

Example

Reward Allocation Decision: A Comparative Study of Taiwanese and American Managers

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Abstract

Based on LMX theory, this study examined the effects of the three key factors (affect, loyalty, and contribution) of the manager-subordinate exchange on the reward allocation decision (including monetary rewards such as salary increases and bonus distribution, as well as non-monetary incentives such as participation in decision-making and public recognition, etc.). The study also analyzed the moderated effects of country (Taiwan and U.S.) on the three exchange relationship factors and the reward allocation decision with the aim of better understanding the complex nature of managerial behavior when allocating rewards.

The study used a $2 \times 2 \times 2$ scenario experiment design to examine the effects of the three exchange relationship factors on the corporate manager's reward decision in terms of cross-country comparisons. A total of 224 Taiwanese and 152 American managers answered questionnaires regarding their reward allocation choices under a simulated situation involving eight employee types and also completed the scales of independent and interdependent self-construal. A General Linear Model with repeated measures ANCOVA was used to test the study's hypotheses.

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Keywords: LMX theory, affect, loyalty, contribution, and reward decision.