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**Utilizing Non-Financial Rewards as a Competitive
Advantage in Attracting and Retaining Employees**

By

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Declaration

I, René S. Thumbran declare that this research report is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination at any other University.

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Signed at Centurion on the 10th day of November 2010.

Abstract

Most research in terms of reward focuses on the financial aspects. Little has been done to understand the value of non-financial rewards. The objective of this study is to determine if South African organisations are utilising non-financial rewards as a competitive advantage in attracting and retaining employees.

A survey was developed and distributed to gather data regarding the preferences of organisations and individuals for financial versus non-financial rewards. The data was statistically analysed to determine the organisational value of both – with special attention on how organisations use non-financial rewards.

As expected, organisations indicated a preference for financial rewards, but this preference was also strongly indicated by individuals. Given the cost effectiveness of non-financial rewards, and its long-term value, the study determines that there is still a place for such rewards within the broader context of the total reward approach. The cost and legislative implications associated with financial rewards makes non-financial rewards, if well positioned, an attractive option as a distinctive competitive advantage in attracting and retaining employees. In addition, it presents organisations with a certain level of fluidity in offering alternatives to employees and in dealing with profitability challenges.

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1. Introduction

1.1. The Value of Non-Financial Rewards

The management of remuneration was once straightforward with a strong link between job level and pay (Bussin, 2003). It is no longer that simple due to the pressures of the volatile macro business environment. Factors such as knowledge work, corporate governance, executive pay and performance, globalization and the increased importance of employing the most talented people all contribute to the complex design of reward programmes (Gross & Friedman, 2004). According to Munsamy and Venter (2009), in the current world of work, where the war for talent is rife, skilled employees have a broader choice of employment, both locally and internationally. Dockel, Basson, and Coetzee (2006) supports this notion, they are of the view that the future of work requires flexibility, boundaryless communities and change in work as we know it today. Stander and Rothmann (2008) concur, they stress that it is a business imperative for organisations to adapt to changing circumstances.

Organisations are increasingly interested in reducing labour costs and increasing employee productivity and profits. Money, benefits, and other different forms of rewards have been used to attract and retain employees to achieve organisational goals around the world (Chiu, Luk, & Tang, 2002). In order to be successful, organisations need to extend their environmental

scan beyond benchmarking and experience (Chaing & Birtch, 2008). Arnolds and Venter (2007) suggest that a well designed reward structure is management's primary tool in mobilising organisational commitment to successful strategy execution. These arguments invariably stretch beyond just reward practices. According to Aghazadeh (2003), human resource management has to change as the business environment changes. Aghazadeh, suggests that human resource managers need to synthesize their human resources management practices with the general economic and business developments.

The South African labour market has its own unique challenges to contend with. The Employment Equity Act, No. 55 of 1998, introduced affirmative action measures to ensure the equitable representation and advancement of designated groups in the workplace, which contribute to the dynamics of this market. Organisations operating in the South African market need to embrace transformation in order to achieve greater national productivity. In addition, as in the case of other developing countries, South Africa is experiencing a brain drain that could have a fundamental impact on its competitiveness (Kerr-Phillips & Thomas, 2009). They further highlight the intense competition in the country amongst companies to attract the remaining talent. Consequently, a macro challenge that South Africa faces is to retain its talent in the country. In the same vein, at a micro level, companies face a challenge to retain the current talent that can contribute to its competitiveness. South African managers and leaders also have to develop the skills to effectively deal with post-apartheid organisational

culture and business dynamics (Kerr-Phillips & Thomas, 2009). In terms of organisational culture, Kerr-Phillips and Thomas (2009) highlight the impact of ethnic and language diversity, affirmative action and the gaps in income levels, education and opportunities from a complexity point of view. These factors together with the turbulence of the global business environment and its impact on the financial viability of organisations necessitate alternative forms of reward.

The competitive strategies of companies have long been based on the concept that there are various ways to compete (Bussin , 2003). However, in the case of competition for talent, the emphasis has been and still is on financial rewards. Kerr-Phillips and Thomas (2009) argue that there are not many companies that integrate clear strategies for talent acquisition and retention into their mainstream business strategies. However, there has been a significant increase of interest in the importance of money around the world (Tang, Luna-Arocas, Sutarso, & Tang, 2004). They suggest that managers use money to attract and retain employees.

Notwithstanding the above, non-financial rewards have the potential to improve the competitiveness of organisations in attracting and retaining employees. These rewards are primarily unique to an organisation, are a less costly alternative to financial rewards and have a long-term focus, especially in the case of learning and development. Organisations face negative consequences, when they ignore the importance of non-financial rewards on employee retention (Hijazi, Anwar, & Mehbood, 2007).

1.2. The Case for Non-Financial Rewards

Responding to today's workplace demands means amongst other things that organisations need to understand the preferences and needs of employees and offer more than just a good pay check (Nienaber, 2009). According to Aghazadeh (2003), the changing expectations of employees present various challenges to human resource professionals. Both are of the view that successful organisations will be those that are in a position to attract and retain highly skilled employees. In order to do that organisations need to be able to meet what the employees want with what they have to offer. Management should consider the relative importance of pay compared to other types of rewards. Nienaber (2009) suggests that employees seek more meaningful and challenging opportunities, an alignment between personal and organisational values as well as tolerance for individual preferences and differences. Remuneration is important to employees, but what really impacts people on a daily basis are the quality of their work experience (Ferguson & Brohaugh, 2009).

Despite the above, Armstrong (2006) is of the view that most employers do not have high levels of sensitivity towards the preferences and needs of employees, nor do they differentiate between different types of rewards. Effective reward management entails an intimate understanding of employee values and preferences (Nienaber, 2009). Given the fact that employees are the direct beneficiaries of rewards, their perceptions and reactions to different rewards are critical to our understanding of the reward performance

relationship. Giancola (2008) argues against the influence of generation profiles in developing an organisation's rewards strategy. Instead of using profiles, it is suggested that organisations directly ask employees for their preferences and eliminate guesswork about the rewards favoured. This will allow organisations to establish reward hierarchies and relationships with attraction and retention and processes.

Bussin (2003) provides a powerful analogy of the impact of financial rewards. He states that when the super tanker Exxon Valdez ran aground in Alaska, speedy action was needed to rescue wildlife from the spreading oil. Local members of an Eskimo tribe were hired for \$20 an hour to take care of stranded whales. When the oil spill was cleaned up and the whales released, the Eskimos went back to their occupations, which was to hunt whales. The point being made is that money does motivate. However, this paper argues that it matters both what is paid and how it is paid.

Zobal (1999) postulates what many experts suggest: the best incentives over the long run are non-financial rewards. According to Lawler (1996), while extrinsic rewards such as money are important in the short-term, intrinsic rewards in the form of meaningful work tend to sustain motivation in the long-term. Some of the advantages of non-financial rewards are that they can be flexible, personal, and easy to use. Non-financial rewards are also cost effective in terms of benefits received versus monies expended. Zobal (1999) suggests that the following are some problems associated with monetary rewards:

- Tendency to shift an individual's focus to the achievement of a cash gain;
- Potential to lead to litigation problems;
- Negative effect when rewards are not achieved;
- Disputes over dollar amounts;
- Stripping of the pride associated with work;
- Problems associated with untimely payouts; and
- A tendency to become entitlements

At times there is a lack of appreciation for the full scope of the reward-plan value drivers (Hiles, 2009). Understanding these value drivers can help differentiate an organisation from the competition and/or allow for cost-reduction steps that save needed cash but do not have a commensurate negative impact on employee attraction and retention.

1.3. Research Problem

Organisations can utilise financial rewards such as a salary increase, short-term and long-term incentives to a limited degree. This was aptly illustrated in the recent recession in which a number of organisations had to freeze salary increases and in certain instances had to decrease salaries as a means to deal with the financial pressure resulting from the economic downturn. With the myriad of external factors that impact the financial viability of organisations, and with the majority of organisations having costs

associated with salaries, incentives, benefits and perks in the range of 50% to 65% as the largest expense on their income statement (Nienaber, 2009), this study will attempt to determine the extent to which South African organisations utilise non-financial rewards as a competitive advantage in the attraction and retention of employees.

1.4. Research Motivation

The prevailing economic circumstances in South Africa and globally makes it imperative that companies re-consider the reward practices that are in place. According to Munsamy and Venter (2009), organisations face increasing competition with most of their strategies being easily replicable by the competition. Hence they suggest that people are increasingly becoming the key differentiator that can provide the organisation a competitive advantage. In accordance with this notion, Bussin (2003) states that the constantly changing world of work demands a continuous review of people management practices, especially reward practices. Arnolds and Venter (2007) concur, suggesting that it is important to design the most effective reward structure for organisations, because the implementation of the business strategy depends on it.

Non-Financial rewards, such as a pleasant work environment, training and development, job interest, and time-off, are by and large being overlooked (Chaing & Birtch, 2008). According to McArthur (2009) the studies that do exist focus on financial rewards. Non-financial rewards are sometimes referred to as internal rewards, as they meet the internal needs of

employees such as recognition, self-esteem and fulfilment, thereby influencing employee motivation (Hijazi, Anwar, & Mehbood, 2007). They further state that understanding reward preferences increase the motivational potential of reward plans and optimize the use of limited resources. Taking a holistic view of rewards by offering non-financial rewards to potential and existing employees would be both relevant and beneficial to business. This would enable businesses to better strategize in terms of the value offered to employees.

The following section presents an in depth look at the literature relevant to this research with specific reference to the value of non-financial rewards as a competitive advantage in attracting and retaining employees. Following that, the research questions are stated. This is followed by the methodology used to investigate the extent to which non-financial rewards are used as a competitive advantage. The results and what managers should focus on to improve organisational outcomes are then discussed. The concluding chapter places the findings in a wider strategic and managerial context.

2. Literature Review

2.1. Introduction

The theory reviewed builds a platform of understanding the importance of non-financial rewards within the context of total reward. The review of the literature focuses on the following key areas:

1. The concept of total reward – what are the elements of total reward?
2. The key elements of a reward strategy – what are the objectives, scope and advantages of such a strategy?
3. The reward value drivers – what are the potential sources of value that can be considered?
4. Different total reward models – do these models emphasise non-financial rewards?
5. Employee preferences and total reward - what are the elements that attract and retain employees in terms of the employment value proposition?
6. Employee preferences – do organisations consider the needs of employees when designing reward programmes?
7. Extrinsic rewards – what is the importance of money?
8. Intrinsic rewards – what is the importance of intrinsic rewards in retaining and attracting employees?
9. Attraction and retention – what are some of the key considerations?

2.2. Total Reward

Total reward is defined by Armstrong (2006), as the combination of all types of reward. In an interview with the Employee Benefits Magazine (2007), Armstrong stated that it encompasses all the elements of what it means to come to work. According to Hiles (2009), this includes financial and non-financial, direct and indirect, intrinsic and extrinsic rewards that are provided to employees. In the past rewards were primarily defined as the monetary rewards that employees received (Gross & Friedman, 2004). They further state that the definition has been expanded to include the overall value proposition the employer offers its employees. Nienaber (2009) suggests that total rewards combines the impact of the major categories of rewards which are:

- Transactional rewards (tangible rewards including pay and benefits).
- Relational rewards (which refers to intangible rewards for example learning and development, recognition and status, challenging work, employment security, the work experience or the work environment). These rewards are not included in the remuneration package but yet relate to the physical, emotional and intellectual wellbeing of employees.

Given the broader definition of rewards it is evident that there is a move away from the traditional perception of rewards being only remuneration and benefits to total rewards that is more comprehensive and integrated

(Nienaber, 2009). Nienaber also makes the following case for organisations to move towards a total reward approach:

- The erosion of the core components of total remuneration. Pay, bonuses and long-term incentives are no longer sufficient to offer a differentiated and compelling value proposition to employees. Non-financial rewards build a positive psychological contract, which enhances the organisation's Employment Value Proposition. It is also much more difficult to replicate than individual pay practices.
- Elements, which form part of a total reward model, can represent a major cost to organisations. By including components which employees value, employment related costs can be managed more efficiently and with greater impact. Employees tend to value the total cost of their employment, as it is more visible in a total reward approach.
- Employees seek more flexibility and choices and a total reward approach that can satisfy individual needs.

Hiles (2009) emphasises a total reward strategy, which is defined as a focused game plan that allocates resources and tailors activities to achieve a target performance level within a prescribed timetable. It must be unique to the organisation that develops it and when done effectively will help drive sustainable, competitive advantage in the ever-tightening market for key talent by carefully considering the full list of potential sources of value to employees. In the past reward programmes were viewed primarily as a

“necessary evil” in the retention and attraction of employees (Gross & Friedman, 2004). This view has been fundamentally altered in that organisations now acknowledge the importance of reward programs in achieving business success. Hiles (2009) identifies three key elements of a reward strategy:

1. Objective

This is the specific “what” that an organisation is trying to achieve and should be both measurable and time bound. Measurability relates to differentiation in base pay, cost per employee, participant behaviours (for example, cost savings) and the satisfaction of employees with the reward programme.

2. Scope

Scope adds clarity in terms of who participates in the scheme and what it consists of.

3. Advantage

Advantage is regarded as the most important part of the strategy. It outlines the means the organisation will employ to attain its objectives. This is about differentiation, which relates to finding those elements of the reward programme that will achieve objectives at the same or lower costs. Organisations can achieve differentiation by using any of the value drivers in the reward programme. Given the ever evolving economic and labour climate and the ever-increasing

competition for talent, non-financial rewards are becoming increasingly significant.

2.3. Reward Value Drivers

Employees and designers of reward programmes, sometimes have varying definitions of what constitutes value (Hiles, 2009). Reward specialists typically refer to value as the cost of the programme. Employees have varying degrees of value. Therefore, if employees assign a high value to reward programmes, the employer commands a higher price and greater return on investment, measured as the attraction and retention impact for a lower cost.

In developing the reward programme, Hiles (2009) recommends that organisations go beyond the economic or actuarial value and carefully consider the full list of potential sources of value that can be offered. Potential drivers that can be considered in addition to the traditional levers are the following:

- **Ease of understanding:** *“I know what is important and how I will be rewarded for doing well.”*
- **Knowledge of the value of the total reward package:** *“I can now see all of the sources of my rewards, and they add up to more than I thought.”*

- **Well-designed defaults:** *“I didn’t have to do a thing and I am saving and investing for retirement in a way that fits my situation.”*
- **Timely information about programmes and access to service:** *“It really helps to know these services are available to me and that my employer has pre-screened them...so I know I am getting a service I can trust, even if I have to pay for it myself.”*
- **Ease of use and compliance:** *“It’s easy to get what I need and do the things my employer wants me to do.”*
- **Low cost (at enrolment or at point of use):** *“I can afford to enrol and use the plan that is offered to me.”*
- **Simplified choice:** *“I have choices that make me think about what’s right for me...but not so many that it is just confusing.”*
- **Consistency with employee perceptions of a positive employer brand:** *“I am proud of my company. Before I was hired they claimed that they treat employees fairly and reward performance, and that has certainly been my experience.”*

2.4. Total Reward Models

A number of total reward models have been developed over the past few years. It is appropriate to present some of these models with the objective of improving the general understanding of all the reward components that are used.

2.4.1. WorldatWork's Total Reward Model

WorldatWork is the largest global non-profit professional association dedicated to knowledge leadership in total reward. This association states that total reward contains five core reward categories that are illustrated in the following Figure.

Figure 1. WorldatWork - Total Reward Model (WorldatWork, 2007, p.7)



The key elements of this model are:

1. Compensation or remuneration
2. Benefits
3. Work-Life

4. Performance and recognition
5. Development and career opportunities

The integrated nature of this model makes it extremely popular amongst reward practitioners. The influence of organisational culture, business strategy and the human resource strategy is key in the design consideration of the total reward strategy.

2.4.2. Armstrong and Brown’s Total Reward Model

The WorldatWork Model is expanded by Armstrong and Brown (2006) to include work experience. This model, as illustrated in the Figure below, also includes transactional and relational rewards, as well as, non-financial or intrinsic rewards. Work/life balance is not listed in this model, but reference is made to it in the definition of work experience in their literature.

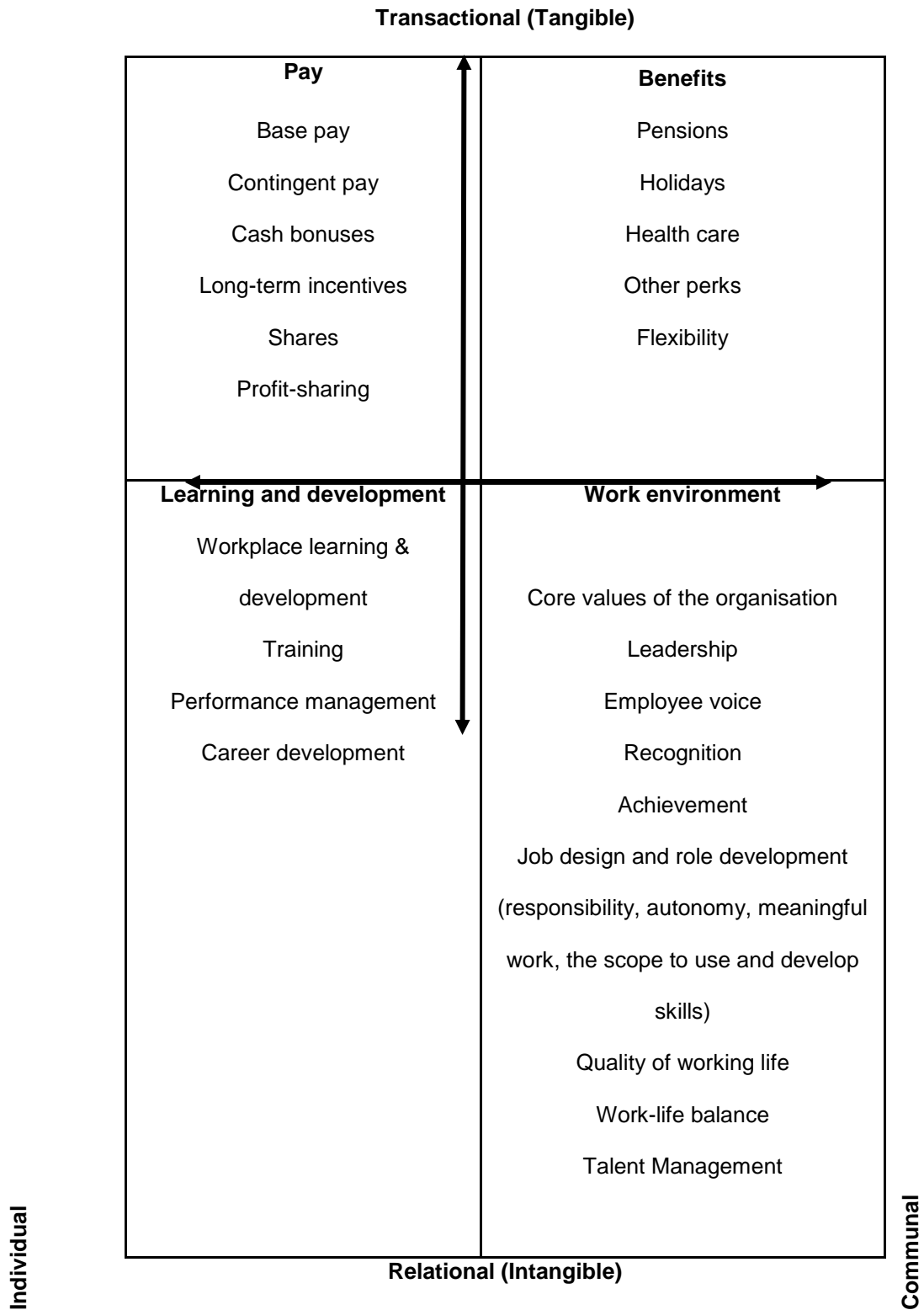
Figure 2: Armstrong and Brown's Total Reward Model (Armstrong & Brown, 2006)

Transactional rewards	Base Pay	Total remuneration	Total rewards
	Contingent Pay		
	Employee Benefits		
Relational rewards	Learning and Development	Non-financial / intrinsic rewards	
	The work experience		

2.4.3. Towers Perrin's Total Reward Model

Towers Perrin separates relational (or tangible) and transactional (or intangible) rewards and makes reference to individual versus communal rewards. The following figure presents an illustration of the Towers Perrin model:

Figure 3: Towers Perrin's Model of Total Reward (Armstrong & Brown, 2006, p.25)



2.4.4. Zingheim and Schuster's Total Reward Model

Zingheim and Schuster's (2007) model clusters reward into three broad categories; total pay, performance or people management and total reward other than pay. The model is depicted in the following Figure.

Figure 4: Zingheim and Schuster's Total Reward Model (Zingheim and Schuster, 2007, p.3-4)

Total Pay	Performance Management and Management of People	Total Rewards other than Pay
<ul style="list-style-type: none"> • Base pay • Variable pay or incentives • Recognition & celebration • Benefits • Reward customisation • Fairness 	<ul style="list-style-type: none"> • Goal-setting (cascading and that can be influenced by individuals) • Performance management (setting expectations, feedback, coaching, results, evaluation) • Super keepers (Identify and reward those with critical skills and competencies that are translated into results – now and potential for future) • Managing out poor fit / poor performers 	<ul style="list-style-type: none"> • Individual growth (career paths, competency management, build capabilities for competitive advantage) • Compelling future (win-win over time) • Positive workplace (Work-life balance, shared accountability and celebration of successes, consistent 2 way communications) • Change (flexible, agile, good at planning and executing)

It is evident from these models that a combination of reward categories is used. Several approaches have been taken to total reward and many of the experts take a broad view of the total reward package that extends beyond pay and benefits to include intrinsic aspects of work (Employee Benefits Magazine, 2007). As indicated work/life balance, career development and

opportunities, the whole work experience, performance and recognition all form part of the reward offering to employees. The objective is to use total reward to foster employee engagement, commitment to the organisation and positive discretionary behaviour (Employee Benefits Magazine, 2007).

2.5. Employee Preferences and Total Reward

Organisations need to look at their total reward package as an important element in attracting, rewarding and retaining skilled workers (Aghazadeh, 2003). Aghazadeh is of the view that organisations should avoid being too prescriptive in its overall offering and should try to customize benefits according to the individual needs of employees.

High level results reported by the Corporate Leadership Council (2002a;1999a) in a study of employee preferences as to attributes of the employment offer, include:

1. Remuneration and benefits as a category was considered most important in affecting high value employee career decisions. Base salary, external equity and health and retirement benefits were regarded as particularly important. In essence the most important element of a job offer to an employee is base pay and is least likely to be traded away for any other attribute;
2. The single most important decision in managing a career, is the quality of the direct manager. To the extent that employees were

- prepared to trade in remuneration, being able to work for the best manager in an organisation ranked highest;
3. In terms of work/life balance attributes, the highest importance was placed on creating balance between number of hours worked, location, and business travel. There are also clear penalties for inconvenience such as excessive hours of business travel and relocation.
 4. A high-risk, high-reward environment was considered less attractive;
 5. In terms of the organisational environment, the organisational brand and the quality of the senior team ranked as the most important aspects for employees;

In another study conducted by the Corporate Leadership Council (2002b), the council considered the values that employees attached to different elements of total reward:

1. An increase in base pay of 30% is ideal to be of significance to employees although even a 10% increase had a positive effect;
2. Share options and other equity plans are highly valued;
3. Differentiation in base on the basis of performance, becomes really meaningful if the difference between high and low performance, is at least 40%;
4. A significant value is placed on high quality benefits such as health care benefits and retirement funds;

5. More is always better, whether it is base pay, benefits or incentives – the more the better.

Research conducted by the Saratoga Institute (Saratoga PricewaterhouseCoopers, 2006) identified employment practices which would aid retention. The five most important drivers of retention, in order of priority, were identified as:

1. Culture and work environment (including communication, confidence in management, organisational stability);
2. Training and development (including training, mentoring, ongoing development opportunities and education);
3. Supervisor roles (including the relationship with the supervisor);
4. Career growth and earnings potential.

In a South African based study conducted by Kerr-Phillips and Thomas (2009), the following themes emerged from the interviewees from an attraction and retention perspective:

- Attraction was enhanced through:
 - Quality and depth of company leadership development programmes, including personal growth and development opportunities
 - High-performance workplace culture that offer challenging and stimulating work opportunities

- Attractive company brand and a culture that actively promotes people development and is ethical in its business approach
- Competitive remuneration packages

- Retention was enhanced through:
 - Development according to merit and not race
 - Being part of a high-performance work culture in which mediocrity and poor performers are not tolerated
 - Personal growth associated with participating in leadership development programmes, including an international sabbatical at a Centre of Excellence and being part of a mentorship programme conducted by senior leaders who offer guidance on career progression
 - Being exposed to all aspects of the business
 - Being valued based on skills and ability
 - Being recognised for contribution to the organisation
 - Being employed by an organisation with a respected employer brand

Kerr-Phillips and Thomas (2009) highlight the fact that although a competitive remuneration package was noted by all the participants in the survey as a factor that would attract them to an organisation, it was not mentioned by any as a factor that would promote their retention. In terms of the survey results, once employees have joined an organisation, they then

also require the consideration of their skills and abilities as well as the recognition of the overall contribution that they are making. These findings are supported by a study conducted by Dockel, Basson, and Coetzee (2006). The results of their study indicate that money is still the primary incentive used to attract high technology professionals. They state that once remuneration levels have been attained, intangibles such as career, direct manager support, work and family balance become primary considerations.

A study conducted by Munsamy and Venter (2009), identifies important attraction and retention factors of high-end skills as effective management of performance and diversity, learning and development, management style, challenging assignments, work/life balance, recognition, working conditions, and a caring work place. They also recognise the importance of remuneration in the attraction and retention of employees. In terms of the retention of employees with scarce and highly marketable skills, Munsamy and Venter (2009), identify the following as priority needs:

- Opportunities for development in an employees' field of expertise
- Freedom to plan and execute independently
- Growth potential of the industry
- Progressive leadership that allows initiative and sharing in the profits of the organisation

The perspective taken by Aghazadeh (2003) relates to the costs associated with hiring new employees. The basis of the argument is that retention is

always a less costly option than recruiting and training new employees.

Aghazadeh, identifies a number of key costs associated with hiring:

- HR administration costs associated with advertising, record keeping, job sizing
- Travel expenses and other costs associated with the recruitment process
- Relocation costs for the successful candidate
- Additional costs associated with office location, furniture, support facilities
- Costs associated with on-boarding, training and mentoring

According to Herzberg (1987) motivation factors are either extrinsic or intrinsic. Herzberg lists the extrinsic factors as company policy and administration, supervision, interpersonal relationships, working conditions, salary, status, and security. Intrinsic rewards are achievement, recognition for achievement, the work itself, responsibility, and growth or advancement. The literature is divided as to which of the factors are more important in driving motivation (De Winnaar, 2008). Arnolds and Venter (2007) concur, they are of the view that there is still much confusion about which rewards really motivate employees. They refer to a meta-analysis of research that was conducted and reveal that managers are still of the opinion that money is the main motivator of employees. However, further analysis of the research indicates that employees never regard money as their main motivator. Money is essentially a motivator in attracting potential employees, it does not play a primary role in retaining them. The biggest labour force,

globally, consists of volunteer workers who do not do work for money (Arnolds & Venter, 2007). The following sections will explore these concepts.

2.6. Extrinsic Motivation

The raising tide lifts all the boats (Tang, et al, 2004). They argue the impact of spiraling salaries on standards of living, expectations, tastes and consumption. In essence, high income may lead to one's high materialistic values. Herzberg advises managers not to use money as a reward, because pay satisfaction goes back to zero and the zero point escalates, referring to the adaptation process (Tang et al, 2004). However, Rynes, Gerhart, and Minette (2004) argue that the importance of pay is understated. They suggest that there is a misjudgement to the reaction of employees to accept an offer of a higher paying job or that due to social norms, viewing money as being a less noble source of motivation. Rynes et al. (2004) further state that the reason for the significance of pay is that it is broadly applied and that it has various symbolic meanings which can assist in most of the levels of Maslow's motivational hierarchy. This view is shared by Parker and Wright (2001). They postulate that paying people more will make them more loyal, motivated and productive - money is therefore believed to have a direct influence on behaviour. According to Haynes (2002), insufficient monetary rewards cannot be substituted by exceptional human relations. Haynes suggests that merit must be measured and rewarded regularly.

2.7. Intrinsic Motivation

An interesting perspective from Bartol & Srivastava (2002) pertains to the impact of extrinsic rewards on intrinsic motivation. They argue that in the case of extrinsic rewards contingent on completing a target behaviour, the individual would perceive the locus of causality of behaviour as external and subsequently the feeling of self-determination would be undermined and as a result reduce intrinsic motivation. This view is shared by Osterloh, Frost, and Rota (2001). They argue that tangible rewards undermine intrinsic motivation.

Intrinsic motivation refers to the psychological rewards derived from work (Thomas, 2000; Mahaney & Lederer, 2006). Matsumura and Kobayashi, (2008) is of the view that people are intrinsically motivated when they receive no apparent rewards except for the activity itself. Essentially intrinsic motivation is embedded in the execution of the job itself. Examples are achievement, variety, challenge, autonomy, responsibility, and personal and professional growth (Mahaney & Lederer, 2006). According to Thomas (2000) when you are intrinsically motivated, when you truly care about the work, you look for better ways to do it, and you are energised and fulfilled by doing it. This is different from extrinsic motivation, which refers to the economic rewards achieved from others for example an increase in salary or a bonus. Bartol and Srivastava (2002) recognise that extrinsic rewards can also convey a signal, affirming competence of the individual that has a positive impact on intrinsic motivation. Hence, due to these competing forces, it is not easy to predict the outcome of extrinsic rewards on intrinsic

motivation.

Thomas (2009) states that motivational dynamics have changed significantly to reflect the new requirements and expectations from employees. According to Dockel, Basson, and Coetzee (2006), as the labour environment changes from a labour intensive, and as the industrial society shifts to an automated knowledge based environment, the labour force increasingly become more educated, with higher professionalism and a decrease in organisational loyalty. Thomas (2000) identifies one of the biggest changes to be the increasing importance of psychic, or intrinsic rewards and the decline of material or external rewards. Findings in research conducted by Manolopoulos (2008) show that the public sector in Greece is more likely to provide extrinsic than intrinsic rewards, however, the latter seems to be related to better organisational outcomes.

External rewards played an important part in earlier roles. According to Thomas (2009) , when work was generally more routine and bureaucratic, and when compliance was of paramount importance, extrinsic rewards remained significant for employees. These types of rewards are an important consideration for most employees in accepting a job, and unfair pay can be a strong de-motivator. However, after people have taken a job and issues of unfairness have been settled, it is found that extrinsic rewards are then less important, since day-to-day motivation is primarily driven by intrinsic rewards (Thomas, 2009). According to Armstrong (Employee Benefits Magazine, 2007), the motivating potential of pay and benefits is shortlived. Armstrong

argues that what really matters in terms of long-term engagement and commitment to organisations are other elements such as the work environment and intrinsic rewards derived from the work itself.

Thomas (2009) identifies the following benefits of intrinsic rewards:

- There is a positive impact of intrinsic rewards on employee self-motivation. For example employees with high reward levels show greater concentration and are rated more effective by their managers.
- Intrinsic rewards are strong predictors of retention, especially for employees who are energized and self-managing. In fact, such employees become informal recruiters and marketers for the organisation.
- Intrinsic rewards are relatively healthy and sustainable sources of motivation for employees.
- In general intrinsic rewards seem to create a strong, win-win form of motivation for both the organisation and its employees, one which is appropriate for the times. This type of motivation is focused on the shared desire for an employee's work to make a positive contribution towards a meaningful purpose.

The Value of Intrinsic Motivation

According to Matsumura and Kobayashi (2008), to evaluate strategies aimed at improving intrinsic motivation for work, a value for intrinsic motivation must be computed. In this regard they refer to a study that was conducted by

Hackman and Oldham in 1976. In their research, Hackman and Oldham proposed the following mathematical expression for the strength of intrinsic motivation (Motivating Potential Scale):

Motivating potential scale (MPS) = (Skill Variety + Task Identity + Task Significance) x Autonomy x Feedback. The terms have the following meanings:

Skill Variety: The degree to which a job requires a variety of activities in carrying out the work.

Task Identity: The degree to which a job requires completion of a whole and identifiable piece of work.

Task Significance: The degree to which a job has a substantial impact on the lives of other people.

Autonomy: The degree to which a job provides an individual substantial freedom, independence, and discretion in scheduling the work and in determining the procedures to be used in carrying it out.

Feedback: The degree to which carrying out the work activities required by the job results in the individual's obtaining direct and clear information about the effectiveness of their performance.

Hackman and Oldham proved that higher MPS values promote higher intrinsic motivation (Matsumura & Kobayashi, 2008). Despite these advantages, a number of managers underestimate the significance of

intrinsic rewards, and continue to utilise financial rewards to motivate others (Thomas, 2009).

2.8. Conclusion

The meaning of money is “in the eye of the beholder” and can be perceived as their frame of reference in which they examine their everyday lives (Chiu, Luk, & Tang, 2002). They further state that on the one hand, it is possible to simply pay higher salaries and lower benefits to satisfy employees’ needs. On the other hand, some benefits are quite important to employees. The same benefit does not suit every employee. Employees differ in their valuation of various benefits or non-financial rewards (Chiu et al. 2002). Therefore reward programmes that give employees more flexibility can provide the most value to organisations for a given expenditure. According to Chiu et al. (2002), researchers and managers of human resources and rewards need to identify the most important reward components that satisfy employee needs.

In spite of their importance, relatively few elements of reward have been uncovered (Chaing & Birch, 2008). Previous research has been limited to preferences for financial rewards and pay systems and some non-financial job facets. Non-financial rewards, especially the value of intrinsic types, have been excluded from the main research agenda (McArthur, 2009). This financial bias neglects the varying elements of reward being used in organisations as part of the broader total reward approach.

The next chapter outlines the primary research questions identified in order to address the purpose of this study.

3. Research Questions

The primary objective of the research is to determine if South African organisations are utilising non-financial rewards as a competitive advantage in attracting and retaining employees. This will be explored within the context of the research questions stipulated below:

Research questions:

1. What are the broad sets of elements that form part of the total reward offering?
2. What is the extent to which organisations are utilising non-financial rewards as part of the total reward offering in attracting and retaining employees?
3. Do different rewards have varying degrees of impact from an attraction and retention perspective?
4. What are the individual reward preferences and are there demographic differences between the answers?

Given the context of the total reward approach, what is suggested is a portfolio approach towards the attraction and retention of employees. The reward models discussed as part of the literature review highlights the importance of financial and non-financial rewards. The questions identified present an integrated approach within the context of the total rewards approach and in addressing the primary objective of this study.

The research methodology chapter, which follows, will systematically layout how the questions formulated in this chapter will be answered. It will define the populations and the sample group, as well as the methodologies used. It will also describe the research instrument and data collection method used.

4. Research Methodology

4.1. Introduction

The preceding chapters covered a detailed review of the literature and the research questions identified for the purpose of this study. The aim of this chapter is to provide an in-depth description of the research methodology, the unit of analysis and the process associated with the study.

4.2. Research Design

The research design was exploratory, as well as quantitative and causal in nature. According to Zikmund (2003), exploratory research is conducted to clarify ambiguous problems and that it is undertaken with the expectation that subsequent research will be required to provide conclusive evidence.

He

further states that the main purpose of causal research is to determine cause-and-effect relationships among variables and that exploratory research precede causal studies.

Given the fact that non-financial rewards form part of the total reward offering, as reflected in all of the reward models discussed, there is an element of ambiguity in creating the impression that such rewards are not effectively utilised by organisations. After addressing this ambiguity through

the exploratory research process, a causal study was conducted to determine the relationship between non-financial rewards and its impact on attraction and retention.

The sample for this study consisted of respondents from the corporate clients of 21stCentury Business and Pay Solutions Group, one of the largest reward consulting houses in the Southern Hemisphere. The unit of analysis will be organisations across various industries within South Africa.

4.3. Population

The population will primarily consist of professionals in the reward arena, across various industries in South Africa, more specifically it will include the following professionals:

- Executives and Senior Managers
- Talent Managers
- HR Managers

The above population was selected because of the experience they have in designing and implementing different reward practices. This ensures their familiarity with and understanding of non-financial rewards as part of the total reward offering.

4.4. Sampling

According to Zikmund (2003), sampling is a procedure that uses a small number of items or a portion of a population to make a conclusion regarding the entire population. Hence, a sample is considered a representative subset of a population. In other words when certain statistical procedures are followed, it is not necessary to select all the items in a population, since the results of a good sample have the same characteristics of the entire population. According to Bryman and Cramer(1997), the absolute size of the sample depends on the complexity of the population and the research questions that are investigated (Bryman & Cramer, 1997).

As indicated, the sample consisted of professionals that form part of the corporate clients list of the 21st Century Business and Pay Solutions Group organisation. Although the sampling technique is a convenience sample, the database is representative of a wide range of respondents from different age and gender groups, different job levels and families and across various industries. The technique was, therefore, considered appropriate for the study undertaken.

4.5. Data Gathering Process

A questionnaire has been designed to primarily survey the intensity of attitudes and focused on four areas:

- The demographic factors of the respondents (**Part A**).

- The **reward preferences of companies (Part B)**. Emphasis is placed on the organisation's preference for specific financial and non-financial rewards. The importance of preferences is measured using a four-category Likert-type scale anchored from "not at all important" to "extremely important". According to Zikmund (2003) this scale allows respondents to indicate their attitudes by checking how strongly they agree or disagree with carefully constructed statements that range from very positive to very negative toward the attitudinal object. The questions in this category are primarily based on the WorldatWork organisation's classification of financial and non-financial rewards.
- **The reward categories that have the greatest impact on an organisation's ability to attract and retain (Part C)**. This part of the questionnaire is based on the category scale, which is defined by Zikmund (2003) as an attitude scale consisting of several response categories to provide the respondent with alternative ratings.
- **Individual preferences (Part D)** for specific reward categories, which is based on the ordinal scale. The ordinal scale arranges alternatives to their magnitude in an ordered relationship (Zikmund, 2003).

The questions in Parts C and D of the questionnaire have been based on the literature review and pre-tested to ensure refinement. The questionnaire was a self-administered online survey instrument and respondents were

requested to participate through e-mail. Zikmund (2003) defines a survey as a method of gathering primary data based on communication with a representative sample of individuals. Zikmund further states that the advantages of surveys are that they provide quick, inexpensive, efficient and accurate means of assessing information about the population.

4.6. Method of Analysis

The data was analysed by using the following statistical techniques.

4.6.1. Descriptive statistics

Descriptive statistics were used to analyse the demographic data and to understand the characteristics of the sample group.

- The Mean is calculated by summing the values of a variable for all observations and then dividing by the number of observations (Norusis, 2005). This describes the central tendency of the data.
- The Variance is calculated by finding the squared difference between an observation and the mean, summing for all cases and then dividing by the number of observations minus 1 (Norusis, 2005). It shows the relation that a set of scores has to the mean of the sample. This describes the dispersion of the data.
- The Standard Deviation is calculated as the square root of the variance (Norusis, 2005). This describes the dispersion of the data. Since Standard Deviation is a direct form of variance, it will be used in

place of the latter when reporting.

- The Mode is the valid data value that occurs most frequently (Norusis, 2005).
- The Median is considered another measure of central tendency. It is the middle value when observations are ordered from the smallest to the largest (Osterloh, Frost, & Rota, 2001).
- Skewness is a measure of symmetry of a distribution; in most instances the comparison is made to a normal distribution (Norusis, 2005). Schepers (undated) emphasises that those variables with a skewness higher than 2 should be avoided.
- Kurtosis is a measure of the peakedness or flatness of a distribution when compared with the normal distribution (Norusis, 2005). Leptokurtosis is normally associated with low reliabilities and should be avoided at all costs. Indices as high as 7 are rather extreme and signify very low reliabilities (Schepers, Undated).

4.6.2. T-Tests

T-tests were used for the purpose of assessing the differences in the mean scores of two different variables - for example, female and male - relative to the different reward factors. The Independent Samples t-test (also known as the two-sample t test) compares the means of one variable for two groups of cases (Norusis, 2005).

4.6.3. Analysis of variance (ANOVA)

One-way and two-way analysis of variance tests (ANOVA) were conducted to understand whether there were meaningful differences between the reward categories and the different demographic variables, respectively. The One-Way ANOVA procedure produces a one-way analysis of variance for a quantitative dependent variable by a single factor (independent) variable. Analysis of variance is used to test the hypothesis that several means are equal. This technique is an extension of the Independent t-test (Norusis, 2005). Examples of three category variables include that of race or years of service. If the p-value is found to be less than 0.05, then the independent variable in the question does have a significant relationship with the factor at hand.

4.7. Conclusion

This chapter described the research methodologies being used in order to answer the questions stated in Chapter 3. The research approach, research design, sampling methodologies and data gathering method were examined in detail. In the following chapter the results of the research will be presented.

5. Research Results

5.1. Introduction

This chapter presents a detailed analysis of the research results through descriptives, frequencies and inferential statistics. The response sample consisted of 98 respondents of which 3 were incomplete. The measuring instrument was a questionnaire consisting of four key elements. Part A dealt with seven demographic items, Part B focused on the different reward elements and components utilised by organisations, Part C focused on specific attraction and retention mechanisms and Part D tested individual preferences for specific reward elements.

5.2. Survey Pre-Test

The survey was pre-tested with a group of ten people for inputs and comments. Inputs were also received from a professional statistician and the study leader. Following the feedback received, the questionnaire was revised by reducing the number questions, rephrasing some of the questions, reviewing the Likert scale and re-stating certain of the question descriptions.

5.3. Demographic Profile

Part A of the questionnaire requested respondents to provide their demographic profile, which is analysed in the following section.

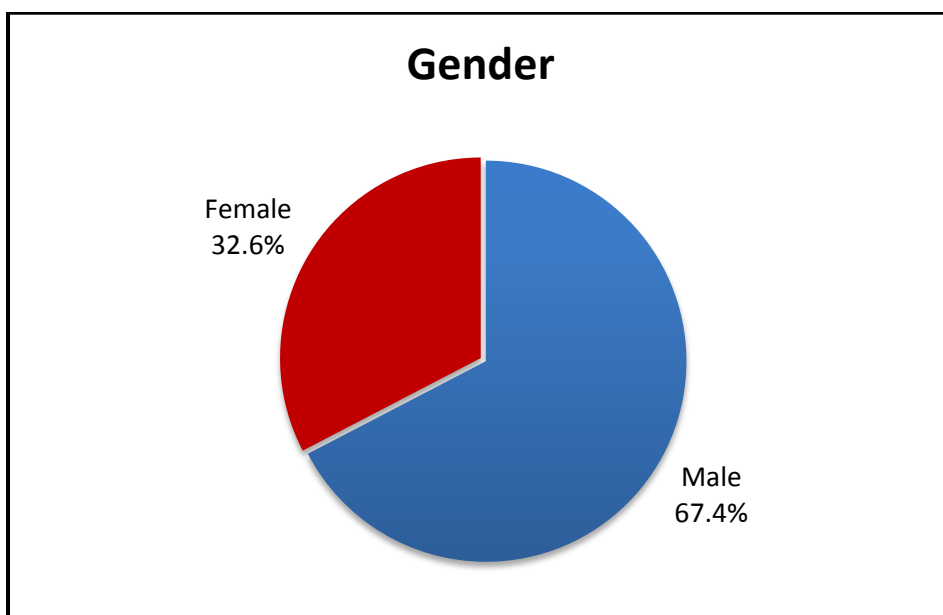
5.3.1. Gender Profile of the Sample

There was a higher response rate from males at **67.4%** compared to the women with a response rate of **32.6%**. The Table and Figure below depicts the gender profile of the sample.

Table 1: Gender Profile

Gender	Frequency	Percent
Male	64	67.4%
Female	31	32.6%
Total	95	100.0%

Figure 5: Gender Profile



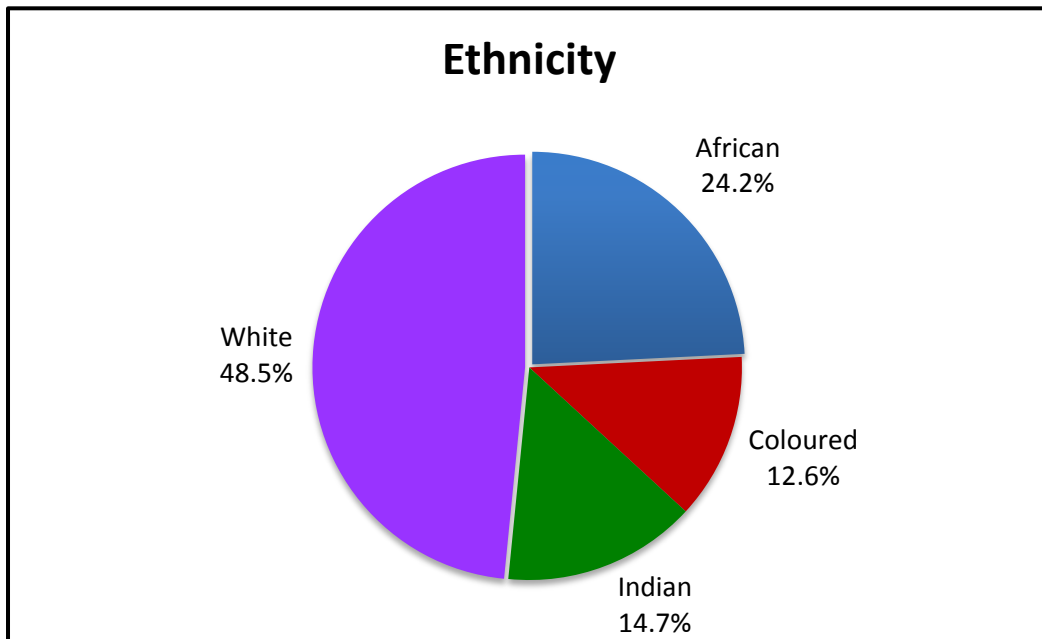
5.3.2. Ethnicity Profile of the Sample

The Table and Figure below represents the ethnic make-up of the sample with the majority of the respondents reporting their race as white at **48.4%**.

Table 2: Ethnic Profile

Gender	Frequency	Percent
African	23	24.2%
Coloured	12	12.6%
Indian	14	14.7%
White	46	48.5%
Total	95	100%

Figure 6: Ethnic Profile



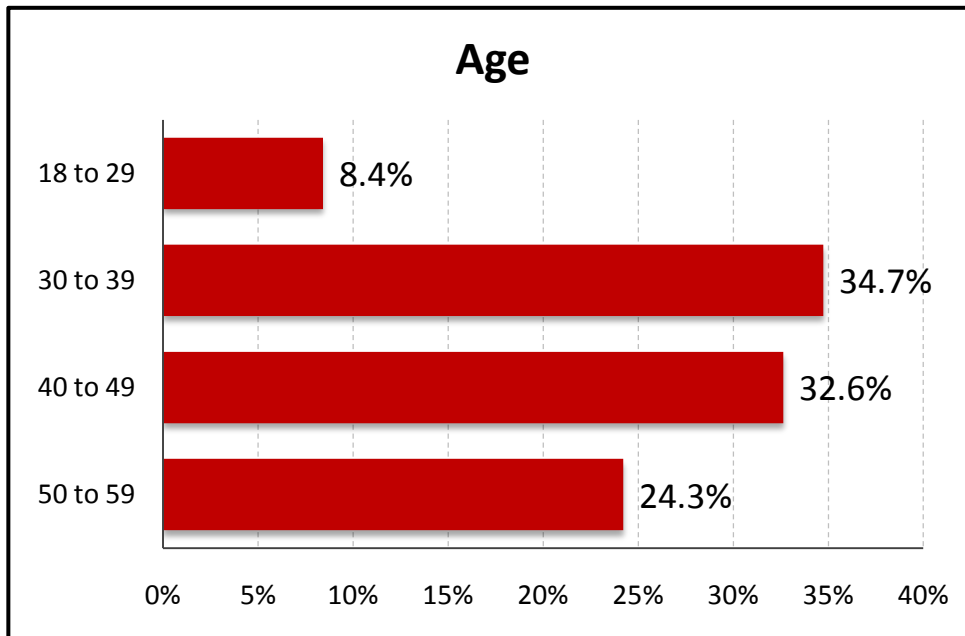
5.3.3. Age Profile of the Sample

The largest portion of the sample fell into the age category 30 to 39 years, which is **34.7%** of the sample. The 40 to 49 years age group followed this with **32.6%**.

Table 3: Age Profile

Age	Frequency	Percent
18 - 29	8	8.4%
30 - 39	33	34.7%
40 - 49	31	32.6%
50 - 59	23	24.3%
Total	95	100%

Figure 7: Age Profile



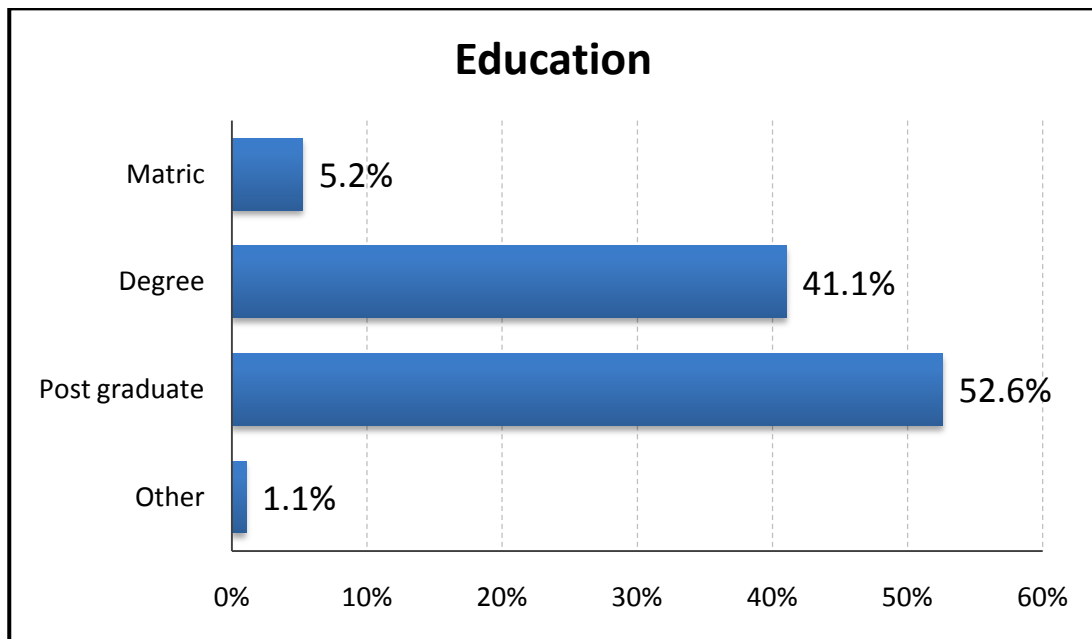
5.3.4. Education Profile of the Sample

Of the respondents, **93.7%** reported that to have a tertiary education.

Table 4: Education Profile

Education	Frequency	Percent
Matric	5	5.2%
Degree	39	41.1%
Post graduate	50	52.6%
Other	1	1.1%
Total	95	100%

Figure 8: Education Profile



5.3.5. Job Level of the Sample

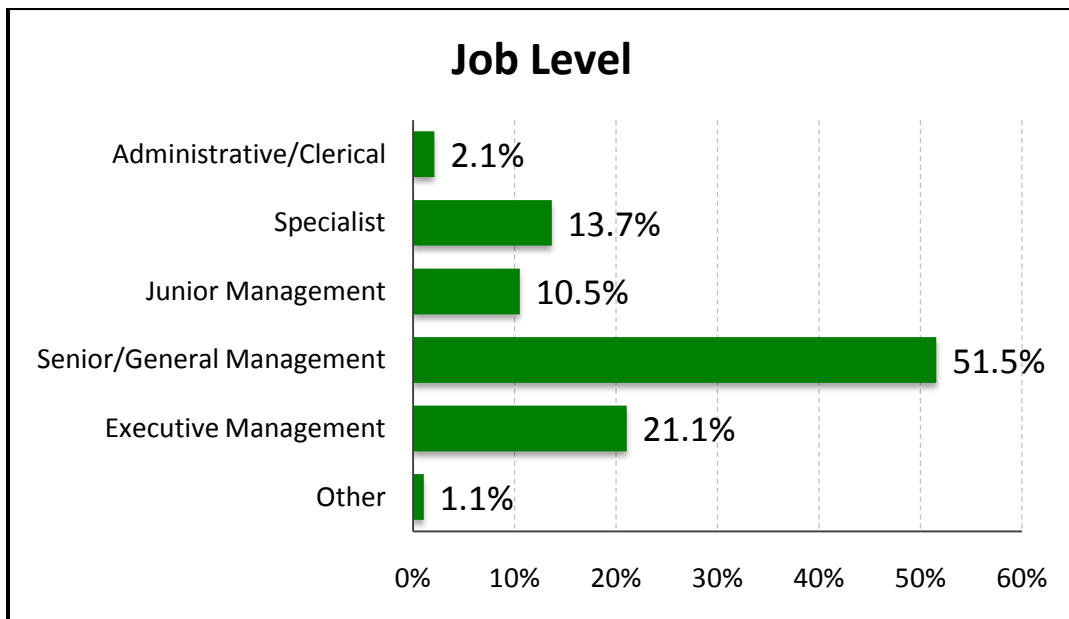
The Table and Figure below indicates the job level of the respondents. The majority of the respondents (**51.6%**) indicated that they occupied

Senior/General Management positions, which was followed by respondents in the Executive Management cadres at **21.1%**.

Table 5: Job Level

Job Level	Frequency	Percent
Administrative	2	2.1%
Specialist	13	13.7%
Junior management	10	10.5%
Senior/General management	49	51.5%
Executive management	20	21.1%
Other	1	1.1%
Total	95	100%

Figure 9: Job Level



5.3.6. Job Family of the Respondents

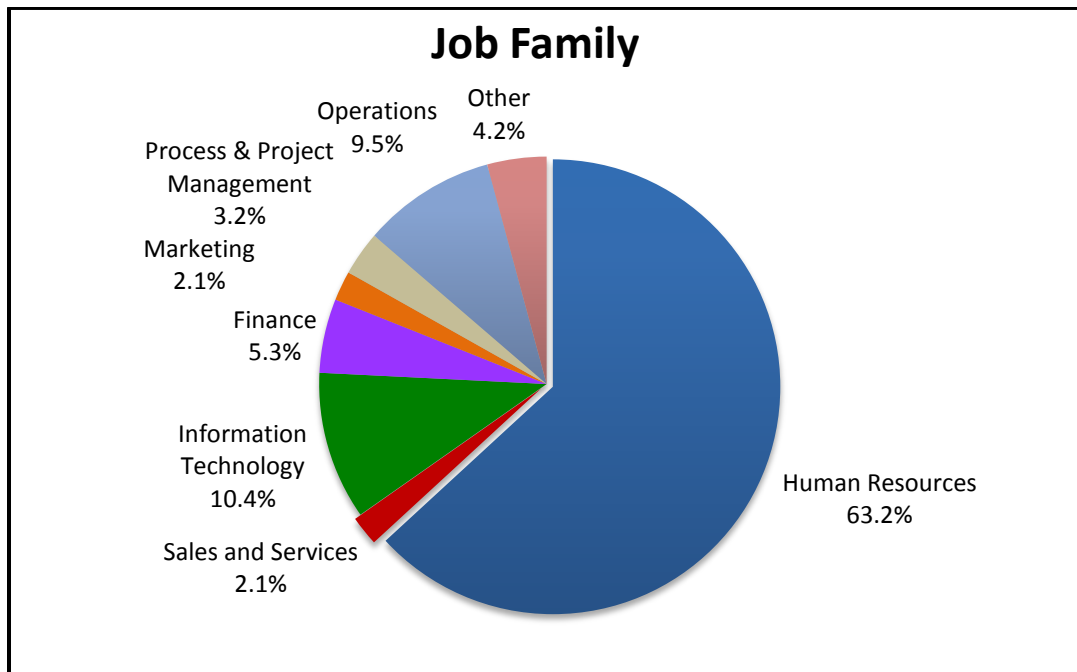
The overwhelming majority of the respondents classified their current job family to be within the Human Resources domain (**63.2%**). This is not

surprising, given the fact that the questionnaire was primarily distributed to respondents within this job family.

Table 6: Job Family

Job Family	Frequency	Percent
Human Resources	60	63.2%
Sales and Services	2	2.1%
Information Technology	10	10.4%
Finance	5	5.3%
Marketing	2	2.1%
Process and project management	3	3.2%
Operations	9	9.5%
Other	4	4.2%
Total	95	100%

Figure 10: Job Family



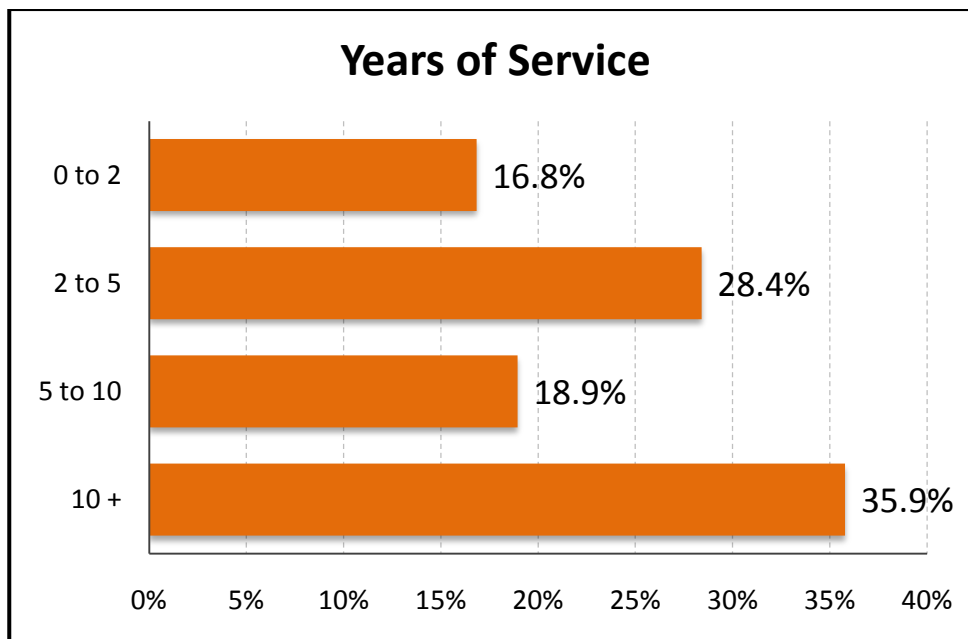
5.3.7. Years of Service of the Sample

The majority of the respondents (**35.9%**) had ten years or more service. This was closely followed by **28.4%** of the respondents who had between 2 to 5 years of service.

Table 7: Years of Service

Year of Service	Frequency	Percent
0 - 2	16	16.8%
2 - 5	27	28.4%
5 - 10	18	18.9%
10 +	34	35.9%
Total	95	100%

Figure 11: Years of Service



In summary, most of the respondents were males and of white ethnicity, in the age group 30 to 39 with a postgraduate qualification. Most were in

senior/general management positions and were working in the human resources job family. Furthermore, **36%** of the respondents have been working for more than ten years in their respective companies.

5.4. Analysis of the Reward Preferences

In **Part B** of the questionnaire, respondents were requested to indicate the extent to which different reward elements are important to their respective organisations. The questions covered different financial and non-financial reward components as determined by the literature review. Given the context of the research, emphasis was placed on the different elements of non-financial rewards. The Table below shows the percentage and the number of respondents in brackets behind the percentage figure. The highest percentage of each component is indicated in bold.

Table 8: Results of Part B

	Not Important	Least Important	Important	Extremely Important	N/A
1. Financial Rewards					
1.1. Basic Salary/Guaranteed Pay	1.1% (1)	2.1% (2)	28.4% (27)	68.4% (65)	.0% (0)
1.2. Benefits	4.2% (4)	11.6% (11)	38.9% (37)	45.3% (43)	.0% (0)
1.3. Short-term Incentives	11.6% (11)	11.6% (11)	43.1% (41)	33.7% (32)	.0% (0)
1.4. Long-term Incentives	9.6% (9)	30.9% (29)	26.5% (25)	33.0% (31)	.0% (0)
2. Workplace Flexibility					
2.1. Flexible Working Hours	18.9% (18)	20.0% (19)	25.3% (24)	25.3% (24)	10.5% (10)
2.2. Telecommuting	24.2% (23)	27.4% (26)	26.3% (25)	8.4% (8)	13.7% (13)
2.3. Alternative Work Sites	26.3% (25)	34.7% (33)	24.3% (23)	2.1% (2)	12.6% (12)
2.4. Compressed Work Week	33.7% (32)	31.6% (30)	14.7% (14)	4.2% (4)	15.8% (15)
2.5. Job Sharing	30.5% (29)	29.5% (28)	17.9% (17)	3.2% (3)	18.9% (18)
3. Paid and Unpaid Time Off					
3.1. Maternity/Paternity Leave	7.4% (7)	6.3% (6)	37.9% (36)	46.3% (44)	2.1% (2)
3.2. Adoption Leave	18.9% (18)	26.3% (25)	28.4% (27)	15.8% (15)	10.5% (10)
3.3. Sabbaticals	34.7% (33)	24.2% (23)	16.8% (16)	11.6% (11)	12.6% (12)
4. Community Involvement					
4.1. Community Volunteer Programmes	16.8% (16)	27.4% (26)	35.8% (34)	14.7% (14)	5.3% (5)
4.2. In-Kind Donations	13.7% (13)	28.3% (27)	41.1% (39)	9.5% (9)	7.4% (7)
5. Caring for Dependants					
5.1. Adoption Assistance Programmes	26.3% (25)	37.9% (36)	17.9% (17)	4.2% (4)	13.7% (13)
5.2. Scholarships	13.7% (13)	27.4% (26)	34.7% (33)	17.9% (17)	6.3% (6)
6. Health and Wellness					
6.1. Employee Assistance Programmes	4.2% (4)	7.4% (7)	46.3% (44)	38.9% (37)	3.2% (3)
6.2. Discounted Fitness Club Rates	18.9% (18)	22.1% (21)	28.5% (27)	20.0% (19)	10.5% (10)
6.3. Health Screening	9.5% (9)	9.5% (9)	48.4% (46)	26.3% (25)	6.3% (6)
6.4. On-site Work-life Seminars	10.5% (10)	26.3% (25)	41.1% (39)	17.9% (17)	4.2% (4)
6.5. On-Site-Fitness Facilities	17.9% (17)	23.2% (22)	35.8% (34)	14.7% (14)	8.4% (8)
6.6. HIV/AIDS (VCT)	10.5% (10)	13.7% (13)	34.7% (33)	33.7% (32)	7.4% (7)
6.7. 24-Hour Wellness Line	16.8% (16)	13.7% (13)	41.1% (39)	20.0% (19)	8.4% (8)
7. Financial Support					
7.1. Financial Planning	9.5% (9)	27.4% (26)	42.1% (40)	16.8% (16)	4.2% (4)
7.2. Adoption Reimbursement	27.4% (26)	36.8% (35)	11.6% (11)	3.1% (3)	21.1% (20)
7.3. Transfer and Relocation Benefits	8.4% (8)	15.8% (15)	42.1% (40)	26.3% (25)	7.4% (7)
8. Voluntary Benefits					
8.1. Employee Discounts	12.6% (12)	16.8% (16)	32.8% (31)	18.9% (18)	18.9% (18)
8.2. Concierge Services	20.0% (19)	27.4% (26)	21.1% (20)	4.2% (4)	27.4% (26)
9. Recognition					
9.1. Long Service Awards	9.5% (9)	17.9% (17)	34.7% (33)	32.6% (31)	5.3% (5)
9.2. Retirement Awards	12.6% (12)	22.1% (21)	21.1% (20)	37.9% (36)	6.3% (6)
9.3. Spot Awards	12.6% (12)	15.8% (15)	40.0% (38)	25.3% (24)	6.3% (6)
9.4. CEO/Chairman's Awards	17.9% (17)	15.8% (15)	28.4% (27)	23.2% (22)	14.7% (14)
9.5. Employee Satisfaction	12.6% (12)	23.2% (22)	35.8% (34)	24.2% (23)	4.2% (4)
10. Learning Opportunities					
10.1. Tuition Reimbursement	9.5% (9)	10.5% (10)	41.1% (39)	34.7% (33)	4.2% (4)
10.2. Tuition Discounts	10.5% (10)	26.3% (25)	24.3% (23)	20.0% (19)	18.9% (18)
10.3. Corporate Learning/	4.2% (4)	6.3% (6)	52.6% (50)	35.8% (34)	1.1% (1)
10.4. Overseas Seminars/Conferences	13.7% (13)	33.7% (32)	26.2% (25)	21.1% (20)	5.3% (5)
11. Coaching/Mentoring					
11.1. Leadership Training	4.2% (4)	10.5% (10)	41.1% (39)	42.1% (40)	2.1% (2)
11.2. Exposure to Resident Experts	7.4% (7)	20.0% (19)	40.0% (38)	26.3% (25)	6.3% (6)
11.3. Formal/Informal Mentoring	8.4% (8)	13.7% (13)	45.2% (43)	29.5% (28)	3.2% (3)
12. Advancement Opportunities					
12.1. Internships/Learnerships	8.4% (8)	20.0% (19)	36.8% (35)	31.6% (30)	3.2% (3)
12.2. Overseas Assignments	10.5% (10)	31.6% (30)	24.2% (23)	21.1% (20)	12.6% (12)
12.3. Career Ladders and Pathways	10.5% (10)	14.7% (14)	42.1% (40)	31.6% (30)	1.1% (1)
12.4. Succession Planning	11.6% (11)	15.8% (15)	31.6% (30)	38.9% (37)	2.1% (2)
12.5. Job Rotations	12.6% (12)	30.5% (29)	24.2% (23)	25.3% (24)	7.4% (7)

In order to form a stronger opinion of the responses on the importance of the different reward components, the responses on the lower end (not important and least important) and the upper end (important and extremely) of the scale were collapsed. In addition, a combined percentage of 60% or more was selected as indicative of strong preference or not for specific reward components. This was done in order to solidify the preferences indicated by the organisations.

Given the above, a number of components were identified by organisations as **important** and **extremely important**. These are indicated in the Table below.

Table 9: Part B – Preferred Rewards

Reward Elements	Components	%
Financial Rewards	• Basic Salary/Guaranteed Remuneration	96.8%
	• Benefits	84.2%
	• Short-term Incentives	76.9%
Paid and Unpaid Time Off	• Maternity/Paternity Leave	84.2%
Health and Wellness	• Employee Assistance Programmes	85.2%
	• Health Screening	74.7%
	• HIV/AIDS – VCT	71.4%
	• 24-Hour Wellness Line	61.1%
Financial Support	• Transfer and Relocation Benefits	68.4%
Recognition	• Long Service Awards	67.3%
	• Spot Awards	65.3%
Learning Opportunities	• Corporate Learning and Development Centres/In House Training	88.4%
	• Tuition Reimbursement	75.8%
Coaching/Mentoring	• Leadership Training	83.2%
	• Exposure to Resident Experts	66.3%
Advancement Opportunities	• Career Ladders and Pathways	73.7%
	• Succession Planning	70.5%
	• Internships/Learnerships	68.4%

The following Table indicate the reward components that were identified by organisations as **not important** and **least important**.

Table 10: Part B - Least Preferred Rewards

Reward Elements	Components	%
Workplace Flexibility	• Compressed Work Week	65.3%
	• Alternative Work Sites	63.7%
	• Job Sharing	60.0%
Caring for Dependants	• Adoption Assistance Programmes	64.2%
Financial Support	• Adoption Reimbursement	64.2%

5.5. Statistical analysis of the reward preferences

After a basic analysis of the data gathered, descriptive statistics were calculated. The results are reported in the Table below and indicate the mean, median and mode of the data. The standard deviation and skewness are also reported.

Table 11: Statistical Analysis

Reward Elements	N	Mean	Median	Std. Deviation	Skewness
	Valid				
1. Financial Rewards					
1.1. Basic salary/Guaranteed pay	95	3.64	4.00	.582	-1.735
1.2. Benefits	95	3.25	3.00	.825	-.968
1.3. Short-term incentives	95	2.99	3.00	.962	-.784
1.4. Long-term incentives	94	2.83	3.00	1.001	-.240
2. Workplace Flexibility					
2.1. Flexible Working Hours	95	2.88	3.00	1.279	-.028
2.2. Telecommuting	95	2.60	2.00	1.316	.493
2.3. Alternative Work Sites	95	2.40	2.00	1.258	.837
2.4. Compressed Work Week	95	2.37	2.00	1.399	.836
2.5. Job Sharing	95	2.51	2.00	1.443	.684
3. Paid and Unpaid Time Off					
3.1. Maternity/Paternity Leave	95	3.29	3.00	.909	-1.057
3.2. Adoption Leave	95	2.73	3.00	1.241	.266
3.3. Sabbaticals	95	2.43	2.00	1.396	.599
4. Community Involvement					
4.1. Community Volunteer Programmes	95	2.64	3.00	1.091	.205
4.2. In-kind Donations	95	2.68	3.00	1.065	.341
5. Caring for Dependants					
5.1. Adoption Assistance Services	95	2.41	2.00	1.301	.853
5.2. Scholarships	95	2.76	3.00	1.099	.154
6. Health and Wellness					
6.1. Employee Assistance Programmes	95	3.29	3.00	.824	-.716
6.2. Discounted Fitness Club Rates	95	2.81	3.00	1.257	.104
6.3. Health Screening	95	3.11	3.00	.994	-.414
6.4. On-site Work-Life Seminars	95	2.79	3.00	.999	.045
6.5. On-site-Fitness Facilities	95	2.73	3.00	1.171	.188
6.6. HIV/AIDS - VCT	95	3.14	3.00	1.088	-.430
6.7. 24-hour Wellness Line	95	2.89	3.00	1.162	-.123
7. Financial Support					
7.1. Financial Planning	95	2.79	3.00	.977	.088
7.2. Adoption Reimbursement	95	2.54	2.00	1.465	.725
7.3. Transfer and Relocation Benefits	95	3.08	3.00	1.028	-.232
8. Voluntary Benefits					
8.1. Employee Discounts	95	3.15	3.00	1.271	-.092
8.2. Concierge Services	95	2.92	3.00	1.492	.284
9. Recognition					
9.1. Long Service Awards	95	3.06	3.00	1.050	-.354
9.2. Retirement Awards	95	3.03	3.00	1.171	-.306
9.3. Spot Awards	95	2.97	3.00	1.086	-.242
9.4. CEO/Chairman's Awards	95	3.01	3.00	1.309	-.107
9.5. Employee Suggestion Programmes	95	2.84	3.00	1.065	-.109
10. Learning opportunities					
10.1. Tuition reimbursement	95	3.14	3.00	.996	-.611
10.2. Tuition Discounts	95	3.11	3.00	1.284	.046
10.3. Corporate Learning	95	3.23	3.00	.764	-.860
10.4. Overseas Seminars/Conferences	95	2.71	3.00	1.110	.229
11. Coaching/Mentoring					
11.1. Leadership Training	95	3.27	3.00	.844	-.776
11.2. Exposure to Resident Experts	95	3.04	3.00	1.010	-.149
11.3. Formal/Informal Mentoring	95	3.05	3.00	.949	-.487
12. Advancement Opportunities					
12.1. Internships/Learnerships	95	3.01	3.00	.995	-.353
12.2. Overseas Assignments	95	2.94	3.00	1.210	.197
12.3. Career Ladders and Pathways	95	2.98	3.00	.967	-.606
12.4. Succession Planning	95	3.04	3.00	1.051	-.591
12.5. Job Rotations	95	2.84	3.00	1.161	.107

In terms of the results, the following can be deducted:

- **Financial Rewards**

It can be seen from the above descriptive table that all of the **financial rewards** have a negative skewness indicating a positive inclination towards the components. This is further supported by the fact that the majority of the components have higher than average mean values. Since the Likert scale is divided into four categories, the “middle” category (“2.5”) would indicate a neutral response. All the financial reward components scored higher than “2.5”, suggesting an overall positive sentiment. The highest is Basic Salary/Guaranteed Pay, as the only component with a median score of 4.

- **Workplace Flexibility**

As indicated in the Table above Flexible Working Hours has a negative skewness of -0.028 and an above average mean of 2.88, which shows a preference for this component.

- **Paid and Unpaid Time Off**

Maternity/Paternity Leave has a negative skewness indicating that the respondents had a positive inclination towards this component. It also has mean of 3.29.

- **Health and Wellness**

The majority of the components have a positive skewness and all have an above average mean. The four components with a negative skewness are

employee assistance programmes, health screening, HIV/AIDS (VCT) and the 24-hour wellness line. This is an indication that respondents have a high preference for these reward components,

- **Financial Support**

Transfer and Relocation Benefits have an above average mean of 3.08 and a negative skewness of -0.232, which indicate the respondents' preference for this reward component.

- **Recognition**

Recognition is a significant reward element, since the respondents prefer all the reward components. All the reward components have a negative skewness and an above average mean.

- **Learning Opportunities**

Respondents indicated a preference for both Tuition Discounts and Corporate Learning & Development Centres/In House Training have a negative skewness and above average means of 3.14 and 3.23 respectively.

- **Coaching and Mentoring**

Coaching and Mentoring is another significant reward element. The respondents indicated a preference for these components. All the components are negatively skew and have above average medians.

- **Advancement Opportunities**

Internships/Learnerships, Career Ladders & Pathways and Succession planning are the three components preferred by the respondents. All these components have a negative skewness and above average means.

Part C of the questionnaire requested respondents to indicate which reward categories has the greatest impact in attracting and retaining employees. Respondents were requested to select only one of six categories for both attraction and retention. The results are reflected in the following two Tables.

- **Attraction**

The respondents indicated Monthly Salary/Guaranteed Remuneration as the primary factor in attracting employees to the organisation. Little emphasis was placed on the other factors, which are primarily non-financial rewards.

Table 12: Part C – Attraction Rank Order

Rank Order	Reward Category	Frequency	%
1	Guaranteed remuneration	62	65.3%
2	Performance, Recognition & Career Management	13	13.7%
3	Benefits	10	10.5%
4	Short & long term incentives	4	4.2%
5	Work home integration	4	4.2%
6	Quality work environment	2	2.1%
Total		95	100%

- **Retention**

The table below indicates that Performance, Recognition & Career Management was indicated by **46.3%** of the respondents as the key factor in retaining employees. The respondents also identified Monthly Salary/Guaranteed Remuneration as key retention factor at **23.2%**.

Table 13: Part C - Retention Rank Order

Rank Order	Reward Category	Frequency	%
1	Performance, Recognition & Career	44	46.3%
2	Guaranteed remuneration	22	23.2%
3	Short & long term incentives	11	11.6%
4	Work home integration	8	8.4%
5	Benefits	6	6.3%
6	Quality work environment	4	4.2%
Total		95	100%

Part D of the questionnaire assessed individual preferences for different reward categories. Respondents were requested to rank their individual preferences from 1 to 6, with 1 being the most preferred and 6 the least preferred. The results of the analysis are indicated in the Table below.

Table 14: Part D - Individual Reward Preferences

Rank Order	Categories	Response Average	Response Count
1	Monthly salary/Guaranteed remuneration	2.47	95
2	Performance, Recognition & Career management (development opportunities/inspirational leadership)	3.36	95
3	Variable pay (Short-term and Long-term incentives)	3.45	95
4	Benefits (medical aid/retirement funding/leave)	3.70	95
5	Work-home integration (flexible working hours/half day leave/ability to work from home)	3.77	95
6	Quality work environment (fitness centre on site/medical centre on site/latest technology)	4.24	95

The majority of the respondents indicated Monthly Salary/Guaranteed Remuneration as the preferred reward category, with an average response rate of **2,47**. Performance, Recognition and Career Management with an average response rate of **3.36** followed this.

5.6. Inferential Testing of the Individual Reward Preferences

ANOVA and Independent Samples t-test were used to conduct the analysis of this section. These tests were utilised to determine whether any of the background variables specified have a statistical relationship with the work constructs in the laid out research objectives.

However, before the inferential testing can take place, recoding or re-categorising is required of some of the selected demographic variables. This

is in order to improve on cell representation, so that no bias can be inherent in the analyses due to lack of representation. Hence the demographics were coded as follows:

- **Race:** African, Coloured and Indian were grouped as “Black”.
- **Age:** 18 to 29 and 30 to 39 were grouped as “18 to 39” and 40 to 49 as well as 50 to 59 were grouped as “40 to 59”.
- **Qualifications:** Matric and other were excluded from the analysis, due to a lack of representation.
- **Job Level:** Administrative, Specialist, and Junior Manager were grouped as Operational.
- **Job Family:** Sales and Service, Information Technology, Finance, Marketing, Process & Project Management and Operations were grouped as “Other”
- **Years of Service:** 0 to 2 years and 2 to 5 were grouped as “0 to 5” and 5 to 10 years and 10 years plus were grouped as 5 years plus.

Given the above, the following revised demographic variables were recorded:

Table 15: Composite of Demographics

Demographics		Frequency	Percent	Valid Percent	Cumulative Percent
Race					
Valid	Black	49	51.6	51.6	51.6
	White	46	48.4	48.4	100.0
Age					
Valid	18 to 39	41	43.2	43.2	43.2
	40 to 59	54	56.8	56.8	100.0
Qualifications					
Valid	Degree	39	41.1	43.8	43.8
	Post graduate	50	52.6	56.2	100.0
	Total	89	93.7	100.0	
Missing	System	6	6.3		
Job Level					
Valid	Operational	25	26.3	26.6	26.6
	Senior/General Management	49	51.6	52.1	78.7
	Executive Management	20	21.1	21.3	100.0
	Total	94	98.9	100.0	
Missing	System	1	1.1		
Job Family					
Valid	Human Resources	60	63.2	63.2	63.2
	Other	35	36.8	36.8	100.0
Years of Service					
Valid	0 to 5	43	45.3	45.3	45.3
	5 +	52	54.7	54.7	100.0

- **Gender**

The table below reflects the difference in answers between Males and Females regarding the importance of the different reward categories. The descriptive statistics are depicted in the Table below for the gender categories.

Table 16: Gender - Group Statistics

Group Statistics				
Reward Categories	Gender	N	Mean	Std. Deviation
D1. Monthly salary/Guaranteed remuneration?	Male	64	2.63	1.830
	Female	31	2.16	1.828
D2. Variable pay (Short-term and long-term incentives)?	Male	64	3.42	1.735
	Female	31	3.52	1.503
D3. Benefits (medical aid, retirement funding, and leave)?	Male	64	3.80	1.449
	Female	31	3.52	1.503
D4. Performance, Recognition & Career management (development opportunities, inspirational leadership)	Male	64	3.33	1.533
	Female	31	3.42	1.089
D5. Quality work environment (fitness centre on site, medical centre on site, latest technology)?	Male	64	3.92	1.703
	Female	31	4.90	1.491
D6. Work/home integration (flexible working hours, half day leave, and ability to work from home)?	Male	64	3.91	1.630
	Female	31	3.48	1.710

The results of the t-test are depicted in the following Table. From the Independent Samples t-test it is clear that the only significant difference in mean scores between the different gender categories was for Quality Work Environment (p-value < 0.05).

Table 17: Mean Scores by Gender

Independent Samples T-Test			
Reward Categories	t	df	Sig. (2-tailed)
D1. Monthly salary/Guaranteed remuneration?	1.158	93	.250
D2. Variable pay (Short-term and long-term incentives)?	-.259	93	.796
D3. Benefits (medical aid, retirement funding, and leave)?	.875	93	.384
D4. Performance, Recognition & Career management (development opportunities, inspirational leadership)	-.333	80.128	.740
D5. Quality work environment (fitness centre on site, medical centre on site, latest technology)?	-2.739	93	.007
D6. Work/home integration (flexible working hours, half day leave, and ability to work from home)?	1.165	93	.247

In terms of Quality Work Environment the p-value is 0.007. Hence there is a significant difference in preference between the gender groups. Males with mean of **3.92** have a higher preference for Quality Work Environment than do Females with a mean of **4.90**.

- **Race**

The descriptive statistics for the race categories are depicted in the following table.

Table 18: Race - Group Statistics

Group Statistics				
Rewards Categories	Race	N	Mean	Std. Deviation
D1. Monthly salary/Guaranteed remuneration?	Black	49	2.39	1.835
	White	46	2.57	1.846
D2. Variable pay (Short-term and long-term incentives)?	Black	49	3.71	1.744
	White	46	3.17	1.525
D3. Benefits (medical aid, retirement funding, and leave)?	Black	49	3.69	1.372
	White	46	3.72	1.573
D4. Performance, Recognition & Career management (development opportunities, inspirational leadership)	Black	49	3.24	1.217
	White	46	3.48	1.574
D5. Quality work environment (fitness centre on site, medical centre on site, latest technology)?	Black	49	4.14	1.658
	White	46	4.35	1.741
D6. Work/home integration (flexible working hours, half day leave, and ability to work from home)?	Black	49	3.82	1.764
	White	46	3.72	1.559

The results of the t-test are recorded in the following Table. All the p-values are above 0.05. Therefore there is no significant difference in preference between the race groups.

Table 19: Mean Scores by Race

Independent Samples T-Test			
Reward Categories	t	df	Sig. (2-tailed)
D1. Monthly salary/Guaranteed remuneration?	-.470	93	.640
D2. Variable pay (Short-term and long-term incentives)?	1.603	93	.112
D3. Benefits (medical aid, retirement funding, and leave)?	-.078	93	.938
D4. Performance, Recognition & Career management (development opportunities, inspirational leadership)	-.805	84.671	.423
D5. Quality work environment (fitness centre on site, medical centre on site, latest technology)?	-.588	93	.558
D6. Work/home integration (flexible working hours, half day leave, and ability to work from home)?	.289	93	.773

- **Age**

The descriptive statistics of the different age groups is reflected in the Table below.

Table 20: Age - Group Statistics

Group Statistics				
Reward Categories	Age	N	Mean	Std. Deviation
D1. Monthly salary/Guaranteed remuneration?	18 to 39	41	2.10	1.546
	40 to 59	54	2.76	1.990
D2. Variable pay (Short-term and long-term incentives)?	18 to 39	41	3.73	1.566
	40 to 59	54	3.24	1.704
D3. Benefits (medical aid, retirement funding, and leave)?	18 to 39	41	3.83	1.626
	40 to 59	54	3.61	1.338
D4. Performance, Recognition & Career management (development opportunities, inspirational leadership)	18 to 39	41	3.54	1.416
	40 to 59	54	3.22	1.383
D5. Quality work environment (fitness centre on site, medical centre on site, latest technology)?	18 to 39	41	4.34	1.667
	40 to 59	54	4.17	1.724
D6. Work/home integration (flexible working hours, half day leave, and ability to work from home)?	18 to 39	41	3.46	1.535
	40 to 59	54	4.00	1.72

It is clear from the results of Independent Samples t-test in the following Table that there are no discernable differences in preferences between the different age categories.

Table 21: Mean Scores by Age

Independent Samples T-Test			
Reward Categories	t	df	Sig. (2-tailed)
D1. Monthly salary/Guaranteed remuneration?	-1.824	92.938	.071
D2. Variable pay (Short-term and long-term incentives)?	1.440	93	.153
D3. Benefits (medical aid, retirement funding, and leave)?	.717	93	.475
D4. Performance, Recognition & Career management (development opportunities, inspirational leadership)	1.086	93	.280
D5. Quality work environment (fitness centre on site, medical centre on site, latest technology)?	.496	93	.621
D6. Work/home integration (flexible working hours, half day leave, and ability to work from home)?	-1.573	93	.119

- **Qualifications**

The following table depicts the descriptive statistics for the different qualifications categories.

Table 22: Qualifications - Group Statistics

Reward Categories	Group Statistics			
	Qualifications	N	Mean	Std. Deviation
D1. Monthly salary/Guaranteed remuneration?	Degree	39	2.74	1.888
	Post graduate	50	2.26	1.736
D2. Variable pay (Short-term and long-term incentives)?	Degree	39	3.51	1.620
	Post graduate	50	3.28	1.654
D3. Benefits (medical aid, retirement funding, and leave)?	Degree	39	3.74	1.371
	Post graduate	50	3.84	1.490
D4. Performance, Recognition & Career management (development opportunities, inspirational leadership)	Degree	39	3.05	1.317
	Post graduate	50	3.66	1.437
D5. Quality work environment (fitness centre on site, medical centre on site, latest technology)?	Degree	39	4.08	1.869
	Post graduate	50	4.30	1.594
D6. Work/home integration (flexible working hours, half day leave, and ability to work from home)?	Degree	39	3.87	1.689
	Post graduate	50	3.66	1.698

The p-value for Performance, Recognition and Career Management is .043. Hence there is a significant difference in preference between the respondents with different levels of qualification. Respondents with degrees, with a mean of **3.05**, have a higher preference for this reward category.

Table 23: Mean Scores by Qualification

Independent Samples T-Test			
Reward Categories	t	df	Sig. (2-tailed)
D1. Monthly salary/Guaranteed remuneration?	1.255	87	.213
D2. Variable pay (Short-term and long-term incentives)?	.665	87	.508
D3. Benefits (medical aid, retirement funding, and leave)?	-.314	87	.755
D4. Performance, Recognition & Career management (development opportunities, inspirational leadership)	-2.056	87	.043
D5. Quality work environment (fitness centre on site, medical centre on site, latest technology)?	-.607	87	.545
D6. Work/home integration (flexible working hours, half day leave, and ability to work from home)?	.585	87	.560

- **Job Level**

The descriptive statistics for the different job level categories are depicted in the following table.

Table 24: Job Level Descriptives

Reward Categories	Descriptives			
	Job Level	N	Mean	Std. Deviation
D1. Monthly salary/Guaranteed remuneration?	Operational	25	2.52	1.851
	Senior/General Management	49	2.24	1.690
	Executive Management	20	3.00	2.152
D2. Variable pay (Short-term and long-term incentives)?	Operational	25	3.68	1.909
	Senior/General Management	49	3.80	1.414
	Executive Management	20	2.35	1.496
D3. Benefits (medical aid, retirement funding, and leave)?	Operational	25	3.88	1.536
	Senior/General Management	49	3.49	1.445
	Executive Management	20	4.00	1.451
D4. Performance, Recognition & Career management (development opportunities, inspirational leadership)	Operational	25	3.08	1.525
	Senior/General Management	49	3.57	1.354
	Executive Management	20	3.05	1.191
D5. Quality work environment (fitness centre on site, medical centre on site, latest technology)?	Operational	25	4.44	1.474
	Senior/General Management	49	4.14	1.871
	Executive Management	20	4.40	1.392
D6. Work/home integration (flexible working hours, half day leave, and ability to work from home)?	Operational	25	3.40	1.414
	Senior/General Management	49	3.76	1.738
	Executive Management	20	4.20	1.735

The following table indicates that there is a significant difference between the groups in terms of Variable Pay as the p-value is 0.003.

Table 25: ANOVA

ANOVA						
Reward Categories	Job Level	Sum of Squares	df	Mean Square	F	Sig.
D1. Monthly salary/Guaranteed remuneration?	Between Groups	8.156	2	4.078	1.208	.304
	Within Groups	307.301	91	3.377		
D2. Variable pay (Short-term and long-term incentives)?	Between Groups	31.381	2	15.690	6.319	.003
	Within Groups	225.949	91	2.483		
D3. Benefits (medical aid, retirement funding, and leave)?	Between Groups	4.775	2	2.387	1.103	.336
	Within Groups	196.885	91	2.164		
D4. Performance, Recognition & Career management (development opportunities, inspirational leadership)	Between Groups	5.987	2	2.993	1.595	.209
	Within Groups	170.790	91	1.877		
D5. Quality work environment (fitness centre on site, medical centre on site, latest technology)?	Between Groups	1.849	2	.924	.327	.722
	Within Groups	256.960	91	2.824		
D6. Work/home integration (flexible working hours, half day leave, and ability to work from home)?	Between Groups	7.111	2	3.556	1.293	.279
	Within Groups	250.261	91	2.750		

The next Table indicates that Executive Management differs from Senior/General Management & Operational employees in terms of their preference with regard to Variable pay (Short-term and long-term incentives).

Table 26: Job Level - Dunnett T3 Post Hoc Test

Multiple Comparisons						
Test: Dunnett T3, Dependent Variable: Variable Pay (Short-term and long-term incentives)?						
Job Level		Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Operational	Senior/General Management	-.116	.432	.990	-1.19	.96
	Executive Management	1.330*	.508	.036	.07	2.59
Senior/General Management	Operational	.116	.432	.990	-.96	1.19
	Executive Management	1.446*	.391	.002	.47	2.43
Executive Management	Operational	-1.330*	.508	.036	-2.59	-.07
	Senior/General Management	-1.446*	.391	.002	-2.43	-.47

Given the fact that Executive Management has a lower mean **2.35** compared to Senior/General Management and Operations employees, with means of **3.8** and **3.68** respectively, it is evident that they have a higher preference for Variable Pay.

- **Job Family**

The descriptive statics related to the job family categories is depicted in the following Table.

Table 27: Job Family - Group Statistics

Group Statistics				
Reward Categories	Job Family	N	Mean	Std. Deviation
D1. Monthly salary/Guaranteed remuneration?	Human Resources	60	2.18	1.610
	Other	35	2.97	2.093
D2. Variable pay (Short-term and long-term incentives)?	Human Resources	60	3.62	1.563
	Other	35	3.17	1.790
D3. Benefits (medical aid, retirement funding, and leave)?	Human Resources	60	3.50	1.321
	Other	35	4.06	1.644
D4. Performance, Recognition & Career management (development opportunities, inspirational leadership)	Human Resources	60	3.40	1.368
	Other	35	3.29	1.467
D5. Quality work environment (fitness centre on site, medical centre on site, latest technology)?	Human Resources	60	4.35	1.793
	Other	35	4.06	1.514
D6. Work/home integration (flexible working hours, half day leave, and ability to work from home)?	Human Resources	60	3.95	1.712
	Other	35	3.46	1.540

The results of the t-test are indicated in next Table. From the Independent Samples t-test it is clear that there are no significant difference preferences between the job families.

Table 28: Mean Scores by Job Family

Independent Samples T-Test			
Reward Categories	t	df	Sig. (2-tailed)
D1. Monthly salary/Guaranteed remuneration?	-1.920	57.572	.060
D2. Variable pay (Short-term and long-term incentives)?	1.269	93	.208
D3. Benefits (medical aid, retirement funding, and leave)?	-1.810	93	.074
D4. Performance, Recognition & Career management (development opportunities, inspirational leadership)	.382	93	.703
D5. Quality work environment (fitness centre on site, medical centre on site, latest technology)?	.812	93	.419
D6. Work/home integration (flexible working hours, half day leave, and ability to work from home)?	1.403	93	.164

The p-values are all above 0.05. Therefore there is no difference in preference between the respondents based on the job families.

- **Years of Service**

The table below represents the descriptive statistics of the years of service categories.

Table 29: Years of Service - Group Statistics

Group Statistics				
Reward Categories	Years of Service	N	Mean	Std. Deviation
D1. Monthly salary/Guaranteed remuneration?	0 to 5	43	2.72	1.804
	5 +	52	2.27	1.848
D2. Variable pay (Short-term and long-term incentives)?	0 to 5	43	3.60	1.692
	5 +	52	3.33	1.630
D3. Benefits (medical aid, retirement funding, and leave)?	0 to 5	43	4.02	1.488
	5 +	52	3.44	1.406
D4. Performance, Recognition & Career management (development opportunities, inspirational leadership)	0 to 5	43	3.56	1.517
	5 +	52	3.19	1.284
D5. Quality work environment (fitness centre on site, medical centre on site, latest technology)?	0 to 5	43	3.91	1.887
	5 +	52	4.52	1.475
D6. Work/home integration (flexible working hours, half day leave, and ability to work from home)?	0 to 5	43	3.19	1.468
	5 +	52	4.25	1.667

The results of the t-test are indicated in following Table.

Table 30: Mean Scores by Years of Service

Independent Samples T-Test			
Reward Categories	t	df	Sig. (2-tailed)
D1. Monthly salary/Guaranteed remuneration?	1.199	93	.234
D2. Variable pay (Short-term and long-term incentives)?	.813	93	.419
D3. Benefits (medical aid, retirement funding, and leave)?	1.952	93	.054
D4. Performance, Recognition & Career management (development opportunities, inspirational leadership)	1.273	93	.206
D5. Quality work environment (fitness centre on site, medical centre on site, latest technology)?	-1.774	93	.079
D6. Work/home integration (flexible working hours, half day leave, and ability to work from home)?	-3.266	93	.002

The p-value for Work/Home Integration is 0.002, which indicates that there is a significant difference in preference in terms of years of service. Respondents with 0 to 5 years service have a higher preference for Work/Home Integration than those with years of service of 5 years and more, given their lower mean score of 3.19.

5.7. Conclusion

This chapter was a presentation and compilation of the research results of the variables under investigation. These results were presented in terms of the research questionnaire and were reported by means of graphs and tables. In terms of the results of the survey, respondents have a preference for all the components of financial rewards, particularly for Basic Salary/Guaranteed Remuneration. In terms of non-financial rewards, 75% or more of the respondents indicated a preference for the following components:

- Maternity/Paternity Leave
- Employee Assistance Programmes
- Health Screening
- Tuition Reimbursement
- Corporate Learning and Development Centres/In House Training
- Leadership Training

The following chapter presents an in depth analysis of the results with a specific focus on interpreting the findings of the study.

6. Discussion and Interpretation

6.1. Introduction

The primary purpose of the study was to determine the extent to which South African organisations are utilizing non-financial rewards to attract and retain employees by answering the research questions. This chapter will provide an in-depth discussion of the research findings from both the literature review and the empirical research and attempts to integrate these findings into a meaningful conclusion.

The section will commence with the demographic profiles of the respondents and then exemplify the rest of the constructs under investigation.

6.2. Demographic Profile

In spite of the fact that the survey respondents were primarily males and of white ethnicity there were still a large number of employees with varying demographic profiles who participated. Consequently a number of different preferences were indicated in the results of the research. In terms of the literature review, Hiles (2009) comments that employees have varying degrees of value. According to Chiu et al. (2002), researchers and managers of human resources need to identify the most important reward components that satisfy employee's needs.

The literature review also states that organisations should avoid being too prescriptive in its overall offering and should attempt to customize benefits according to the individual needs of employees. This view is also supported by Bussin (2008), he suggests that it is important that companies become more flexible and that if they want to maximize the performance of their employees, they need to understand that there are different generations with different preferences regarding work, rewards and recognition. All of this will have an impact on the total reward approach adopted by the company. In support of the literature, the results of the research indicated that organisations follow a holistic approach in terms of their total reward offering and that individuals do have varying preferences.

It can be concluded that in the ever-changing world of work, organisations constantly need to feel the pulse of employee preferences in designing their total reward offerings. The varying degrees of employee profiles, values and needs dictate a holistic and integrated approach toward reward.

6.3. Discussion - Research Question 1

What are the broad sets of elements that form part of the total reward offering?

The analysis of the descriptives indicates that organisations primarily utilise the following elements as part of the total reward offering:

- **Financial Rewards** - All the components of this element were preferred by the participating organisations, with specific emphasis on Basic Salary/Guaranteed Pay. This is in line with the literature review, where Rynes et al (2004) is of the view that the reason for the significance of pay is that it is broadly applied and that it has various symbolic meanings, which can assist in most of the levels in Maslow's motivational hierarchy. According to Haynes (2002), exceptional human relations cannot substitute insufficient monetary rewards.

- **Non-Financial Rewards** – In terms of the research the following non-financial rewards were preferred by the respondents:
 - **Workplace Flexibility** – The respondents primarily preferred Flexible Working Hours.
 - **Paid and Unpaid Time Off** – Maternity/Paternity Leave was the main component identified by organisations.
 - **Health and Wellness** – The primary components identified by the respondents were Employee Assistance Programmes, Health Screening, HIV/AIDS (VCT) and the 24-Hour Wellness Line.
 - **Financial Support** – Transfer and Relocation benefits were the primary preference of respondents.
 - **Recognition** – All the components, especially Retirement Awards, were preferred by the respondents.

- **Learning Opportunities** – Tuition Discounts and Corporate Learning & Development Centres/In House Training were preferred by the responding organisations.
- **Coaching and Mentoring** – All the components, especially Leadership Training, were preferred by the participants.
- **Advancement Opportunities** – The three components with the highest level of preference by the participating organisations were Internships/Learnerships, Career Ladders & Pathways and especially Succession Planning.

Based on the WorldatWork’s total reward model, the financial and non-financial elements can be clustered into the following core categories:

Table 31: WorldatWork Total Reward Model vs. The Empirical Research

WorldatWork Model	Empirical Research
<ul style="list-style-type: none"> • Compensation or remuneration 	<ul style="list-style-type: none"> • Financial rewards
<ul style="list-style-type: none"> • Benefits 	<ul style="list-style-type: none"> • Paid and unpaid time off
<ul style="list-style-type: none"> • Work-Life 	<ul style="list-style-type: none"> • Health and wellness • Financial support
<ul style="list-style-type: none"> • Performance and Recognition 	<ul style="list-style-type: none"> • Recognition
<ul style="list-style-type: none"> • Development and career opportunities 	<ul style="list-style-type: none"> • Learning opportunities • Coaching and mentoring • Advancement opportunities

It is evident that most of the participating organisations employ a total reward approach in terms of their reward offering. However, given the evolution of rewards, it appears to be a very traditional approach, indicating that organisations typically employ a benchmark-and-follow approach.

It could be argued that financial reward components such as Basic Salary/Guaranteed Pay and Benefits present all organisations with a ticket into “the game”. Hence its prominence in the research results. In addition, benefits such as medical aid and pension fund contributions are in many instances subject to extended agreements with organised labour. Hence companies cannot just change these benefits randomly. However, due to the cost implications associated with financial rewards, companies cannot position it as the differentiator in the intensifying challenge for talented people. As is evident in the literature, organisations are increasingly interested in reducing labour costs and increasing employee productivity and profits. However, the research results indicate that financial rewards, specifically Basic Salary/Guaranteed Pay is primarily utilised by organisations to attract employees. The retention factors are primarily non-financial rewards.

South Africa is regarded as having the population with the highest rate of HIV/AIDS infections in the world. The public and private sector has recognised the dire consequences of this pandemic and have responded accordingly. Hence, it is not surprising that this is a prominent category in the research results.

The impact of technological advancements over the years and more recently the economic recession has brought about retrenchments. Hence, Financial Support, specifically Financial Planning, has become one of the key practices over the years.

Recognition is a very typical reward element within the total reward approach. This was illustrated by the fact that all the respondents had a preference for its components. It is also typical in the sense that in the modern world of work components such as Long-Service Awards and Retirement Awards are not necessarily going to contribute towards enhancing the competitiveness of an organisations total reward offering.

All the components that form part of Development and Career Opportunities are viewed by organisation as critical to their continued survival and are also a key factor in terms of black economic empowerment.

6.4. Discussion – Research Question 2

What is the extent to which organisations are utilising non-financial rewards as part of the total reward offering in attracting and retaining employees?

The discussion that was presented in relation to Question 1 is relevant to this question, with the exception of financial rewards. In terms of the empirical research, the primary non-financial elements utilised by organisations are:

- Paid and Unpaid Time
- Health and Wellness
- Financial Support

- Recognition
- Learning Opportunities
- Coaching and Mentoring
- Advancement Opportunities

These elements are typical practices within the South African context. As mentioned, these practices are to a large extent informed by labour legislation and South Africa's unique macro environmental factors. This supports Bussin's (2003) notion that the management of remuneration is no longer simple due to the pressures of the volatile macro business environment.

A lot has been written and said about non-financial reward elements such as Workplace Flexibility, specifically components such as Flexible Working Hours, Telecommuting and Alternative Work Sites. Other non-financial reward components that have also been mentioned include Sabbaticals, Discounted Fitness Club Rates, Concierge Services and Job Rotations. However, none of these components feature prominently in the research results. The fact that organisations are in fact utilising these components, even though it is to a lesser extent, could be an indication of the positioning of the same at different job levels, such as Concierge Services and Sabbaticals for Executive Management or Job Rotations at the Operational Level.

It evident from the empirical research that a combination of different reward categories is used by organisations. This is supported by the literature review, where it is stated that several approaches have been taken to total reward (Employee Benefits Magazine, 2007). This is also reflected in the different reward models presented in Chapter 2. Therefore finding the right balance between financial and non-financial rewards is critical to organisations in attracting and retaining employees. Essentially organisations need to optimise the use of limited resources.

6.5. Discussion – Research Question 3

Do different rewards have varying degrees of impact from an attraction and retention perspective?

- **Attraction**

An analysis of results indicates that organisations prefer Guaranteed Remuneration as the primary reward category to attract potential employees, with the least preferred being a Quality Work Environment. Nienaber (2009) supports these findings. In the study conducted by the Corporate Leadership Council (2002a; 1999a), referred to in the literature review, basic salary was found to be the most important element of a job offer to a prospective employee and is the least likely to be traded away for any other attribute. In a study conducted by Kerr-Phillips and Thomas (2009), it is noted that all the participants regarded a competitive remuneration package as a factor that would attract them to an organisation. However, it was not mentioned by any as a factor that would promote their retention.

- **Retention**

Performance, Recognition & Career Management was preferred by the respondents as the primary factor in retaining employees and was followed by Guaranteed Remuneration. These findings are supported by the research conducted by Nienaber (2009). Performance and Career Management has the greatest influence on employees' decision to remain with an organisation. Nienaber further states that Performance and Career Management aligns to intrinsic motivation, which is even more crucial to the new world of work. The research results are in slight contrast with findings of a study conducted by the Saratoga Institute (Saratoga PricewaterhouseCoopers, 2006), which found the five most important drivers of retention, in order of priority, to be:

1. Culture and work environment (including communication, confidence in management, organisational stability);
2. Training and development (including training, mentoring, ongoing development opportunities and education);
3. Supervisor roles (including the relationship with the supervisor);
4. Career growth and earnings potential.

The research supports the findings by Dockel et al. (2006), money is still the primary incentive utilised by organisations to attract employees. However, once the remuneration levels have been attained, intangibles such as career management, direct manager support, work and family balance become important considerations. These results are reflective of the holistic reward

model employed by organisations that includes both intrinsic and extrinsic categories. It is evident that attraction and retention are informed by an intricate system of reward factors that is also influenced by peers, management and organisational factors (Nienaber, 2009).

6.6. Discussion – Research Question 4

What are the individual reward preferences and are there demographic differences between the answers?

The respondents indicated Monthly Salary/Guaranteed Remuneration as the most preferred most reward category, as indicated in Chapter 5. The lowest ranked category was Quality Work Environment. The research is supported by findings in the study conducted by Nienaber (2009), which indicated the most important category as Monthly Salary and a Quality Work Environment were viewed as the least important.

The fact that respondents have highlighted Monthly Salary as the preferred reward category may be as a result of the economic climate over the past few years. Certain companies have frozen salaries and others have decreased salaries, which have placed a severe strain on the disposable income of households.

6.6.1. The Influence of Demographic Variables on Individual Reward

Preferences

The study indicates that individual reward preferences differ for the following demographic variables:

- Gender
- Job level and
- Years of service

These differences are discussed in more detail in the following section.

Gender

Statistically significant differences were found in terms of gender with regard to Quality Work Environment. Males have indicated a higher preference for this category than females. These findings are in contrast with a similar study conducted by Nienaber (2009).

The difference in this category could be explained by the high number of male respondents (64) compared to the females (31). This could skew the results into producing the responses and differences in the means that were reported. Another possible explanation could be the different research methodologies applied between the research and the cited literature.

Notwithstanding the above, it is evident that employers would have to consider Quality Work Environment if they want to be competitive in attracting and retaining employees.

Job Level

The key difference is Executive Managements' preference for Variable Pay compared to the rest of the groups. This could be as a result of the fact that employees at this level are normally subject to reward practices that dictates higher levels of variable pay compared to guaranteed remuneration. It must also be stated that the guaranteed remuneration of employees on this level is normally well positioned in relation to the market. In addition, being at the Executive Management level is to a degree an indication of the culmination of all the six reward categories discussed.

Years of Service

Respondents with 0 to 5 years service have a higher preference for Work/Home Integration than those with more than 5 years service. This could possibly be explained by the difference in generation profiles. Employees in this category are typically newly employed and fit the Generation Y profile. Generation Y employees grow-up with the concepts of portability and mobility. Members of this generation want to work faster and better than anyone else (Bussin & Fletcher, 2008). According to Bussin and Moore (2009), corporate employment is senseless, hypocritical and boring to Generation Y employees. They further state that this generation has created a lively new evening and night-time economy.

6.7. Conclusion

The importance of a holistic approach in terms of reward was clearly illustrated by the research results. Organisations can only extract the full value of the total reward approach if they have an understanding of the varying employee preference and the potential impact of external factors. The broad set of reward elements, identified through this research, fits in well with the WorldatWork Total Reward Model. It is an indication of how well organisations have adopted this approach in relation to varying needs of a dynamic labour force.

As alluded to, non-financial rewards feature prominently in the research results and its value should not be underestimated. However, financial rewards remain the primary rewards category for both organisations and employees.

From an attraction and retention perspective, the participating organisations seem to have attained the correct balance. Guaranteed Remuneration is offered as an attraction mechanism and employees view the same as the primary factor in their decision to join. This observation is also applicable to Performance, Recognition & Career Management from a retention point of view.

The following chapter will highlight the main findings of the research. It also presents recommendations to stakeholders based on the findings and for future research.

7. Conclusion

7.1 Introduction

This chapter will focus on highlighting the main findings of the research, as well as, provide recommendations to key stake holders based on these findings. Recommendations for further research and the limitations that were identified are presented.

7.2 Main Findings of the Study

The purpose of the study was to determine if South African organisations are utilising non-financial rewards as competitive advantage in attracting and retaining employees. It attempted to do this by answering the following questions:

Question 1: What are the broad sets of elements that form part of the total reward offering?

The primary elements that were identified by organisations were:

- a. Financial Rewards
- b. Workplace Flexibility
- c. Paid and Unpaid Time Off

- d. Health and Wellness
- e. Financial Support
- f. Recognition
- g. Learning Opportunities
- h. Coaching and Mentoring

All the other reward elements that were investigated are also utilised by the participating organisations even though it was to a lesser extent. A key finding is that organisations follow a holistic approach in terms of their total reward offering. The key elements highlighted above all fit in well with the WorldatWork's Total Reward Model.

Question 2 - What is the extent to which organisations are utilising non-financial rewards as part of the total reward offering in attracting and retaining employees?

As indicated in Question 1 above, non-financial rewards are indeed positioned as part of the holistic total reward approach. However, organisations place primary emphasis on financial rewards.

As stated in the literature review, some of these non-financial rewards are increasingly being overlooked. Few organisations attach a value to these rewards nor do they put it into context in order to illustrate the full extent of their offering to employees. The literature highlighted the fact that, in spite of

its importance, many elements of reward have hardly been uncovered (Chaing & Birch, 2008).

Given some of the problems presented in the literature, with regard to financial rewards, it is worth that organisations consider a bigger emphasis on non-financial rewards. Non-financial rewards have the potential to improve the competitiveness of organisations in attaining and retaining the services of talented people. As indicated these types of rewards are flexible, personal and easy to use. Non-financial rewards are also much more difficult to replicate and can be customised according to individual preferences.

Question 3 - Do different rewards have varying degrees of impact from an attraction and retention perspective?

It was found that organisations utilise Guaranteed Remuneration as the primary reward component to attract potential employees. Performance, Recognition & Career Management was highlighted by organisations as the primary factor in retaining employees.

Question 4 - What are the individual reward preferences and are there demographic differences between the answers?

Overall the main finding was the preference for Monthly Salary/Guaranteed Remuneration by individuals. In terms of the demographics, the findings indicated significant differences in terms of the following factors.

- **Gender** - Males had a higher inclination towards a Quality Work Environment, which is questionable given the sample size and the results of a previous study.
- **Job level** - It was found that Executive Management had a higher preference for Variable Pay.
- **Years of service** – Employees with 0 to 5 years service had a higher inclination towards Work/Home Integration.

Given the above, it was deducted that employees have a preference for a combination of reward factors. The extent to which certain factors are regarded as more significant is informed by the demographics.

7.3. Recommendations

Given the context and results of this study, it is safe to say that there is a place for non-financial rewards. However, in terms of the total reward approach, the driving force is still financial rewards. The research results indicate that organisations have a much higher inclination towards financial rewards and individuals prefer the same. This begs the question - To what extent has the impact of the economic recession informed individuals' inclination towards financial rewards? It is recommended that organisations continually review their reward practices to ensure alignment with the

potential impact of changes in the macro environment and to make allowance for different requirements based on the demographic factors of their employees.

The fact that certain organisations are in fact using non-financial reward elements such as Voluntary Benefits, Community Involvement and Caring for Dependants presents alternative options for organisations to consider in expanding their existing total reward offering. More specifically, it presents organisations with alternative options to consider in the ever-intensifying war for talented people. Hence, it is recommended that organisations continually review the value of these elements with the objective of attaining a competitive advantage in their total reward approach.

From an attraction and retention perspective, it is recommended that organisations pro-actively position non-financial elements as part of the initial offer of employment. This would illustrate to potential and existing employees that organisations comprehend the long-term value of non-financial rewards and is also prepared to accommodate individual preferences accordingly.

7.4. Limitations of the Research

Individual preferences in terms of reward categories were gained from the same respondents who participated in providing the organisational view. It would be more insightful to have the views of a completely different set of respondents.

The focus was on the quantitative study through the requisite questionnaire. The respondents' views may well be better captured in conjunction with a qualitative analysis.

The study focused on the views of respondents in the human resources area, more specifically, reward professionals. It would be useful to expand the study to include the views of employees in other areas.

The relatively small sample of 95 respondents means that the research lacks depth. Hence, the results from the research must be used with caution.

Although the study explores the theory in understanding the value of extrinsic motivation and intrinsic motivation, the research questionnaire does not test the value of intrinsic factors.

7.5. Suggestions for Future Research

The theory suggests that non-financial rewards have a dominant place in rewarding employees. This is contradicted by the findings of the empirical research, which show that employees have a higher degree of preference for financial rewards. However, given the size of the sample and possible impact of the economic downturn, further investigation is warranted. Hence, further studies could look at retesting these results by using a bigger sample in less demanding economic circumstances.

Another suggested study is whether different macro environmental factors have an impact on employee reward preferences. In other words would employees have different reward preferences given the impact of varying economic circumstances?

A further study to consider is the value of extrinsic motivation in relation to extrinsic motivation from a South African perspective.

7.6. Conclusion

It evident that from the research that companies recognize the value of non-financial rewards. However primary emphasis is still placed on financial rewards within the total reward offering. Following an intricate and dynamic total reward approach is fundamental to the success of organisations operating in ever intensifying and dynamic business and labour markets. The impact of globalisation also compels South African organisations to revisit their reward practice with the emphasis on mobility and fluidity.

The ever-increasing costs of doing business may be the perfect catalysts for management to take a closer look at non-financial rewards, which often don't require huge capital investments. This will increase the perceived value of their total reward offering. These types of reward categories may very well become the deciding factors for potential employees in deciding to join and remain with an organisation.

8. Appendices

8.1. Appendix one: Reference list

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8.2. Appendix two: Reward Preferences Questionnaire

Reward Preferences

1. Part A: Demographic Factors

1. What is your gender?

Male

Female

2. What is your racial group?

African Indian

Coloured White

3. What is your age?

18 to 29 50 to 59

30 to 39 60+

40 to 49

4. What is your highest qualification?

Matric Post graduate

Degree/Diploma Other (Please specify)

Other (please specify)

5. Which description best describes your current position?

Administrative/Clerical

Specialist

Junior Management

Senior/General Management

Executive Management

Other (please specify)



Reward Preferences

6. In what job family does your current job fit?

- Human Resources
- Sales and Services
- Information Technology
- Finance
- Marketing/Communications
- Process and Project Management
- Operations and Production

Other (please specify)

7. How long have you been working for your current employer?

- 0 to 2 years
- 2 to 5 years
- 5 to 10 years
- 10 years +

Reward Preferences

2. Part B: Reward Preferences

The following questions are aimed at determining how important different rewards are to your organisation. Please indicate your organisation's preference on the 1 to 4 scale provided, where 1= not at all important and 4 being extremely important by ticking the appropriate box.

1. Financial Rewards

	1 - Not Important	2 - Least Important	3 - Important	4 - Extremely Important
Basic salary/Guaranteed pay	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Benefits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Short-term incentives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Long-term incentives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. Workplace Flexibility

	1 - Not Important	2 - least Important	3 - Important	4 - Extremely Important	N/A
Flexible working week	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Telecommuting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Alternative work sites	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Compressed work week	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Job sharing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. Paid and Unpaid Time Off

	1 - Not Important	2 - Least Important	3 - Important	4 - Extremely Important	N/A
Maternity/Paternity leave	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Adoption leave	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sabbaticals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. Community Involvement

	1 - Not Important	2 - least Important	3 - Important	4 - Extremely Important	N/A
Community volunteer programmes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In-kind donations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. Caring for Dependents

	1 - Not Important	2 - Least Important	3 - Important	4 - Extremely Important	N/A
Adoption assistance services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Scholarships	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



Reward Preferences

10. Learning Opportunities

	1 - Not Important	2 - Least Important	3 - Important	4 - Extremely Important	N/A
Tuition reimbursement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tuition discounts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Corporate Learning & Development Centers/in House Training	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overseas seminars and conferences	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

11. Coaching/Mentoring

	1 - Not Important	2 - Least Important	3 - Important	4 - Extremely Important	N/A
Leadership training	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Exposure to resident experts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Formal/in-formal mentoring programmes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. Advancement Opportunities

	1 - Not Important	2 - Least Important	3 - Important	4 - Extremely Important	N/A
Internships/Learnerships	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overseas assignments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Career ladders and pathways	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Succession planning	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Job rotations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



Reward Preferences

3. Part C: Organisational Perspective on Attraction and Retention

Please indicate which one of the following six reward categories has the greatest impact on an organisation's ability to attract and retain. Please tick only one block per category.

1. Attraction (To join an organisation)

- Monthly salary/Guaranteed remuneration
- Variable pay (Short-term and Long-term incentives)
- Benefits (medical aid/retirement funding/leave)
- Performance, Recognition & Career management (development opportunities, inspirational leadership)
- Quality work environment (fitness centre on site, medical centre on site, latest technology)
- Work-home integration (flexible working hours, half day leave, ability to work from home)

2. Retain (To stay with an organisation)

- Monthly salary/Guaranteed remuneration
- Variable pay (Short-term and Long-term incentives)
- Benefits (medical aid/retirement funding/leave)
- Performance, Recognition & Career management (development opportunities, inspirational leadership)
- Quality work environment (fitness centre on site, medical centre on site, latest technology)
- Work-home integration (flexible working hours, half day leave, ability to work from home)



Reward Preferences

4. Part D: Individual Preferences for Reward Categories

If you have the opportunity to structure your own reward package, which categories are the most important to you?

Please rank your preference from 1 to 6: 1 = the most preferred; 6 = the least preferred. Indicating the numbers 1 to 6 next to each category. A number may not be used more than once.

1. Individual Preferences from 1 to 6

Monthly salary/Guaranteed remuneration	<input type="text"/>
Variable pay (Short-term and Long-term incentives)	<input type="text"/>
Benefits (medical aid/retirement funding/leave)	<input type="text"/>
Performance, Recognition & Career management (development opportunities/inspirational leadership)	<input type="text"/>
Quality work environment (fitness centre on site/medical centre on site/latest technology)	<input type="text"/>
Work-home integration (flexible working hours/half day leave/ability to work from home)	<input type="text"/>