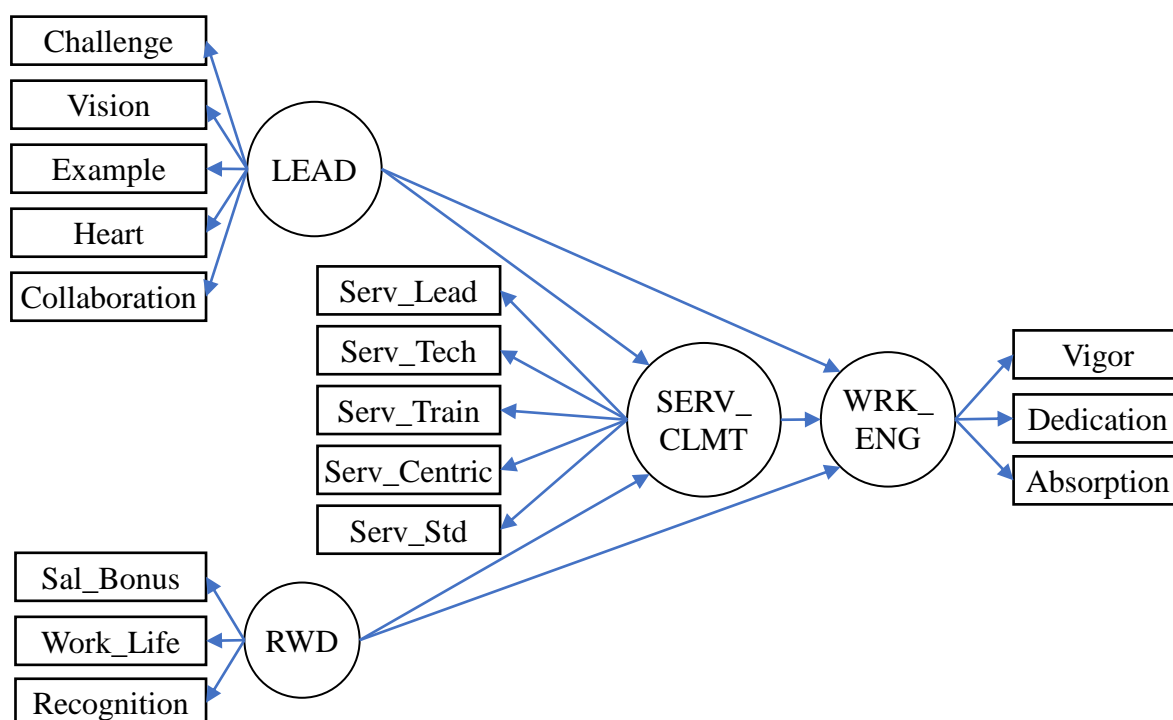
The study focused on evaluating the impact of reward management practices on employee engagement within the Commercial Bank of Ethiopia. The demographic analysis revealed that a majority of the respondents were male, aged between 31 and 35 years, and had been serving the bank for 1 to 5 years. Moreover, the majority of participants held a first-degree qualification and were classified as professional employees. The research findings indicated a significant and positive correlation between rewards and employee engagement. Specifically, variations in pay or compensation were identified as having a noteworthy impact on employee engagement. The study highlighted a strong positive relationship between benefits and employee engagement, suggesting that

changes in benefit packages directly influenced engagement levels. Performance and recognition were also found to be strongly correlated with employee engagement, indicating the importance of acknowledging and rewarding employee contributions.

Furthermore, the study underscored the significance of work-life balance in relation to employee engagement, emphasizing the direct relationship between the presence or absence of work-life balance in the organization and employee engagement. Development and career opportunities were identified as having a significant and positive correlation with employee engagement. Notably, the research revealed that pay or compensation made the highest unique contribution to employee engagement compared to other components of total rewards. The study estimated the potential impact of each component on overall engagement, indicating that rewards could increase overall engagement, while pay or compensation, benefits, performance feedback and recognition, work-life balance, and development and career opportunities could contribute to increases. The findings suggest that reward management practices, especially pay or compensation, play a crucial role in influencing employee engagement within the Commercial Bank of Ethiopia, providing valuable insights for organizations seeking to enhance employee engagement strategies.

The findings of the study aligned closely with the propositions of Armstrong and Murlis (2004) and Robinson et al. (2004), supporting the notion that increasing rewards were instrumental in elevating levels of commitment and engagement within an organization. Armstrong and Murlis emphasized that effective reward management policies are crucial for motivating individuals to deliver high performance and discretionary effort. The study echoed this sentiment, underscoring the direct and significant effect of reward management practices on employees' work engagement. Robinson et al. (2004) perspective on employee engagement emphasized the importance of employees feeling valued and involved as a key driver. The study aligned with this viewpoint, highlighting elements such as pay, benefits, work-life balance, development and career opportunities, and performance feedback and recognition as crucial drivers of engagement diagnostic model presented by Robinson et al. was evident in the study's findings, emphasizing the role of 'hygiene' factors in influencing the extent to which employees feel valued and involved. The third previous paper is the paper of Fahrizal et al. (2023). The third previous research model is shown in Figure (2.3)

Figure (2.3) Conceptual Framework of Fahrizal et al.



Source: Fahrizal et al. (2023)

LEAD: Leadership, RWD: Reward, SERV-CLMT: Service Climate, WRK-ENG: Work Engagement

In Figure (2.3), this research paper describes how leadership and total rewards impact employee work engagement through the mediating role of service climate in supply chain and logistic company in Indonesia. The primary objective of this study was to validate the connections among leadership, rewards, work climate, and workplace engagement, while also examining the mediating influence of service climate.

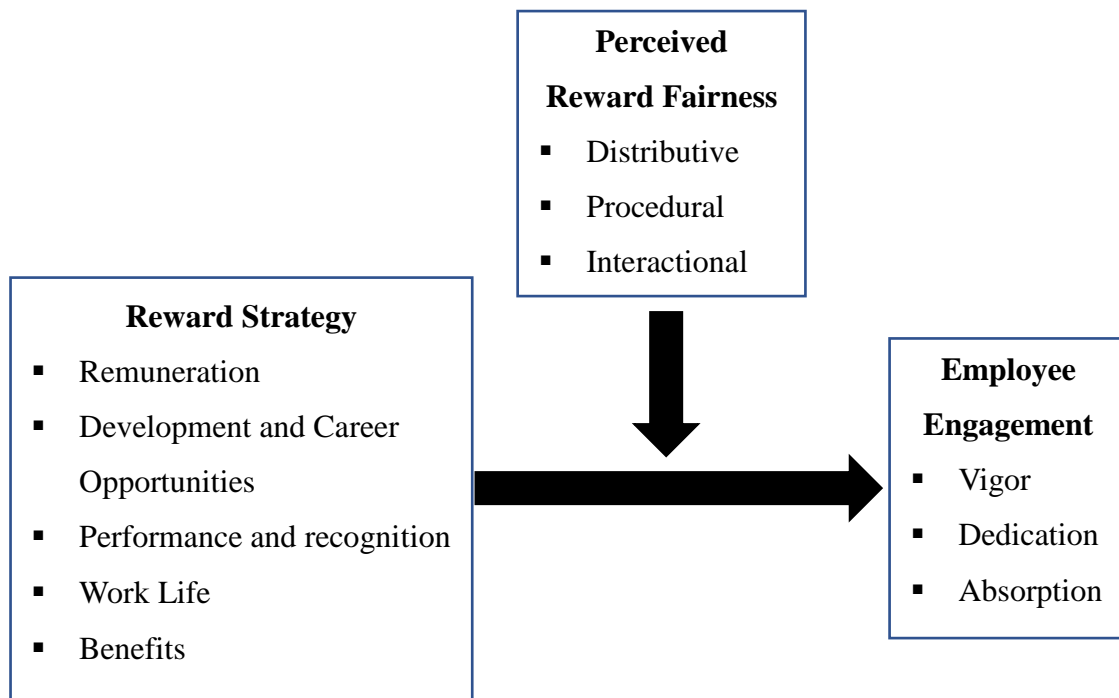
In this study, a sample of 287 respondents provided data, and their demographic details were outlined. Notably, 63% of the respondents were male, 17% were female, and 51% were engaged involving children aged 3 to 10. Regarding education, almost half (49%) of the respondents graduated from senior high schools. The results confirm the positive and significant impact of Leadership, Total Rewards, and Service Climate on Work Engagement. This aligns with the Job Demands-Resources (JD-R) theory, suggesting that effective leadership practices, a comprehensive rewards system, and a positive service climate contribute to enhanced employee engagement.

Furthermore, the mediation analysis revealed that Service Climate significantly mediates the relationships between Leadership and Work Engagement, as well as between Total Rewards and Work Engagement. This supported the idea that a conducive service climate plays a crucial role in translating leadership and rewards into improved employee engagement.

2.6 Conceptual Framework of the Study

This study aims to analyze the effect of reward strategy on employee engagement. The following conceptual framework is developed based on the previous studies. The conceptual framework of this study is shown in Figure (2.4).

Figure (2.4) Conceptual Framework of the Study



Source: Own compilation based on previous studies, 2024

The study presented in Figure (2.5) focuses on understanding the effects of reward strategy on employee engagement of MCLC. The conceptual framework adopted for this research draws from the work of Hassen Seid (2019).

It includes dimensions such as reward strategy, including remuneration, development and career opportunities, performance and recognition, work life, and benefit. This study examines into the dynamics between total rewards and employee

engagement, exploring how various components of total rewards influence the dimensions of vigor, dedication, and absorption within employees. Total rewards comprise essential elements such as remuneration (monetary compensation), benefits (non-monetary perks), work-life balance initiatives, performance and recognition programs, and development and career opportunities. These components collectively serve as a toolkit for organizations to attract, motivate, and retain their workforce. The conceptual framework posits that a positive relationship exists between total rewards and employee engagement, with the perceived fairness of these rewards playing a crucial mediating role. Drawing on insights from Mawlamyine Century Logistics Company's employee engagement dimensions and organizational fairness perspectives, the framework emphasizes the pivotal role of fairness in shaping the reward strategy aiming to employee engagement.

CHAPTER 3

PROFILE AND REWARD STRATEGY OF MAWLAMYINE CENTURY LOGISTICS CO., LTD.

Myanmar's logistics industry plays a crucial role in facilitating trade and economic development within the country and across its borders. With its strategic location between South and Southeast Asia, Myanmar serves as a key transit route for goods moving between these regions. The industry encompasses a wide range of services including freight forwarding, warehousing, transportation, customs clearance, and distribution.

Myanmar's logistics sector has been experiencing growth and transformation in recent years. Economic reforms and liberalization policies have led to increased foreign investment and the emergence of new players in the industry. Investment in infrastructure, regulatory reforms, and capacity-building initiatives will be key drivers for the continued advancement of the logistics sector, enabling Myanmar to realize its potential as a regional logistics hub. This chapter describes the profile and organization structure of MCLC. This chapter includes organization structure and services of MCLC.

3.1 Profile of Mawlamyine Century Logistics Co., Ltd.

Mawlamyine Century Logistics Co., Ltd (MCLC) is one of the fastest developing logistics companies with the largest fleets in vessel quantity to operate waterway transportation in Myanmar. The Mawlamyine Century Logistics Co., Ltd. is situated at No. (3), Irrigation Avenue Street, 8 and a half miles, Mayangone Township, Yangon. Founded in 2010, Mawlamyine Century Logistics Co., Ltd. has steadily expanded its operations and network to meet the growing demands of its customers. Currently, MCLC was awarded by an International Company to transport 5000 tons of Cement per day and other construction materials via vessels from Mawlamyine Cement Limited's Factory. MCLC specializes in total logistics requirements and services related to every business. MCLC can help customers and ensure that delivering any products to the right place, at the right time at a fair price makes all the difference. MCLC distinguishes itself through its focus on quality, efficiency, and customer satisfaction. The company offers a comprehensive range of logistics services, including freight forwarding, warehousing,

distribution, customs clearance, and transportation. The company's commitment to innovation and continuous improvement is reflected in its adoption of modern technologies and best practices in logistics management. Moreover, MCLC places a strong emphasis on corporate social responsibility and sustainability. The company actively engages in initiatives aimed at minimizing its environmental footprint, promoting community development, and supporting local economic growth. Currently, it has a workforce of 257 employees and specializes in total logistics requirements and services. MCLC prides itself on its commitment to excellence and customer satisfaction. With a team of experienced professionals and a modern fleet of vehicles, the company ensures timely and cost-effective delivery of goods, thereby contributing to the success of its clients' businesses.

At Mawlamyine Century Logistics Co., Ltd. the vision is to be the premier logistics services provider in Myanmar, seamlessly connecting people, businesses, and communities to a brighter future through the power of logistics. MCLC strives to be an indispensable partner to the clients, assisting them in developing and leveraging sustainable competitive advantages. MCLC's commitment is to facilitate the swift, efficient, and safe delivery of the client's products to the market, enabling them to thrive in a dynamic business environment. MCLC's clients can trust that every aspect of the business is conducted with unwavering honesty and deep respect for their needs and objectives. MCLC aims to redefine the standards of logistics services in Myanmar, empowering businesses to achieve their goals and contribute to the sustainable growth of communities.

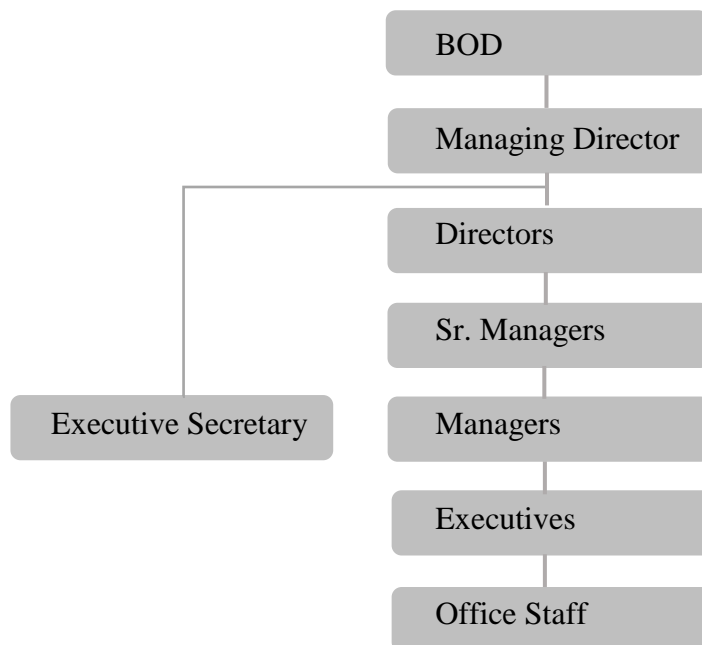
The mission at MCLC is to provide unparalleled and tailor-made logistics services that precisely meet the diverse needs of the customers. With a relentless focus on delivering positive and reliable experiences, the company strives to ensure that each and every one of its clients receives exceptional value in the marketplace. Furthermore, the mission extends beyond local boundaries as the company aspires to become the world's preferred supply chain logistics company. By leveraging insights, maintaining service quality, and fostering innovation, the company is committed to creating sustainable growth for businesses and society alike. At Mawlamyine Century Logistics Co., Ltd. the mission is not just about meeting expectations – it's about consistently surpassing them, setting new standards, and driving positive change in the logistics landscape. The company's slogan is "Possibility in Every Direction."

In addition, MCLC fosters a positive work environment and values employee development. The company recognizes the importance of employee engagement and strives to create opportunities for growth and advancement within the organization. As a forward-thinking and customer-focused logistics provider, MCLC continues to innovate and adapt to the evolving needs of the industry. With a strong emphasis on quality, reliability, and integrity, the company remains committed to delivering exceptional logistics solutions and driving growth for its clients and stakeholders. As a leading logistics provider in Myanmar, MCLC remains dedicated to driving excellence in the industry, delivering tailored solutions to meet the evolving needs of its clients while contributing to the overall growth and prosperity of the country's economy.

3.2 Organization Structure of Mawlamyine Century Logistics Co., Ltd.

MCLC is a leading maritime logistics services company in Myanmar, since 2015. MCLC is one of the fastest developing companies with largest fleets in vessel quantity to operate maritime transportation in Myanmar. The Organization chart of MCLC is shown in Figure (3.1).

Figure (3.1) Organization Chart of Mawlamyine Century Logistics Co., Ltd.



Source: Mawlamyine Century Logistics Co., Ltd, 2024

At Mawlamyine Century Logistics, there are 257 people including the BOD, Managing Director, Director, Senior Manager, Executive, Office Staff, and Executive Secretary under the Managing Director. Within Mawlamyine Century Logistics Co., Ltd. (MCLC), the organizational structure is defined by a hierarchy of positions aimed at effective management and coordination of operations. At the top of the hierarchy sits the Board of Directors (BOD), comprising 5 members who provide strategic guidance and oversight. Directly below them is the Managing Director, a single individual responsible for overseeing the day-to-day operations of the company. Assisting the Managing Director, there are 5 Directors, each overseeing specific departments or functional areas within MCLC. These Directors are supported by 10 Senior Managers, who play crucial roles in implementing departmental strategies and achieving performance targets. Further down the hierarchy, there are 20 Executives who hold managerial or supervisory roles within various departments. These Executives contribute to the efficient functioning of their respective teams and departments. Additionally, the Office Staff, consisting of 200 individuals, provides administrative and operational support across different areas of the company. They handle tasks such as clerical duties, data entry, and customer service, ensuring the smooth day-to-day operations of MCLC. Finally, there is a single Executive Secretary who directly supports the Managing Director in administrative tasks such as correspondence management, scheduling, and record-keeping.

The Board of Directors provides strategic direction and oversight for MCLC. It consists of key executives who guide the company's overall vision, mission, and long-term goals. The BOD is responsible for making major decisions related to corporate governance, financial management, and strategic planning. The Managing Director is the highest-ranking executive responsible for overseeing the day-to-day operations of MCLC. They report directly to the Board of Directors and work for implementing strategic initiatives, managing resources, and ensuring the company's overall success. The Managing Director plays a pivotal role in setting organizational objectives, driving growth, and maintaining stakeholder relations. Directors are senior executives who oversee specific departments or functional areas within MCLC. They work closely with the Managing Director to develop and execute departmental strategies, manage resources effectively, and achieve performance targets. Directors provide leadership and guidance to their respective teams, ensuring alignment with the company's overall goals and objectives.

Senior Managers hold leadership positions within various departments or business units of MCLC. They report to Directors and are responsible for managing day-to-day operations, implementing departmental strategies, and achieving performance targets. Senior Managers play a key role in driving organizational excellence, fostering innovation, and promoting a culture of continuous improvement. Executives are experienced professionals who hold managerial or supervisory roles within MCLC. They report to Senior Managers or Directors and are responsible for overseeing specific functions or teams within their respective departments. Executives play a crucial role in implementing departmental strategies, managing resources efficiently, and achieving operational objectives. Office Staff members are employees who provide administrative and operational support across various departments of MCLC. They perform a wide range of tasks, including clerical duties, data entry, scheduling, and customer service. Office Staff members play an essential role in ensuring the smooth functioning of day-to-day operations and maintaining a productive work environment.

The Executive Secretary provides administrative support directly to the Managing Director. They handle a variety of tasks, including managing correspondence, scheduling meetings, organizing travel arrangements, and maintaining confidential records. The Executive Secretary plays a crucial role in facilitating communication, streamlining administrative processes, and supporting the Managing Director in their daily activities.

The organizational structure of MCLC is designed to facilitate efficient decision-making, effective management of resources, and seamless coordination across different departments and functional areas. Each level of the organization plays a vital role in contributing to the company's success and ensuring the delivery of high-quality services to clients.

3.3 Services of the Mawlamyine Century Logistics Co., Ltd.

MCLC is a comprehensive logistics company that specializes in providing high-quality transportation services, particularly in the maritime sector. With a strong focus on ensuring the safety and security of cargo, MCLC offers a range of services designed to minimize the risks of damage, breakage, and theft during transportation.

MCLC offers comprehensive maritime transportation and logistics solutions for both inbound and outbound cargo. Leveraging its expertise in the maritime industry,

MCL facilitates the seamless movement of goods by sea, ensuring timely delivery and cost-effective solutions for its clients.

MCLC operates a fleet of marine vessels, ranging from MCL-1 to MCL-21, to support its tramp service operations. Tramp service involves transporting goods on vessels that do not follow a fixed schedule or route. By utilizing its vessels, MCLC has greater flexibility and control over the transportation process, allowing tailored solutions to meet specific client needs.

MCLC offers chartering services, including voyage chartering and time chartering, to accommodate varying transportation requirements. Voyage chartering involves hiring a vessel for a specific voyage or journey, while time chartering entails hiring a vessel for a specified period. These chartering options provide clients with flexibility in terms of cargo volume, route optimization, and scheduling.

MCLC prioritizes the protection of cargo against risks such as damage, breakage, and theft throughout the transportation process. The company implements robust risk mitigation strategies, including advanced security measures, quality control protocols, and comprehensive insurance coverage, to safeguard clients' cargo and minimize potential losses.

Recognizing that every client has unique transportation needs, MCLC offers customized solutions tailored to specific requirements. Whether it's the transportation of sensitive goods, bulk commodities, or project cargo, MCLC collaborates closely with clients to develop tailored transportation plans that optimize efficiency, minimize risks, and ensure the safe delivery of cargo.

MCLC is committed to delivering high-quality, reliable transportation services that meet the highest industry standards. With a focus on continuous improvement and innovation, MCLC strives to exceed client expectations by providing efficient, safe, and cost-effective transportation solutions.

MCLC is one of the leading providers of maritime transportation and logistics services, offering a comprehensive range of solutions to ensure cargo's safe and efficient movement. With its fleet of marine vessels, expertise in risk mitigation, and commitment to customer satisfaction, MCLC is a trusted partner for businesses seeking reliable transportation solutions in the maritime sector.

3.4 Reward Strategy of Mawlamyine Century Logistics Co., Ltd.

In this study, the reward strategy of MCLC is assessed from five aspects: remuneration, development and career opportunities, performance and recognition, work-life and benefits.

3.4.1 Remuneration

MCLC provides basic pay and financial and non-financial rewards as the remuneration package. Table (3.1) shows the pay-scales for various positions in MCLC.

Table (3.1) Pay-scales

Sr. No.	Positions	Pay-scales (Kyats)
1	Board of Director	Shareholders (No salary)
2	Managing Director	50 lakhs – 80 lakhs
3	Directors	30 lakhs – 50 lakhs
4	Senior Managers	20 lakhs – 30 lakhs
5	Managers	15 lakhs – 20 lakhs
6	Executives	7 lakhs – 15 lakhs
7	Office Staff	3 lakhs – 7 lakhs
8	Executive Secretary	10 lakhs – 15 lakhs

Source: MCLC,2024

As shown in Table (3.1), MCLC's pay-scales are competitive regarding current pay-scales in Myanmar labor market and satisfied with the quality and quantity of the remuneration package. MCLC employees work more as a team in order to gain the remuneration package.

3.4.2 Development and Career Opportunities

MCLC values the growth and advancement of its employees and recognizes the importance of providing opportunities for career progression. MCLC commitment to fostering a fair and merit-based promotion system ensures that those who excel in their roles have a genuine chance of advancement within the organization. MCLC prioritize promoting individuals based on their performance and potential, rather than favoritism or seniority. Moreover, MCLC actively encourages skill development among its workforce by offering opportunities for training and education sponsorship, allowing employees to enhance their capabilities and contribute more effectively to the company's success. MCLC workers are promoted in fair manner and happier with MCLC's chance for further education sponsorship.

MCLC arranges the trainings such as job training for entry-level employees. MCLC also provides the trainings such as organizational training and education sponsorship for employees who to be promoted to manager positions.

3.4.3 Performance and Recognition

MCLC also provides the rewards for outstanding employees who contribute to MCLC with high performance. The reward practices of MCLC are shown in Table (3.2).

Table (3.2) Financial and Non-financial Rewards

Sr. No.	Financial Rewards	Non-Financial Rewards	Frequency	Situation
1	% of income (n-a)	Appreciation Cards	Once a half-year	For outstanding ship (employees of ship)
2	One month salary to all employees	-	Yearly	Bonuses at Staff Party

Source: MCLC, 2024

MCLC provides financial and non-financial rewards twice a year: at half- year and at the end of the year. As shown in Table (3.2), once a six-months, MCLC's BOD and Directors selected the best ship and give cash and cards to employees of their ship. Every year, at the end of March, MCLC award bonuses to employees at the staff-party. Each employee receives the cash same as their salary.

MCLC's performance evaluation system is designed to be objective and fair, ensuring that employees receive constructive feedback and recognition for their achievements. MCLC understand the importance of acknowledging and appreciating exceptional performance, and make it a priority to praise and commend employees who consistently deliver excellent results. Furthermore, MCLC places significant importance on the rewards offered to employees, viewing them not just as incentives but also as a means of recognizing and honoring their efforts. Whether it is through bonuses, incentives, or other forms of recognition, MCLC ensures that rewards reflect the dedication and contributions of hardworking team members. At MCLC, commit to fostering a culture of appreciation and acknowledgment, where employees feel valued and motivated to continue striving for excellence.

3.4.4 Work-life

At MCLC, the focus is on fostering a positive and supportive work environment where employees can thrive both personally and professionally. Great emphasis is placed on cultivating strong relationships among team members, ensuring that employees enjoy working with their colleagues and feel a sense of camaraderie within the workplace. While conflicts can arise in any organization, efforts are made to minimize internal strife and promote collaboration and cooperation among staff. Additionally, MCLC recognizes the importance of work-life balance and offers flexible working arrangements to accommodate the diverse needs of employees. Supervisors at MCLC are committed to promoting healthy work-life balance and provide support and resources to help employees achieve this balance. Moreover, there is a belief in creating fulfilling and enjoyable job experiences for staff, where they can find meaning and satisfaction in their work. While occasional feelings of job meaninglessness may arise, there are active efforts to encourage open communication and provide opportunities for personal and professional growth to rekindle a sense of purpose and pride in one's role. Overall, MCLC

is dedicated to providing a positive and enriching work environment that fosters employee well-being, satisfaction, and success. MCLC allows employees to change the work-shifts, work-place and also allow the work-from-home and flexi-time plan (8:30 am to 5:30 pm and 5:30 pm to tomorrow 8:30 am) if it is necessary. MCLC favor work-life balance arrangements due to retain employees: unfavored to allow to quit for personal or family problems, and due to further study.

3.4.5 Benefits

At MCLC, the current benefit package is designed to ensure satisfaction among employees. The benefits offered are on par with or exceed those provided by other organizations, maintaining equity internally. MCLC provides transport services or fuel allowances, ensuring convenience for employees. The house allowance is provided to enhance employee satisfaction with their living arrangements. Moreover, all necessary benefits are included in the salary package, ensuring that employees receive comprehensive coverage.

MCLC’s benefits can be classified into two for all employees and for employees with long-service. The benefit of MCLC is shown in Table (3.3).

Table (3.3) Benefits of MCLC

Sr. No.	Benefits	Classifications
1	Ferry, Uniform, meal allowance	For all employees
2	Car for transportation (during service years)	For employees with long-service

Source: MCLC,2024

In MCLC, some benefits are provided to all employees, not considering the service and position. Some special benefit (car provide to use for both business and personal, during working years at MCLC) are for higher position.

CHAPTER 4

**ANALYSIS ON EFFECT OF REWARD STRATEGY ON EMPLOYEE
ENGAGEMENT IN MAWLAMYINE CENTURY
LOGISTICS CO., LTD.**

This chapter begins by presenting the demographic profile of respondents, who are staff off MCLC. It then examines the effect of the reward strategy on employee engagement of MCLC. Furthermore, it discusses the moderating effect of perceived reward fairness between reward strategy and employee engagement. The results from descriptive analysis are also described in this chapter.

4.1 Demographic Profile of Respondents

In this study, the randomly selected 77 employees from MCLC are interviewed with structured questionnaires. The complete responses are received form 70 employees. The demographic profile of 70 respondents is shown in Table (4.1).

Table (4.1) Demographic Profile of Respondents

Sr. No.	Demographic Factors		No of Respondents	Percentage (%)
	Total Respondents		70	100
1	Age (Years)	18 to 35	33	47
		36 to 45	16	23
		46 to 55	21	30
2	Gender	Male	43	61
		Female	27	39
3	Education	Non-graduate	19	27
		Graduate	43	62
		Diploma	5	7
		Master Degree	3	4
4	Working Experience	Less than 7 years	33	47
		8-12 years	23	33
		Above 12 years	14	20

Source: Survey Data (2024)

According to Table (4.1), the age distribution shows that 47% fall within the 18 to 35 age, constituting the largest segment. Following closely, 23% of respondents are aged between 36 to 45, while 30% are between 46 to 55 years old. In terms of gender, there is a notable majority of male respondents, comprising 61% of the total, whereas females represent 39%. Education-wise, the majority of respondents, accounting for 62%, are graduates, indicating a higher level of education among the surveyed group. Non-graduates constitute 27% of respondents, while a smaller percentage comprises individuals with diplomas (7%) and master's degrees (4%). Regarding working experience, 47% of respondents have less than 7 years of experience, while 33% have accumulated 8-12 years of experience. A smaller portion, 20%, boasts of over 12 years of experience. In MCLC, most of the business transactions are relating to logistics by ships.

Thus, due to the nature of work, company recruited large portion of male employees, and young aged for manual tasks. However, most of the tasks are technical, and basic education is needed. Thus, most of the employees are graduated. With relatively higher pay-scale and attractive rewards, most of the employees stay at this company for long-period (at least 5 years' service).

4.2 Research Methodology

In this study, a structured questionnaire is developed to collect the primary data. The questionnaire consists of (4) sections: demographic data, reward strategy, employee engagement, and perceived reward fairness. The question items are in Likert-type 5-point scale format. For reward strategy, there were seven questions each for remuneration, development, and career opportunities, five for performance and recognition, eight for work-life balance, and six for benefits. Employee engagement questions included six for vigor, five for dedication, and six for absorption. Perceived reward fairness had five questions for distributive fairness, seven for procedural fairness, and six for interactional fairness.

The questionnaires are distributed to selected 70 employees. All employees replied to the questionnaires. For data analysis, for descriptive analysis, Best (1977) identification is based. According to Best (1977), scored a Likert scale of this sort on the mean scale of 1.00-1.80 to mean Strongly Disagree, 1.81-2.60 to mean Disagree, 2.61-3.40 to mean Neutral, 3.41-4.20 to mean Agree, and 4.21-5.00 Strongly Agree. For data analysis, the descriptive and regression analyses are applied. For regression analysis, data reliability is tested in advance.

4.3 Reliability Analysis

Reliability analysis can be referred to the analysis which determines whether the scale produce the consistent results and helps assess the quality of the scale. In this study, Cronbach's Alpha is being used to measure the internal consistency of the variables. Cronbach' Alpha is confidence coefficient for assessing the internal consistency when a scale consists of more than one item. The reliability analysis is used to measure the reliability of the scale in which several numbers of items are summed up to obtain the total score. By using Cronbach's Alpha, the internal consistency can be described with

the alpha value. According to Sekaran & Bougie (2017), it typically yields values between 0.80 and nearly 0.95, indicating a high level of reliability. Values falling between 0.70 and 0.80 suggest a good level of reliability, while those ranging from 0.60 to 0.70 indicate moderate reliability. When the coefficient is below 0.60, it suggests poor reliability, and if it falls below 0.50, it is considered unacceptable. Cronbach's Alpha ranges from 0.1 to 10, with values above 0.6 generally considered acceptable for ensuring internal coherence. The reliability test results are shown in Table (4.2).

Table (4.2) Reliability Text Results

Variables	Number of Items	Cronbach's Alpha	Strength of Association
Remuneration	7	0.608	Moderate
Development and career opportunities	7	0.622	Moderate
Performance and recognition	5	0.618	Moderate
Work life	8	0.744	Good
Benefits	6	0.600	Moderate
Vigor	6	0.622	Moderate
Dedication	5	0.646	Moderate
Absorption	6	0.757	Good
Distributive Fairness	5	0.619	Moderate
Procedural Fairness	7	0.600	Moderate
Interactional Fairness	6	0.616	Moderate

Source: Survey Data (2024)

According to the results, work-life and absorption demonstrate good reliability, with Cronbach's Alpha values of 0.744 and 0.757 respectively. Remuneration, development and career opportunities, performance and recognition, benefits, vigor, dedication, distributive aspects, procedural matters, and interactional aspects show moderate reliability, with Cronbach's Alpha values ranging from 0.608 to 0.646. These findings suggest that there is generally a reasonable level of internal consistency in responses across the various factors measured.

4.4 Perception on Reward Strategy

This section presents an analysis of the mean scores relating to the perception on reward strategy. The data is collected through survey questionnaires answered by 70 employees of MCLC.

4.4.1 Perception on Remuneration

Remuneration is crucial as it not only attracts and retains talent but also motivates employees, fosters job satisfaction, ensures fairness, and aligns individual performance with organizational goals. The survey participants are requested to indicate their level of agreement on a scale ranging from strongly disagree to strongly agree, and subsequent analysis of the gathered responses is presented in Table (4.3).

Table (4.3) Remuneration

Sr. No.	Description	Mean	Standard Deviation
1	Distributing the remuneration package rightfully.	4.47	0.607
2	Matching the remuneration package with work effort.	3.59	0.577
3	Satisfying with the quality/quantity of the remuneration package.	4.17	0.68
4	Readiness to increase work efforts in order to gain the remuneration package.	4.17	0.538
5	Employees working more as a team in order to gain the remuneration package.	4.20	0.734
6	Satisfaction with the work atmosphere.	3.77	0.663
7	The remuneration package motivating to perform well in the job.	4.23	0.745
Overall Mean		4.09	

Source: Survey Data (2024)

Table (4.3) offers a detailed insight into the attitudes of respondents towards various facets of remuneration. Each statement within the table reflects distinct dimensions of how remuneration is perceived.

Mean value for all question statements are between (3.41 and 4.20). Thus, most of the respondents agreed that they are receiving the remuneration, which is matching with work effort, thus, they are satisfied with it, they motivate due to this remuneration, and putting more work effort.

The overall mean value of 4.09 indicates a generally positive perception of remuneration satisfaction among employees at MCLC. This means that, on average, employees agreed with the remuneration packages provided by the organization.

MCLC in Myanmar has a comprehensive reward strategy in place to ensure fair and equitable remuneration packages for its employees. This strategy aims to create a positive work environment and boost employee engagement. Employees perceive that the remuneration packages at MCLC are allocated fairly based on their contributions and responsibilities. They also feel that their efforts are appropriately recognized and rewarded through the remuneration package. Moreover, employee's express satisfaction with the overall quality and quantity of the remuneration package, indicating that it meets their expectations and needs.

The reward system at MCLC encourages teamwork and collaboration among employees as they strive to achieve common goals and reap the benefits of the remuneration package together. Employees also perceive the work atmosphere at MCLC as satisfactory, contributing to their overall job satisfaction and engagement. The remuneration package provided by MCLC serves as a motivating factor for employees to perform well in their respective roles, ultimately contributing to organizational success.

4.4.2 Perception on Development and Career Opportunities

In this study, to describe the development and career opportunities from employee point of view, the descriptive analysis is conducted. The results data are shown in Table (4.4).

Table (4.4) Development and Career Opportunities

Sr. No.	Description	Mean	Standard Deviation
1	There is really too little chance for promotion on job. (R)	4.49	0.608
2	Those performing well on their job stand a fair chance of being promoted.	3.97	0.722
3	Progressing as quickly here as in other places.	3.40	0.575
4	Promoting workers in a fair manner.	3.81	0.687
5	The organization promotes worker to develop new skill.	4.47	0.583
6	Happy with MCLC's chance for further education sponsorship.	3.66	0.562
7	Satisfied with the chance for promotion.	4.57	0.579
Overall Mean		4.05	

Source: Survey Data (2024)

Table (4.4) provides a comprehensive overview of respondents' perceptions regarding development and career opportunities within the organization.

According to mean values shown in Table (4.4), most of the respondents strongly agreed that they are receiving promotion opportunities, and new skills. Thus, they are satisfied with the chance for promotion. They also agreed that they have fair chance for promotion, and they are happy with MCLC's sponsorship for further study.

MCLC understand the significance of investing in the company employees' professional growth and are dedicated to providing a supportive environment that nurtures their talents and aspirations. Therefore, MCLC is confident that employees have ample opportunities for both personal development and career advancement at MCLC.

4.4.3 Perception on Performance and Recognition

Performance and recognition are vital for MCLC as they motivate employees to excel in their roles, foster a culture of appreciation, and contribute to the company's

overall success by maximizing employee engagement and productivity. This study examines the perception of MCLC employees regarding these aspects through a quantitative analysis of survey responses. There are five questions to analyze performance and recognition. Survey results are shown in Table (4.5).

Table (4.5) Performance and Recognition

Sr. No.	Description	Mean	Standard Deviation
1	Getting good feedback for performance.	3.47	0.531
2	Getting appreciation for better performance.	3.93	0.644
3	MCLC's performance evaluation being objective and fair.	4.06	0.74
4	Being praised as long as doing a good job.	3.71	0.64
5	The reward by MCLC having importance in recognition of effort.	4.24	0.647
Overall Mean		3.89	

Source: Survey Data (2024)

Table (4.5) presents key dimensions of performance evaluation and recognition at MCLC, as indicated by mean values derived from employee feedback. Results show that employees feel recognized and appreciated for demonstrating superior performance, as evidenced by the relatively higher mean value. This signifies a positive aspect of the organizational culture where achievements are acknowledged and valued.

According to mean value between (3.41 and 4.20) most of the respondents agreed that they are getting good feedback for their performance, also getting appreciation, praise, and fairness in recognition. They agree that they receive rewards as the symbol of recognition.

4.4.4 Perception on Work-life

Work-life balance is a crucial aspect of employee well-being and organizational effectiveness, influencing job satisfaction, productivity, and retention. This section examines the perceptions of MCLC employees regarding various dimensions of work-life

balance, drawing insights from a quantitative analysis of survey responses. By exploring factors such as relationships at work, flexibility, job satisfaction, and sense of purpose, this study aims to provide a comprehensive understanding of the work-life climate at MCLC, the eight questions are used to analyze work-life of employees of MCLC. Survey results are shown in Table (4.6).

Table (4.6) Work-life

Sr. No.	Description	Mean	Standard Deviation
1	Liking the people with whom working.	3.64	0.799
2	There is no internal strife and fighting at work.	3.19	1.788
3	Having flexible working time and place.	3.76	0.576
4	Managing personal and professional life with ease.	3.51	0.608
5	Supervisor promoting healthy work-life balance.	4.06	0.657
6	Finding enjoyment in job.	3.59	0.67
7	I feel my job is meaningful.	3.01	1.489
8	Feeling a sense of pride in doing the job.	4.29	0.617
Overall Mean		3.63	

Source: Survey Data (2024)

The mean values are between (3.41 and 4.20). Therefore, most of the respondents agreed that they like their colleagues, they do not have internal conflicts each other, have flexible working time and support from supervisors for work-life balance. They also agreed that they can manage both personal and professional life, thus they enjoy at work which is meaningful.

4.4.5 Perception on Benefits

Employee benefits play a crucial role in attracting and retaining talent, contributing to job satisfaction and overall organizational well-being. This section

examines the perception of MCLC employees regarding various aspects of the benefits provided by the organization, drawing insights from a quantitative analysis of survey responses. The results are calculated and drawn on the Table (4.7).

Table (4.7) Benefits

Sr. No.	Description	Mean	Standard Deviation
1	Satisfied with MCLC’s current benefit package.	3.44	0.581
2	Receiving benefits that are better or as good as those offered by other organizations.	3.54	0.582
3	Ensuring equity in the benefits receive internally.	3.91	0.608
4	MCLC providing transport service or fuel allowance.	3.43	0.498
5	Happy with the house allowance.	3.90	0.542
6	Having all benefits which should receive.	3.71	0.64
Overall Mean		3.66	

Source: Survey Data (2024)

Table (4.7) presents key aspects of benefits satisfaction at MCLC, represented through mean values derived from employee feedback. Mean values are between (3.41 and 4.20). Therefore, most of the respondents agreed that they are satisfied with MCLC’s benefit package, they receive better of equitable benefits, and they receive all benefits they should receive such as transport, accommodation and allowances.

4.5 Employee Engagement at MCLC

In this study, employee engagement is approached with three aspects: vigor, dedication, and absorption.

4.5.1 Vigor

Vigor, characterized by feelings of energy, resilience, and motivation, is a vital aspect of employee well-being and performance in the workplace. This section delves

into the perception of MCLC employees regarding various dimensions of vigor, drawing insights from a quantitative analysis of survey responses. By exploring factors such as energy levels, resilience, and motivation, this study aims to provide a comprehensive understanding of the vigor climate at MCLC. Six items are included in inquiring respondent's view on vigor. Table (4.8) describes the mean values and standard deviation of vigor.

Table (4.8) Vigor

Sr. No.	Description	Mean	Standard Deviation
1	Feeling bursting with energy at work.	3.67	0.583
2	Feeling strong and vigorous at job.	4.27	0.635
3	Feeling like going to work when getting up in the morning.	3.44	0.629
4	Capable of working for very long periods at a time.	3.80	0.714
5	Being very resilient, mentally, at job.	3.56	0.629
6	Insisting, even when things do not go well, at work.	4.17	0.701
Overall Mean		3.82	

Source: Survey Data (2024)

Table (4.8) presents key aspects of vigor in the workplace at MCLC, represented through mean values derived from employee feedback. Since the mean values expect (mean for question item-2, 4.27) are between (3.41 and 4.20), most of the respondents agreed that they have derives to put energy; and feel active, capable and resilient to work at MCLC. Moreover, they strongly agreed that they feel strong and enthusiastic at their jobs. According to the overall mean values, they agreed that they have vigor when they are working at their jobs.

4.5.2 Dedication

Dedication, characterized by feelings of meaning, enthusiasm, pride, and inspiration, is a fundamental aspect of employee engagement and commitment in the

workplace. This section explores the perceptions of MCLC employees regarding various dimensions of dedication, drawing insights from a quantitative analysis of survey responses. Table (4.9) is the Table describing the five items mean values, standard deviation values and the overall mean value of dedication.

Table (4.9) Dedication

Sr. No.	Description	Mean	Standard Deviation
1	Finding the work that doing full of meaning and purpose.	3.63	0.618
2	Experiencing enthusiasm about job.	4.06	0.562
3	Being inspired by job.	3.51	0.558
4	Taking pride in the work being done.	4.21	0.447
5	Finding the job challenging.	4.04	0.494
Overall Mean		3.89	

Source: Survey Data (2024)

Table (4.9) presents key aspects of dedication in the workplace at MCLC, represented through mean values derived from employee feedback. Mean value for all question items are between (3.41 and 4.20). Therefore, it can be seen that employees of MCLC feel meaningfulness of their jobs, inspired, challenged and pride in performing tasks at respective positions.

The overall mean value (3.89) reflects that employee agreed of dedication among employees at MCLC. While employees find their work deeply meaningful or inspiring, there is a strong sense of enthusiasm, pride, and willingness to tackle challenges in their job roles. Enhancing aspects of meaning and purpose in work, as well as fostering inspiration and addressing challenges, can further bolster dedication and engagement among employees.

4.5.3 Absorption

This section delves into the perception of MCLC employees regarding various dimensions of absorption, drawing insights from a quantitative analysis of survey

responses. By examining factors, this study aims to provide a comprehensive understanding of absorption within the organizational context at MCLC. The mean values, standard deviation values and the overall mean of absorption items are expressed in Table (4.10).

Table (4.10) Absorption

Sr. No.	Description	Mean	Standard Deviation
1	Time flies when working.	4.01	0.648
2	Forgetting everything else around me when working.	3.41	0.602
3	Feeling happy when working intensely.	3.31	0.578
4	Being immersed in work.	3.84	0.673
5	Getting carried away when working.	4.27	0.815
6	Difficulties detaching from the job.	3.46	0.582
Overall Mean		3.72	

Source: Survey Data (2024)

Table (4.10) presents key aspects of absorption in the workplace at MCLC, represented through mean values derived from employee feedback. Since all mean values except (4.27 for question-item-5) are within the range of between (3.41 and 4.20), most of the respondents agreed that they even forgot time and everything else when they will working, and they are happy and immersed to get things done without difficulties. According to overall mean value, they agreed that they feel absorption at work. Moreover, they strongly agreed that they feel away from everything else when they are working.

Employees at MCLC exhibit high levels of engagement and dedication to their work, as evidenced by their responses to various statements regarding their job satisfaction and enthusiasm.

Employees at MCLC feel a strong sense of energy and vigor while performing their duties, indicating a high level of motivation and commitment to their roles. They express a willingness to go to work in the morning and have the resilience to continue working for extended periods, demonstrating their dedication and perseverance.

Furthermore, employees at MCLC find their work meaningful and purposeful, reflecting a sense of fulfillment and alignment with the organization's goals and values. They exhibit enthusiasm and pride in their job, feeling inspired and challenged by their responsibilities.

Employees at MCLC also report that time flies when they are working and they become fully immersed in their tasks, indicating a high level of concentration and focus on their job responsibilities. They feel happy and engaged when working intensely, demonstrating a positive emotional connection to their work. Moreover, employees at MCLC find it difficult to detach themselves from their jobs, indicating a strong sense of involvement and dedication to their work tasks even outside of regular working hours.

This level of engagement and dedication contributes to a productive and motivated workforce at MCLC, ultimately driving organizational success. In summary, MCLC fosters a work environment that promotes high levels of employee engagement, satisfaction, and dedication. Employees at MCLC demonstrate a strong sense of energy, resilience, and enthusiasm for their work, contributing to a positive and thriving organizational culture.

4.6 Perceived Reward Fairness

In this study, the employees' perceived reward fairness is evaluated with three criteria: distributive, procedural, and interactional.

4.6.1 Distributive Fairness

Distributive fairness in rewards allocation is a critical aspect of organizational fairness. This section delves into the perception of MCLC employees regarding various dimensions of distributive fairness, drawing insights from a quantitative analysis of survey responses. By examining factors such as fairness in reward allocation based on responsibilities, experience, effort, work done, and stress levels, this study aims to provide a comprehensive understanding of distributive fairness within the organizational context at MCLC. Five items are included in inquiring respondents' view on distributive fairness. The results data are as shown in Table (4.11).

Table (4.11) Distributive Fairness

Sr. No.	Description	Mean	Standard Deviation
1	Considering the responsibilities and rewarding them accordingly.	3.63	0.618
2	The company rewarding appropriately based on the amount of experience one has.	3.56	0.581
3	Rewards being a worthy reward for the amount of effort.	4.17	0.636
4	The company rewarding for the work being done.	3.91	0.631
5	Rewards being a well-deserved reward for the stress and strain of the job.	4.04	0.711
Overall Mean		3.86	

Source: Survey Data (2024)

Table (4.11) presents key aspects of distributive fairness in rewards allocation at MCLC, represented through mean values derived from employee feedback. All mean value for question items of distributive fairness is in the range of between (3.41 and 4.20). Therefore, most of the respondents agreed that MCLC considered the respective responsibilities of employees when top management decided to give rewards. Moreover, they also focused on experience, stress, work-done and contribution of employees to decide rewards for them.

The overall mean value (3.86) reflects that employee agreed with distributive fairness in rewards allocation among employees at MCLC. Employees not only generally feel that rewards are aligned with factors such as responsibilities, effort, and stress levels, but also, they feel ensuring fairness in rewarding based on their experience levels and the work being done. MCLC has been providing the rewards, and assigning duties not to individuals, by considering to teams (by ship or by group). Thus, reward and tasks distributions among employees is very fair to employees who are at same ranks.

4.6.2 Procedural Fairness

Procedural fairness, characterized by fairness and transparency in decision-making procedures, is essential for fostering trust, satisfaction, and organizational

commitment among employees. This section explores the perception of MCLC employees regarding various dimensions of procedural fairness, drawing insights from a quantitative analysis of survey responses. By examining factors, this study aims to provide a comprehensive understanding of procedural fairness within the organizational context at MCLC. There are totally seven questions to analyze procedural fairness of MCLC. The results are shown in Table (4.12).

Table (4.12) Procedural Fairness

Sr. No.	Description	Mean	Standard Deviation
1	Procedures being designed to collect accurate information necessary for making the decision.	3.71	0.663
2	Procedures being designed to provide opportunities to appeal or challenge the decision.	3.59	0.648
3	Procedures being designed to have all sides affected by the decision represented.	3.67	0.653
4	Procedures being designed to generate standards so that decisions could be made with consistency.	3.61	0.748
5	Procedures being designed to hear the concerns of all those affected by the decision.	3.77	0.641
6	Procedures are designed to provide useful feedback regarding the decision and its implementation.	3.57	0.672
7	Procedures are designed to allowing requests for clarification or additional information about the decision.	3.79	0.7
Overall Mean		3.67	

Source: Survey Data (2024)

Table (4.12) presents key aspects of procedural fairness in decision-making processes at MCLC, represented through mean values derived from employee feedback. All mean value for question items of procedural fairness is within between (3.41 and 4.20). Therefore, most of the respondents agreed that the MCLC’s internal procedurals are designed to collect accurate information, to consider all aspects, to set standards, to

give feedback, and to allow questions and requests from employees before making decisions.

The overall mean value (3.67) reflects that employee agreed with fairness in decision-making processes among employees at MCLC. While employees generally perceive procedures as designed to promote fairness and transparency, employees also recognized the accuracy, representation, consistency, responsiveness, feedback provision, and communication channels of MCLC.

Since MCLC is the logistics service company, focusing on exporting, the transactions, documents and working procedures are clearly identified by the authorities of respective ministry, and also by international organizations. Thus, the procedures of MCLC are very standardized without value and complex concepts. Moreover, the rule, disciplines and steps to provide rewards or to control with punishments are also standardized for same cases. Top management pay much attention to impersonation, and to be free from biases.

4.6.3 Interactional Fairness

Interactional fairness is crucial in business organizations as it fosters trust, satisfaction, and commitment among employees through fair, respectful, and empathetic interpersonal interactions between supervisors and employees. This section explores the perceptions of MCLC employees regarding various dimensions of interactional fairness, drawing insights from a quantitative analysis of survey responses. This study aims to provide a comprehensive understanding of interactional fairness within the organizational context at MCLC. There are totally six questions to explore interactional fairness between supervisors and employees of MCLC. The results are shown in Table (4.13).

Table (4.13) Interactional Fairness

Sr. No.	Description	Mean	Standard Deviation
1	Considering the viewpoint, supervisor considered.	3.86	0.62
2	Supervisor does not have personal biases.	4.17	0.66
3	Supervisor provides with timely feedback about the decision and its implications.	3.71	0.59
4	Supervisor treated with kindness and considerations.	4.03	0.59
5	Supervisor showed concern for the rights as an employee.	3.61	0.67
6	The supervisor is someone dealing with in good faith and understanding.	4.21	0.56
Overall Mean		3.93	

Source: Survey Data (2024)

Table (4.13) presents key aspects of interactional fairness in supervisor-employee interactions at MCLC, represented through mean values derived from employee feedback. The mean values of all question statements are within between (3.41 and 4.20). Therefore, most of the respondents agreed that their leaders consider various viewpoints of employees, they do not have personal biases, they provide timely feedback, they treat employees with kindness, they concern the rights of employees, and they try to understand employees to deal with good faith.

The overall mean value (3.93) reflects that employee agreed with interactional fairness in supervisor-employee interactions among employees at MCLC. Employees generally perceive supervisors as fair, respectful, and empathetic, and other aspects such as viewpoint consideration, feedback provision, and advocacy for employee rights. MCLC's top management (BOD members and directors) have been building the family-type and team culture by implementing the rewards for team effort, punishment for team's bad contribution and open and friendly communication among superiors and

subordinates. They avoid unfair treatment to employees. Thus, employees are happy with this interactional fairness of MCLC.

4.7 Analysis on the Effect of Reward Strategy on Employee Engagement

Table (4.14) describes the regression model results of the effect of reward strategy on employee engagement of MCLC.

Table (4.14) Effect of Reward Strategy on Employee Engagement

Variable	Unstandardized Coefficients		Standardized Coefficients	t-value	Sig.	VIF
	B	Std. Error	Beta			
Constant	.977	.301		3.250	.002	
Reward Strategy	.709***	.075	.753	9.443	.001	1.000
R Value	.753					
R Square	.567					
Adjusted R Square	.561					
Durbin Watson	1.994					
F-value	89.172***					

Source: Survey Data (2024)

Notes: *** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

Table (4.14) offers a detailed summary of the statistical findings about the effect of reward strategy on employee engagement at MCLC. The constant term (B = 0.977) signifies the expected level of employee engagement when the reward strategy variable is absent. In this analysis, the constant's positive coefficient shows a baseline level of employee engagement irrespective of specific reward strategies. The coefficient associated with the reward strategy variable (B = 0.709) indicates the magnitude of change in employee engagement corresponding to a one-unit change in the reward

strategy. The statistically significant t-value (t-value = 9.443) and associated p-value (Sig = .001) underscore the substantial impact of reward strategy on employee engagement at MCLC. Then, the correlation coefficient (R = 0.753) and the coefficient of determination (R Square = 0.567) elucidate the strength and proportion of variance in employee engagement explained by the reward strategy variable. These values signify that approximately 56.7% of the variation in employee engagement can be attributed to variations in the reward strategy employed by MCLC. The adjusted R Square (0.561) provides a refined estimate of the proportion of variance in employee engagement explained by the reward strategy, considering the number of predictors in the model. This adjusted value further confirms the substantial influence of the reward strategy on employee engagement at MCLC.

Furthermore, the Durbin-Watson statistic (1.994) assesses the presence of autocorrelation in the regression residuals. With a value close to 2, the analysis indicates no significant autocorrelation, ensuring the reliability of the regression results. Additionally, the F-value (89.172) evaluates the overall significance of the regression model. The significant F-value (Sig = .001) affirms the collective impact of the reward strategy variable on employee engagement, highlighting the model's robustness.

In conclusion, the statistical analysis provides compelling evidence of the substantial influence of reward strategy on employee engagement at MCLC. These findings underscore the importance of strategic reward management practices in fostering an engaged and motivated workforce. MCLC's pay-scales are relatively higher by comparing with average pay-scales of logistics service industry. This monetary attractiveness is affecting on employee engagement: employees normally have no desire to quit from MCLC. They put much effort to accomplish their responsibilities.

4.8 Analysis on the Moderating Effect of Perceived Reward Fairness on the Relationship between Reward Strategy and Vigor of Employees

Table (4.15) presents the results of the linear regression analysis comparing two models (Model 1 and Model 2) to analyze the moderating effect of perceived reward fairness on the relationship between reward strategy and vigor of employees of MCLC.

Table (4.15) Moderating Effect of Perceived Reward Fairness between Reward Strategy and Vigor

Variables	Model 1				Model 2			
	B	Std. Error	Beta	Sig	B	Std. Error	Beta	Sig
Constant	-.096	.504		.849	5.443	7.043		.444
Remuneration	.185	.149	.173	.219	3.676*	2.122	3.434	.090
Development and Career Opportunities	.226	.171	.166	.191	1.983	4.740	1.461	.678
Performance and Recognition	-.105	.111	-.107	.351	-2.165	2.792	-2.208	.442
Work-life	.172	.152	.128	.262	-.487	2.452	-.361	.844
Benefits	.042	.159	.036	.792	-3.923	2.947	-3.397	.190
Distributive Fairness	.232*	.130	.237	.080	1.510	2.711	1.541	.580
Procedural Fairness	.246*	.126	.236	.056	.070	2.329	.067	.976
Interactional Fairness	.055	.130	.049	.674	-2.507	3.128	-2.242	.427
Remuneration x Distributive					-.005	.533	-.033	.993
Remuneration x Procedural					-.025	.693	-.160	.972
Remuneration x Interactional					-.793	.627	-5.041	.212
Development and Career Opportunities x Distributive					-1.505*	.803	-8.451	.067
Development and Career Opportunities x Procedural					-.233	.847	-1.271	.784
Development and Career Opportunities x Interactional					1.272	1.055	6.722	.234
Performance and Recognition x Distributive					.036	.496	.245	.942
Performance and Recognition x Procedural					.181	.582	1.218	.757
Performance and Recognition x Interactional					.274	.523	1.739	.603
Work-life x Distributive					.658	.630	3.488	.302
Work-life x Procedural					.381	.693	-1.961	.585
Work-life x Interactional					-.160	.837	-.806	.849
Benefits x Distributive					.502	.617	3.304	.420
Benefits x Procedural					.383	.643	2.437	.554
Benefits x Interactional					.156	.884	.976	.860
R Value	.736				.803			
R Square	.542				.644			
Adjusted R Square	.542				.102			
Durbin Watson					1.911			
F-value	9.037***				3.620***			

Source: Survey Data (2024)

Notes: *** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

In Table (4.15) provides insights into the moderation effect of perceived reward fairness on the relationship between reward strategy and vigor of employee engagement, represented by two models, Model 1 and Model 2. By focusing on the results shown in Model-2, only perceived reward distributive fairness has the moderating effect: negative effect to weak the influence of development and career opportunities on vigor of employees at MCLC. Other two variables (perceived reward procedural fairness and interactional fairness) have no moderating effect between rewards strategy and vigor. The perceived reward distributive fairness has negative moderating between development and career opportunities and vigor of employees: no moderating effect between other reward strategy elements and vigor of employees. Top management of MCLC has been paying attention to financial rewards to retain their employees and to elicit extra effort from their employees.

However relatively high pay scales are obvious at top level positions such as senior managers, and directors. Thus, employees at lower levels (office staff, operation staff and executives) are highly enthusiastic to get promotions (career advancement), rather on the elements (remuneration for existing position, performance and recognition, work-life, and benefits). Thus, they want to show their individual contribution: they do not like equal distribution when they are trying by putting vigor for career advancement. The procedures and interactional practices are standardized, and these are not directly relating to career development. However, distributive (equality) practice is lowering the influence of development and career opportunities on vigor of employees at MCLC. The moderating effect is complete effect: the negative effect of this distributive fairness is totally influencing to remove the effect of development and career opportunities on vigor of employees at MCLC.

4.9 Analysis on the Moderating Effect of Perceived Reward Fairness on the Relationship between Reward Strategy and Dedication of Employees

To examine whether perceived reward fairness will buffer the effect of reward strategy on employee engagement, this study conducts two steps. As the first step, the mean value of dedication from employee engagement is regressed with the mean value of reward strategy. As the second step, reward strategy and perceived reward fairness (reward strategy x perceived reward fairness) participated in the model. The results are shown in Table (4.16).

Table (4.16) Moderating Effect of Perceived Reward Fairness between Reward Strategy and Dedication

Variables	Model 1				Model 2			
	B	Std. Error	Beta	Sig	B	Std. Error	Beta	Sig
Constant	1.027**	.479		.036	.127	6.710		.985
Remuneration	.037	.141	.040	.794	-.528	2.022	-.572	.795
Development and Career Opportunities	.195	.162	.166	.236	6.122	4.516	5.226	.182
Performance and Recognition	-.044	.106	-.051	.683	-1.488	2.660	-1.758	.579
Work-life	.107	.144	.092	.460	-.599	2.336	-.515	.799
Benefits	.057	.151	.058	.704	-2.669	2.808	-2.678	.347
Distributive	.181	.124	.214	.150	2.015	2.583	2.384	.439
Procedural	.275**	.120	.306	.026	1.121	2.219	1.244	.616
Interactional	.011	.123	.011	.931	-2.223	2.980	-2.303	.460
Remuneration x Distributive					-.562	.507	-4.622	.274
Remuneration x Procedural					.616	.660	4.600	.356
Remuneration x Interactional					.126	.597	.928	.834
Development and Career Opportunities x Distributive					-1.255	.765	-8.170	.108
Development and Career Opportunities x Procedural					.679	.807	4.289	.405
Development and Career Opportunities x Interactional					-.887	1.005	-5.436	.382
Performance and Recognition x Distributive					.990**	.472	7.727	.042
Performance and Recognition x Procedural					.059	.554	.459	.916
Performance and Recognition x Interactional					-.673	.499	-4.936	.184
Work-life x Distributive					.725	.600	4.452	.233
Work-life x Procedural					-1.096	.660	-6.531	.104
Work-life x Interactional					.453	.797	2.645	.573
Benefits x Distributive					-.322	.588	-2.456	.586
Benefits x Procedural					-.634	.612	-4.676	.306
Benefits x Interactional					1.587*	.842	11.481	.066
R Value	.667				.753			
R Square	.445				.566			
Adjusted R Square	.445				.121			
Durbin Watson					2.538			
F-value	6.114***				2.612***			

Source: Survey Data (2024)

Notes: *** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

In Table (4.16) presents the results of the moderation effect analysis, focusing on the influence of perceived reward fairness on the relationship between reward strategy and dedication in employee engagement. The table encompasses two models, Model 1 and Model 2.

By considering the results shown in model-2, the perceived reward distributive fairness has positive moderating effect between performance and recognition and dedication of employees. The perceived reward interactional fairness also has the positive moderating effect between benefits and dedication of employees at MCLC. These two moderating effects are complete moderating effects. At MCLC, employees are working by teams (team by ship) and top management used to appreciate their performance by ship or by team, rather to individual performance. Thus, employees normally receive recognition on performance of team: equal recognition among team members (employees of a ship). Due to this distributive fairness on performance and recognition, employees are dedicated to their respective team or their responsible ship.

Similarity, the benefits meal allowance, transportation, cars for office we are provided by MCLC to employees by considering as their family members, and also with sympathy for no burden or inconveniences on employees. Such interactional support are very fair to employees with same ranks. It means that employees can receive same or fair benefits if they are working at same positions. In MCLC, employees value such benefits so that they are dedicated to this company and also to their jobs. However, their dedication is not relating to distributive fairness (equal rewards for team members). They expect different financial rewards for their different efforts and different contributions. Thus, there is no moderating effect of distribution fairness between reward strategy and dedication of employees at MCLC.

4.10 Analysis on the Moderating Effect of Perceived Reward Fairness on the Relationship between Reward Strategy and Absorption of Employees

The moderating effect of perceived reward fairness on the relationship between reward strategy and absorption from employee engagement, multiple regression analysis is applied in the analysis. In this analysis, there are three variables used to measure the employee engagement. Table (4.17) presents the regression result that indicates moderating effect of perceived reward fairness between reward strategy and absorption from employee engagement of MCLC. There are two models compared and interpret based on the finding of two models.

Table (4.17) Moderating Effect of Perceived Reward Fairness between Reward Strategy and Absorption

Variables	Model 1				Model 2			
	B	Std. Error	Beta	Sig	B	Std. Error	Beta	Sig
Constant	-.540	.588		.362	-6.184	7.726		.428
Remuneration	.039	.174	.032	.821	-1.386	2.328	-1.126	.555
Development and Career Opportunities	.141	.199	.091	.481	8.842*	5.200	5.664	.096
Performance and Recognition	-.054	.130	-.048	.680	1.460	3.063	1.295	.636
Work-life	.120	.177	.078	.499	-3.294	2.690	-2.126	.227
Benefits	-.092	.185	-.069	.622	-4.125	3.234	-3.106	.208
Distributive	.356**	.152	.316	.022	-1.682	2.975	-1.493	.574
Procedural	.393***	.148	.328	.010	1.200	2.556	1.000	.641
Interactional	.228	.151	.178	.136	3.190	3.432	2.480	.357
Remuneration x Distributive					-.515	.584	-3.180	.383
Remuneration x Procedural					-1.480*	.760	-8.297	.058
Remuneration x Interactional					2.104***	.687	11.627	.004
Development and Career Opportunities x Distributive					.379	.881	1.852	.669
Development and Career Opportunities x Procedural					-.077	.930	-.363	.935
Development and Career Opportunities x Interactional					-2.450**	1.157	-11.265	.040
Performance and Recognition x Distributive					.943*	.544	5.523	.089
Performance and Recognition x Procedural					.293	.638	1.715	.648
Performance and Recognition x Interactional					-1.539***	.574	-8.477	.010
Work-life x Distributive					1.424**	.691	6.558	.045
Work-life x Procedural					.344	.760	1.536	.653
Work-life x Interactional					-.856	.918	-3.750	.356
Benefits x Distributive					-1.443**	.677	-8.251	.038
Benefits x Procedural					.900	.705	4.977	.208
Benefits x Interactional					1.583	.970	8.595	.109
R Value	.728				.822			
R Square	.529				.676			
Adjusted R Square	.529				.147			
Durbin Watson					1.758			
F-value	8.574***				4.176***			

Source: Survey Data (2024)

Notes: *** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

In Table (4.17) presents the results of the moderation effect analysis, focusing on the influence of perceived reward fairness on the relationship between reward strategy and absorption in employee engagement. Moderation analysis aims to understand how the relationship between two variables changes depending on the level of a third variable, in this case, perceived reward fairness.

Reviewing on results shown in Model-2, it is found that the procedural fairness has complete negative moderating effect between remuneration and absorption, the interactional fairness has complete positive moderating effect between remuneration and absorption, the interactional fairness has partial negative moderating effect between development and career opportunities and absorption, the distributive fairness has positive moderating effect between performance and recognition and absorption, the interactional fairness has complete negative effect between performance and recognition and absorption, and the distributive fairness has complete positive moderating between work-life and absorption, and the distributive fairness also has complete negative moderating effect between benefits and absorption of employees at MCLC.

Employees at MCLC have high concerns on increase in salaries due to promotion, and the MCLC has deliberate procedures to bestow the promotion. Thus, employees' concern on remuneration increase for their absorption (intrinsic motivation and enthusiasm at work) is depleted by such procedural fairness at MCLC. However, effect of non-financial rewards provided by MCLC on employees' intrinsic motivation is increased by interactional fairness, which likes equality among family members (employees form MCLC). MCLC focuses on systematic and comprehensive procedures to provide financial rewards of remuneration although is emphasizes on family spirit and sympathy (interactional) to provide non-financial rewards (e.g leave with pay or job rotation or work place rotation). Such family type favoritism, at the other hand, reduces partially the effect of development and career opportunities on absorption. The intrinsic motivation of employees regarding career advancement is tied with equal distribution.

On chances to compete for next level promotion, they expect not considering the favoritism with sympathy. Similarity, employees' satisfaction with superior's recognition leading to their intrinsic motivation is also reduced by such family type favoritism with sympathy in MCLC. Employees at MCLC expect equality for their work-life balance, and such equal chances to gain work-life balance encourage their intrinsic motivation at work. However, for the benefits (e.g meal allowance, transportation, car provided during the

service years at MCLC), they want to be different by their positions. Directors expect higher or premium benefits by comparing with benefits for managers. Thus, the distributive fairness partially reduces the effect of benefits on absorption of employees at MCLC.

CHAPTER 5

CONCLUSION

This chapter provides a condensed overview of the findings, discusses them, offers suggestions, and identifies areas for further research which is about the influencing factors on reward strategy and employee engagement of MCLC. The analysis draws insights from a quantitative analysis of survey responses, exploring various dimensions of each aspect to provide a comprehensive understanding of employee engagement within the organizational context.

5.1 Findings and Discussions

This chapter presents the findings and subsequent discussion on the effect of reward strategy on employee engagement at MCLC. The analysis draws insights from survey data collected from 70 employees, examining various facets of the organization's reward strategy and its impact on employee engagement.

The data reveal a generally positive perception of remuneration among employees, with high mean values indicating satisfaction with aspects such as fairness in distribution, alignment with work efforts, and motivational impact. These findings underscore the significance of fair and motivating compensation practices in fostering employee satisfaction and organizational commitment.

While employees' express concerns about limited promotion opportunities and perceived fairness in promotion processes, there is also satisfaction with the organization's support for skill development and growth. Addressing areas of concern, such as transparency in promotion decisions and enhancing educational support programs, can contribute to fostering a more conducive environment for employee advancement.

The data show a generally positive perception of performance evaluation and recognition mechanisms at MCLC. However, there are opportunities for improvement in the quality and frequency of feedback provided, as well as ensuring consistency in recognition irrespective of performance fluctuations. Enhancing transparency and equity

in performance evaluation processes can further contribute to employee motivation and engagement.

Employees express moderate satisfaction with various aspects of work-life dynamics, including relationships at work, flexibility, and supervisor support for work-life balance initiatives. However, there are areas for improvement, such as managing workplace conflicts and addressing feelings of job meaninglessness, to enhance overall employee well-being and satisfaction.

The data reveal a moderate level of satisfaction with MCLC's current benefits package, with employees acknowledging the benefits provided but indicating potential areas for improvement. Employees perceive the benefits package as relatively comparable to those offered by other organizations, suggesting a need to ensure competitiveness in attracting and retaining top talent. Importantly, employees express a high level of satisfaction with the equity of benefits distribution within MCLC, indicating perceived fairness in allocation, which contributes to a positive organizational climate.

The findings reveal moderate levels of vigor among employees at MCLC, characterized by feelings of energy, resilience, and determination. While employees generally demonstrate vitality and strength in their job roles, there are areas where improvement may be beneficial, such as enhancing motivation and energy levels to foster a more vibrant and productive work environment.

Employees demonstrate strong levels of dedication at MCLC, characterized by feelings of meaning, enthusiasm, pride, and inspiration in their job roles. While employees may not always find their work deeply meaningful or inspiring, there is a strong sense of enthusiasm, pride, and willingness to tackle challenges, contributing to their overall dedication and commitment.

Employees exhibit a strong sense of absorption in their work tasks at MCLC, characterized by a state of flow or immersion where time passes quickly, and distractions are minimized. While employees may encounter challenges such as difficulties detaching from work or occasional lapses in happiness, there is a prevailing sense of engagement, focus, and productivity in their job roles.

Employees generally perceive distributive fairness in rewards allocation at MCLC, with high levels of satisfaction regarding the alignment of rewards with factors such as effort, stress levels, and responsibilities. However, there are opportunities to

enhance fairness in rewarding employees based on their experience levels and the work being done, which could further contribute to employee satisfaction and motivation.

The findings indicate moderate levels of perceived procedural fairness in decision-making processes at MCLC. While employees generally perceive procedures as designed to promote fairness and transparency, there are areas for improvement in aspects such as accuracy, representation, consistency, responsiveness, feedback provision, and communication channels. Addressing these areas can further enhance employee trust, satisfaction, and organizational effectiveness.

Employees generally perceive high levels of interactional fairness in supervisor-employee interactions at MCLC, characterized by perceptions of fairness, respect, empathy, and impartiality in interpersonal interactions with supervisors. However, there are opportunities to further enhance aspects such as viewpoint consideration, feedback provision, and advocacy for employee rights, which could strengthen employee trust, satisfaction, and organizational cohesion.

The regression analysis conducted in this chapter provides compelling evidence of the significant impact of reward strategy on employee engagement within MCLC.

Distributive fairness has the negative moderating effect between development and career opportunities and vigor of employees. The findings imply that approximately 10% of the variance in vigor can be attributed to the predictors incorporated in the model, highlighting the necessity of considering both reward strategy components and perceived fairness aspects in comprehending employee engagement dynamics.

The results indicate significant moderating effects of perceived reward fairness, particularly between performance and recognition and distributive fairness, as well as between benefits and interactional fairness. Dedication in employee engagement is primarily influenced by distributive and interactional aspects of perceived reward fairness, rather than solely by performance and recognition or benefits. The findings underscore the pivotal role of perceived fairness in shaping employee dedication and engagement, emphasizing the importance for organizations to ensure equity and fairness in their reward systems.

The results show significant moderating effects of perceived reward fairness, particularly between performance and recognition distributive outcomes, as well as between benefit and interactional outcomes. The perceived reward distributive fairness

has positive moderating effect between performance and recognition and dedication of employees. Moreover, it is also found that the perceived reward interactional fairness has positive moderating effect between benefits and dedication. Furthermore, the findings show that absorption in employee engagement is primarily driven by procedural and interactional fairness, with development and career opportunities playing a significant role, particularly when supported by interactional factors. Conversely, absorption is not attributed to performance and recognition, with distributive and interactional elements emerging as key drivers.

The results show significant moderating effects of perceived reward fairness, particularly between remuneration and procedural outcomes, as well as between remuneration and interactional outcomes. The perceived procedural fairness has negative moderating effect between remuneration and absorption. The perceived interactional fairness has positive moderating effect between remuneration and absorption. The results show significant moderating effects of perceived reward fairness, particularly between development and career opportunities and interactional outcomes. The results show significant moderating effects of perceived reward fairness, particularly between performance and recognition and distributive outcomes, as well as between performance and recognition and interactional outcomes. The results show significant moderating effects of perceived reward fairness, particularly between work-life and distributive outcomes, as well as between benefits and distributive outcomes. The perceived interactional fairness has negative moderating effect between development and career opportunities and absorption. The perceived distributive fairness has positive moderating effect between performance and recognition and absorption. The perceived interactional fairness has negative moderating effect between performance and recognition and absorption. The distributive fairness has positive moderating effect between work-life and absorption. While it has negative moderating effect between benefits and absorption. Noteworthy moderating impacts are also observed between development and career opportunities and interactional outcomes. Moreover, significant moderating effects of perceived reward fairness on distributive outcomes are evident in the contexts of performance recognition, work-life balance, and benefits.

The study further reveals that absorption in employee engagement is predominantly driven by procedural and interactional fairness, with development and career opportunities playing a significant role, particularly when supported by

interactional factors. Conversely, absorption is not attributed to performance and recognition but is associated with distributive and interactional factors. Notably, the influence of benefits on absorption is negligible compared to distributive and interactional sources.

The discussions on various dimensions of employee engagement, including remuneration, development opportunities, benefits, and fairness in reward allocation and organizational practices, shed light on the multifaceted nature of fostering a motivated and committed workforce at MCLC. The findings show that while MCLC has implemented effective strategies in certain areas, such as remuneration and performance recognition, there are notable areas for improvement, particularly in providing career advancement opportunities, enhancing work-life balance, and ensuring fairness in reward allocation and organizational processes. By addressing these areas through initiatives like transparency in promotion processes, expanding educational support programs, and improving supervisor-employee interactions, MCLC can create a more conducive work environment that promotes employee satisfaction, engagement, and ultimately, organizational success.

Furthermore, the discussions underscore the importance of continuous evaluation and adaptation of reward strategies and organizational practices to meet the evolving needs and expectations of employees. By prioritizing fairness, transparency, and employee well-being, MCLC can position itself as an employer of choice, attracting and retaining top talent in a competitive market. Moreover, ongoing monitoring and adjustment of these initiatives will be crucial in ensuring their effectiveness and alignment with organizational goals and objectives. Ultimately, by fostering a culture that values employee engagement and satisfaction, MCLC can drive improved organizational performance and effectiveness, contributing to its long-term success and sustainability in the dynamic business landscape.

5.2 Suggestions and Recommendations

In this study, regarding the effect of reward strategy on employee engagement at MCLC, several suggestions and recommendations can be proposed to enhance organizational practices and foster a more engaged and motivated workforce. Firstly, MCLC should prioritize addressing areas of concern identified by employees, such as

limited promotion opportunities, perceived fairness in promotion processes, and feelings of job meaninglessness. Implementing transparent promotion criteria and processes, along with providing regular feedback and support for skill development, can contribute to creating a culture of growth and advancement within the organization.

Additionally, MCLC should focus on enhancing work-life balance initiatives and managing workplace conflicts effectively to improve overall employee well-being and satisfaction. This could involve implementing flexible work arrangements, promoting open communication channels for conflict resolution, and offering support for stress management and mental health resources. By prioritizing employee well-being, MCLC can create a positive work environment that fosters engagement and productivity.

Moreover, MCLC should evaluate and adjust its benefits package to ensure competitiveness and alignment with employee preferences and needs. Conducting regular surveys or focus groups to gather feedback from employees can help identify areas for improvement and inform decision-making regarding benefit offerings. By offering a comprehensive and competitive benefits package, MCLC can attract and retain top talent in a competitive market while enhancing employee satisfaction and engagement.

Furthermore, MCLC should continue to prioritize fairness and transparency in reward allocation and organizational practices. This includes enhancing procedural fairness in decision-making processes, improving communication channels, and providing consistent and meaningful feedback to employees. Investing in supervisor training and development to strengthen interpersonal skills and promote interactional fairness can also contribute to building trust and satisfaction among employees.

By implementing these suggestions and recommendations, MCLC can create a work environment that values employee engagement, satisfaction, and well-being, ultimately leading to improved organizational performance and effectiveness. Additionally, ongoing monitoring and evaluation of these initiatives will be essential to ensure their effectiveness and alignment with organizational goals and objectives. By continuously refining and adapting its reward strategies and organizational practices, MCLC can position itself as an employer of choice and maintain a motivated and committed workforce in the long term.

5.3 Needs for Further Research

This study on the effect of reward strategy on employee engagement at MCLC provides valuable insights into the relationship between organizational reward practices and employee engagement levels. However, several limitations and areas for further research have been identified, which could expand upon the current findings and contribute to a deeper understanding of this dynamic relationship.

Firstly, the study acknowledges the limitation of a small participant group due to the short study period and the focus solely on employees of MCLC. Future research should aim to overcome this limitation by including a larger and more diverse sample of participants, potentially by involving employees from other logistics companies in Myanmar. By comparing findings across different companies, researchers can determine whether the observed effects are unique to MCLC or are generalizable across the industry, thus providing a more comprehensive understanding of the impact of reward strategy on employee engagement within the logistics sector.

Moreover, while this study identifies several influencing factors for employee engagement, such as remuneration, development opportunities, and recognition, there is scope for exploring additional factors or delving deeper into specific aspects of reward strategy. Future research could investigate the role of factors like workplace culture, leadership style, or organizational communication in shaping employee engagement levels. Additionally, conducting comparative studies across industries could offer insights into how reward strategy impacts employee engagement in different organizational contexts.

Furthermore, this study primarily focuses on the direct relationships between reward strategy and employee engagement, without considering potential intervening or moderating factors that may influence this relationship. Future research could explore the role of variables such as organizational culture, employee perceptions of fairness, or individual personality traits in mediating or moderating the effects of reward strategy on employee engagement outcomes.

Lastly, the study's reliance on data gathered from employees of MCLC may limit the generalizability of the findings. Future research should aim to replicate the study with a broader participant pool, including employees from various industries and organizational settings.

In conclusion, while this study sheds light on the relationship between reward strategy and employee engagement at MCLC, there is a need for further research to address the identified limitations and explore additional factors that may influence this relationship. By expanding upon the current findings and adopting more robust research methodologies, future studies can contribute to a more comprehensive understanding of how organizations can effectively leverage reward strategies to enhance employee engagement and drive organizational success.

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APPENDIX A
YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF MANAGEMENT STUDIES
MBA PROGRAMME

**Questionnaire for Effect of Reward Strategy on Employee Engagement of
Mawlamyine Century Logistics Co., Ltd.**

This survey is a partial fulfillment of the requirements for the Master Degree of Business Administration Program, aiming at studying the effect of reward strategy on employee engagement of Mawlamyine Century Logistics Co., Ltd. This survey is only concerned with MBA thesis papers and is not related to other business purposes. Kindly respond to the questions provided below. Thank you for your valuable time.

In this section, I would like to gather some general information.

Section A. Demographic Data

1. Age:

- 18 to 35
- 36 to 45
- 46 to 55
- 56 years and above

2. Gender:

- Male
- Female

3. Educational Qualifications:

- Non-graduate
- Graduate
- Diploma
- Master Degree

4. Working Experience (years)

- less than 3
- 3 to 7
- 8 to 12
- Above 12

In section B, C, and D. Please answers the following questions to evaluate effects of reward strategy on employee engagement of Mawlamyine Century Logistics Co., Ltd. Please rate the following statements by circling only on appropriate box of each question.

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

Section B. Reward Strategy

No	Statement	Scale				
		1	2	3	4	5
R1	The remuneration package are distributed rightfully.	1	2	3	4	5
R2	The remuneration package match my work effort.	1	2	3	4	5
R3	I am satisfied with the quality/quantity of the remuneration package.	1	2	3	4	5
R4	I am ready to increase my work efforts in order to gain the remuneration package.	1	2	3	4	5
R5	Employees work more as a team in order to gain the remuneration package.	1	2	3	4	5
R6	I am satisfied with work atmosphere.	1	2	3	4	5
R7	The remuneration package motivates me to perform well in my job.	1	2	3	4	5
DC1	There is really too little chance for promotion on my job. (R)	1	2	3	4	5
DC2	Those who do well on their job stand a fair chance of being promoted.	1	2	3	4	5
DC3	People get a head as fast here as they do in other places.	1	2	3	4	5
DC4	Workers are promoted in fair manner.	1	2	3	4	5
DC5	The organization promotes worker to develop new skill.	1	2	3	4	5
DC6	I am happy with MCLC's chance for further education sponsorship.	1	2	3	4	5
DC7	I am satisfied with my chance for promotion.	1	2	3	4	5
PR1	I get good feedback for my performance.	1	2	3	4	5

PR2	I get appreciation for my better performance.	1	2	3	4	5
PR3	MCLC's performance evaluation is objective and fair.	1	2	3	4	5
PR4	I am praised as long as I do good job.	1	2	3	4	5
PR5	The reward by MCLC has importance in recognition of our effort.	1	2	3	4	5
WL1	I like the people I work with.	1	2	3	4	5
WL2	There is no internal strife and fighting at work.	1	2	3	4	5
WL3	I have flexible working time and place	1	2	3	4	5
WL4	My job is not difficult to meet my personal and professional life.	1	2	3	4	5
WL5	My supervisor promotes healthy work life balance.	1	2	3	4	5
WL6	My job is enjoyable.	1	2	3	4	5
WL7	I feel my job is meaningful.	1	2	3	4	5
WL8	I feel a sense of pride in doing my job.	1	2	3	4	5
B1	I am satisfied with MCLC's current benefit package.	1	2	3	4	5
B2	The benefit we receive are better or as good as other organization offers.	1	2	3	4	5
B3	There is equity in benefit we receive internally.	1	2	3	4	5
B4	MCLC provide me with transport service or fuel allowance.	1	2	3	4	5
B5	I am happy with the house allowance.	1	2	3	4	5
B6	We have all benefits which we should have.	1	2	3	4	5

Section C. Employee Engagement

No	Statement	Scale				
		1	2	3	4	5
V1	At my work, I feel that I am bursting with energy.	1	2	3	4	5
V2	At my job, I feel strong and vigorous.	1	2	3	4	5
V3	When I get up in the morning, I feel like going to work.	1	2	3	4	5
V4	I can continue working for very long period at a time.	1	2	3	4	5
V5	At my job, I am very resilient, mentally.	1	2	3	4	5
V6	At my work I always insist, even when things do not go well.	1	2	3	4	5
D1	I find the work that I do full of meaning and purpose.	1	2	3	4	5
D2	I am enthusiastic about my job.	1	2	3	4	5
D3	My job inspires me.	1	2	3	4	5
D4	I am proud of the work that I do.	1	2	3	4	5
D5	To me my job is challenging.	1	2	3	4	5
A1	Time flies when I'm working.	1	2	3	4	5
A2	When I am working, I forget everything else around me.	1	2	3	4	5
A3	I feel happy when I am working intensely.	1	2	3	4	5
A4	I am immersed in my work.	1	2	3	4	5
A5	I get carries away when I'm working.	1	2	3	4	5
A6	It is difficult to detach myself from my job.	1	2	3	4	5

Section D. Perceived Reward Fairness

No	Statement	Scale				
		1	2	3	4	5
D1	Your company considers the responsibilities and rewards them accordingly.	1	2	3	4	5
D2	Your company rewards you appropriately based on the amount of experience you have.	1	2	3	4	5
D3	Rewards are a worthy reward for the amount of effort.	1	2	3	4	5
D4	Your company rewards you for the work you do.	1	2	3	4	5
D5	Rewards are a well-deserved reward for the stress and strain of your job.	1	2	3	4	5
P1	Procedures are designed to collect accurate information necessary for making the decision.	1	2	3	4	5
P2	Procedures are designed to provide opportunities to appeal or challenges the decision.	1	2	3	4	5
P3	Procedures are designed to have all sides affected by the decision represented.	1	2	3	4	5
P4	Procedures are designed to generate standards so that decisions could be made with consistency.	1	2	3	4	5
P5	Procedures are designed to hear the concerns of all, those affected by the decision.	1	2	3	4	5
P6	Procedures are designed to provide useful feedback regarding the decision and its implementation.	1	2	3	4	5
P7	Procedures are designed to allow requests for clarification or additional information about the decision.	1	2	3	4	5
I1	Your supervisor considered your viewpoint.	1	2	3	4	5
I2	Your supervisor does not have personal biases.	1	2	3	4	5
I3	Your supervisor provides you with timely feedback about the decision and its implications.	1	2	3	4	5
I4	Your supervisor treated you with kindness and Considerations.	1	2	3	4	5
I5	Your supervisor showed concern for your rights as an Employee.	1	2	3	4	5
I6	Your supervisor is someone who deals with you in good faith and understanding.	1	2	3	4	5

APPENDIX B

SPSS Output

Effect of Reward Strategy on Employee Engagement

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.753 ^a	.567	.561	.218	1.994

a. Predictors: (Constant), Reward Strategy

b. Dependent Variable: Employee Engagement

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.244	1	4.244	89.172	<.001 ^b
	Residual	3.237	68	.048		
	Total	7.481	69			

a. Dependent Variable: Employee Engagement

b. Predictors: (Constant), Reward Strategy

Coefficients ^a									
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
1	(Constant)	.977	.301		3.250	.002			
	Reward Strategy	.709	.075	.753	9.443	<.001	.753	.753	.753

a. Dependent Variable: Employee Engagement

Moderation Effect of Perceived Reward Fairness on the relationship between Reward Strategy and Vigor from Employee Engagement

Model Summary ^c										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df 1	df 2	Sig. F Change	
1	.736 ^a	.542	.482	.27506	.542	9.037	8	61	<.001	
2	.803 ^b	.644	.466	.27931	.102	.877	15	46	.592	1.911

- a. Predictors: (Constant), Zscore: Perceived Reward Fairness: Zscore: Reward Strategy
- b. Predictors: (Constant), Zscore: Perceived Reward Fairness: Zscore: Reward Strategy, Moderator Effect
- c. Dependent Variable: Zscore: Vigor

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.470	8	.684	9.037	<.001 ^b
	Residual	4.615	61	.076		
	Total	10.085	69			
2	Regression	6.496	23	.282	3.620	<.001 ^c
	Residual	3.589	46	.078		
	Total	10.085	69			

- a. Dependent Variable: Zscore: Vigor
- b. Predictors: (Constant), Zscore: Perceived Reward Fairness: Zscore: Reward Strategy
- c. Predictors: (Constant), Zscore: Perceived Reward Fairness: Zscore: Reward Strategy, Moderator Effect

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	Constant	-.096	.504		-.191	.849
	Remuneration	.185	.149	.173	1.243	.219
	Development and Career Opportunities	.226	.171	.166	1.321	.191
	Performance and Recognition	-.105	.111	-.107	-.940	.351
	Work-life	.172	.152	.128	1.132	.262
	Benefits	.042	.159	.036	.265	.792
	Distributive	.232*	.130	.237	1.781	.080
	Procedural	.246*	.126	.236	1.947	.056
	Interactional	.055	.130	.049	.423	.674
2	Constant	5.443	7.043		.773	.444
	Remuneration	3.676*	2.122	3.434	1.732	.090
	Development and Career Opportunities	1.983	4.740	1.461	.418	.678
	Performance and Recognition	-2.165	2.792	-2.208	-.775	.442
	Work-life	-.487	2.452	-.361	-.198	.844
	Benefits	-3.923	2.947	-3.397	-1.331	.190
	Distributive	1.510	2.711	1.541	.557	.580
	Procedural	.070	2.329	.067	.030	.976
	Interactional	-2.507	3.128	-2.242	-.801	.427
	Remuneration x Distributive	-.005	.533	-.033	-.009	.993

Remuneration x Procedural	-.025	.693	-.160	-.036	.972
Remuneration x Interactional	-.793	.627	-5.041	-1.266	.212
Development and Career Opportunities x Distributive	-1.505*	.803	-8.451	-1.873	.067
Development and Career Opportunities x Procedural	-.233	.847	-1.271	-.275	.784
Development and Career Opportunities x Interactional	1.272	1.055	6.722	1.205	.234
Performance and Recognition x Distributive	.036	.496	.245	.073	.942
Performance and Recognition x Procedural	.181	.582	1.218	.311	.757
Performance and Recognition x Interactional	.274	.523	1.739	.524	.603
Work-life x Distributive	.658	.630	3.488	1.045	.302
Work-life x Procedural	.381	.693	-1.961	-.550	.585
Work-life x Interactional	-.160	.837	-.806	-.191	.849
Benefits x Distributive	.502	.617	3.304	.814	.420
Benefits x Procedural	.383	.643	2.437	.596	.554
Benefits x Interactional	.156	.884	.976	.177	.860

a. Dependent Variable: Zscore: Vigor

Moderation Effect of Perceived Reward Fairness on the relationship between Reward Strategy and Dedication from Employee Engagement

Model Summary ^c										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df 1	df 2	Sig. F Change	
1	.667 ^a	.445	.372	.26142	.445	6.114	8	61	<.001	
2	.753 ^b	.566	.350	.26610	.121	.858	15	46	.612	2.538

- a. Predictors: (Constant), Zscore: Perceived Reward Fairness: Zscore: Reward Strategy
- b. Predictors: (Constant), Zscore: Perceived Reward Fairness: Zscore: Reward Strategy, Moderator Effect
- c. Dependent Variable: Zscore: Dedication

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.343	8	.418	6.114	<.001 ^b
	Residual	4.169	61	.068		
	Total	7.511	69			
2	Regression	4.254	23	.185	2.612	.003 ^c
	Residual	3.257	46	.071		
	Total	7.511	69			

- a. Dependent Variable: Zscore: Dedication
- b. Predictors: (Constant), Zscore: Perceived Reward Fairness: Zscore: Reward Strategy
- c. Predictors: (Constant), Zscore: Perceived Reward Fairness: Zscore: Reward Strategy, Moderator Effect

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	Constant	1.027**	.479		2.145	.036
	Remuneration	.037	.141	.040	.263	.794
	Development and Career Opportunities	.195	.162	.166	1.198	.236
	Performance and Recognition	-.044	.106	-.051	-.411	.683
	Work-life	.107	.144	.092	.743	.460
	Benefits	.057	.151	.058	.381	.704
	Distributive	.181	.124	.214	1.460	.150
	Procedural	.275**	.120	.306	2.288	.026
	Interactional	.011	.123	.011	.087	.931
2	Constant	.127	6.710		.019	.985
	Remuneration	-.528	2.022	-.572	-.261	.795
	Development and Career Opportunities	6.122	4.516	5.226	1.356	.182
	Performance and Recognition	-1.488	2.660	-1.758	-.559	.579
	Work-life	-.599	2.336	-.515	-.256	.799
	Benefits	-2.669	2.808	-2.678	-.950	.347
	Distributive	2.015	2.583	2.384	.780	.439
	Procedural	1.121	2.219	1.244	.505	.616
	Interactional	-2.223	2.980	-2.303	-.746	.460
	Remuneration x Distributive	-.562	.507	-4.622	-1.107	.274

Remuneration x Procedural	.616	.660	4.600	.933	.356
Remuneration x Interactional	.126	.597	.928	.211	.834
Development and Career Opportunities x Distributive	-1.255	.765	-8.170	-1.640	.108
Development and Career Opportunities x Procedural	.679	.807	4.289	.841	.405
Development and Career Opportunities x Interactional	-.887	1.005	-5.436	-.883	.382
Performance and Recognition x Distributive	.990**	.472	7.727	2.097	.042
Performance and Recognition x Procedural	.059	.554	.459	.106	.916
Performance and Recognition x Interactional	-.673	.499	-4.936	-1.349	.184
Work-life x Distributive	.725	.600	4.452	1.208	.233
Work-life x Procedural	-1.096	.660	-6.531	-1.660	.104
Work-life x Interactional	.453	.797	2.645	.568	.573
Benefits x Distributive	-.322	.588	-2.456	-.548	.586
Benefits x Procedural	-.634	.612	-4.676	-1.036	.306
Benefits x Interactional	1.587*	.842	11.481	1.885	.066

a. Dependent Variable: Zscore: Dedication

Moderation Effect of Perceived Reward Fairness on the relationship between Reward Strategy and Absorption from Employee Engagement

Model Summary ^c										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df 1	df 2	Sig. F Change	
1	.728 ^a	.529	.468	.32083	.529	8.574	8	61	<.001	
2	.822 ^b	.676	.514	.30642	.147	1.391	15	46	.192	1.758

- a. Predictors: (Constant), Zscore: Perceived Reward Fairness: Zscore: Reward Strategy
- b. Predictors: (Constant), Zscore: Perceived Reward Fairness: Zscore: Reward Strategy, Moderator Effect
- c. Dependent Variable: Zscore: Absorption

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.060	8	.882	8.574	<.001 ^b
	Residual	6.279	61	.103		
	Total	13.339	69			
2	Regression	9.020	23	.392	4.176	<.001 ^c
	Residual	4.319	46	.094		
	Total	13.339	69			

- a. Dependent Variable: Zscore: Absorption
- b. Predictors: (Constant), Zscore: Perceived Reward Fairness: Zscore: Reward Strategy
- c. Predictors: (Constant), Zscore: Perceived Reward Fairness: Zscore: Reward Strategy, Moderator Effect

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	Constant	-.540	.588		-.919	.362
	Remuneration	.039	.174	.032	.227	.821
	Development and Career Opportunities	.141	.199	.091	.709	.481
	Performance and Recognition	-.054	.130	-.048	-.415	.680
	Work-life	.120	.177	.078	.679	.499
	Benefits	-.092	.185	-.069	-.496	.622
	Distributive	.356**	.152	.316	2.344	.022
	Procedural	.393***	.148	.328	2.664	.010
	Interactional	.228	.151	.178	1.510	.136
2	Constant	-6.184	7.726		-.800	.428
	Remuneration	-1.386	2.328	-1.126	-.595	.555
	Development and Career Opportunities	8.842*	5.200	5.664	1.700	.096
	Performance and Recognition	1.460	3.063	1.295	.477	.636
	Work-life	-3.294	2.690	-2.126	-1.225	.227
	Benefits	-4.125	3.234	-3.106	-1.276	.208
	Distributive	-1.682	2.975	-1.493	-.566	.574
	Procedural	1.200	2.556	1.000	.470	.641
	Interactional	3.190	3.432	2.480	.930	.357
	Remuneration x Distributive	-.515	.584	-3.180	-.881	.383
	Remuneration x Procedural	-1.480*	.760	-8.297	-1.947	.058

Remuneration x Interactional	2.104***	.687	11.627	3.061	.004
Development and Career Opportunities x Distributive	.379	.881	1.852	.430	.669
Development and Career Opportunities x Procedural	-.077	.930	-.363	-.082	.935
Development and Career Opportunities x Interactional	-2.450**	1.157	-11.265	-2.117	.040
Performance and Recognition x Distributive	.943*	.544	5.523	1.735	.089
Performance and Recognition x Procedural	.293	.638	1.715	.459	.648
Performance and Recognition x Interactional	- 1.539***	.574	-8.477	-2.680	.010
Work-life x Distributive	1.424**	.691	6.558	2.059	.045
Work-life x Procedural	.344	.760	1.536	.452	.653
Work-life x Interactional	-.856	.918	-3.750	-.932	.356
Benefits x Distributive	-1.443**	.677	-8.251	-2.131	.038
Benefits x Procedural	.900	.705	4.977	1.276	.208
Benefits x Interactional	1.583	.970	8.595	1.633	.109

a. Dependent Variable: Zscore: Absorption