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Employer Brand Identification Influence On Total Reward Structure

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Abstract

Companies compete for employees based on their perceived employer brand value. This study investigates what influences a strong or weak employer brand has on the preference for total rewards. The results should assist remuneration agents in appropriately leveraging the company's employer brand value, as a factor, when compiling a total rewards package for potential employees. A questionnaire was developed, asking participants to indicate their preferences relating to total rewards in the context of their current employer, with regard to stronger and weaker employer brands. Results of the study indicate that potential employees would require financial reward increases in the range of 15% - 30% in order to change employment, irrespective of whether it is perceived as a strong or weak employer brand. It was observed that a stronger employer brand could offer increases closer to the bottom of the range compared to weaker employer brands which would have to pay a premium to the top end of the range. Employer brand value appears to increase the total reward costs for companies, irrespective of how the brand is perceived. It is however beneficial to be viewed as a strong employer brand, as the value of this perception translates to a smaller premium compared to weaker employer brands.

Keywords

Total rewards, Employer brand, Brand theory, Brand affinity

Declaration

I declare that this research project 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 in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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Signature: _____

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CHAPTER 1 - INTRODUCTION TO THE RESEARCH

PROBLEM

1.1 Introduction

If you were offered the same job you are currently performing at a different organisation, would you take it? Would the organisation's perceived brand value influence this decision in any way? Would you request more or less compensation to commence employment with this organisation?

The world of work is changing. The Baby Boomers (people born in the 1950's and 1960's) are exiting the job market and Generation Y (this generation generally represents births between 1980 and 1990) is entering the job market. Generation Y does not follow what was once considered the "traditional career path." The traditional career path entailed people working for the same or only a few companies throughout their lives. People started working at the bottom of the proverbial corporate ladder and systematically worked themselves up to senior positions. Loyalty was given to one company, and took priority above an individual's personal needs. Baby Boomers, typically, lived to work. In comparison, today's Generation Y work to live (Wozniak, 2007). Generation Y follows a completely different approach when it comes to living their lives and finding a vocation.

When one analyses the literature and research that is currently being completed in the workspace about the workplace, it becomes apparent that paradigms must be re-evaluated to establish possible new opportunities and trends. A common view in career literature is that careers have an internal and an external dimension. The external view deals with the positions an individual will hold in their respective careers, while the internal view deals with the interests, values and motives of a person (Ituma & Simpson, 2007).

According to Maguire (2002), the concept of the psychological contract between employers and employees has altered radically. Organisations pursue more transactional relationships with their employees and employees pursue more self-interested “protean” careers. The protean career is driven and managed by the individual and consists of the person’s complete and varied experiences in education, training, and employment that include working for several organisations and intermittent changes in occupational fields (Schreuder & Theron, 2001).

People who follow a protean career path “are less concerned with these organizational rewards and are more motivated by autonomy, personal values and psychological success. They see careers in the broader context of their lives, and attach more value to aspects like family or their communities. This means individuals would be looking for jobs that could fit into this view, and thus be more open for job sharing, part time work or reduced working hours. In

essence, people follow protean careers because it is more congruent with their values and priorities” (Hall, 2004). Money is thus not the main motivator for individuals that follow a protean career. These individuals look for characteristics of the prospective employer that resonate with his/her own personal values and priorities.

According to George (2009), a new generation of workers are entering the job market, and due to the imminent wave of the retirement of Baby Boomers, employers will be competing for this new generation of workers. This group is known as Generation Y. It is estimated that the average Generation Y person will change jobs 29 times in his life (Krayewski, 2009). According to Cascio and Aguinis (2005) job-hopping no longer holds the same stigma as it once did. From this statement, it can be deduced that most of Generation Y will have a “protean” career.

The pursuit of the protean career, as explained in the preceding paragraphs, indicates a dramatic change to the traditional view of employment. In South Africa, it is estimated that by 2020 only 48% of the economically active population will have formal job opportunities, and more than 60% of all formal job opportunities will be casual, contract or franchised employment opportunities (Schreuder & Theron, 2001). Job mobility is the new norm as more people contract their services to companies. In this kind of employment market, a different set of variables applies to the reward packages that employers will offer employees.

Branding could be just such a variable potential employees could consider when choosing an employer for which to work. Generation Y is influenced by their brand-conscious, Baby Boomer parents, and they are attracted to brands at an early age (Fishman, 2008). Brands play a very important role in Generation Y's lives, and strong employee brands will be better recognised by them. Businesses that create an attractive employee brand could benefit from attracting talent.

People become involved with brands. According to Laurent and Kapferer (1985) brand involvement is an unobservable state of motivation, arousal, or interest which is evoked by a particular stimulus or situation and is considered to have properties which influence the search process, information processing, and decision making. Potential employees could choose a specific employer based on his involvement with the brand.

Branding theory also suggests that consumers identify with brands on multiple levels. These levels include corporate, product and make or model brands (Kuenzel & Halliday, 2008). This means that companies needs to pay attention to their brand value in order to connect with consumers. Prospecting employees will be influenced by the brand of the employer.

Employer branding is the latest concept that further enhances the branding model. It involves strategies and activities that help shape the perceptions of a business as an employer of choice, so that the business might attract and retain high value staff, and thus contribute to enhanced business performance, productivity and cost containment (Arden, 2006). Employer branding refers to the identification with the image or reputation of an organisation, by both present and prospective employees. It is also viewed as the “chemistry” that influences people to choose to work for a specific organisation (CR International; 9 April 2008). This means that companies should pay just as much attention to how they are perceived as an employer brand, as they pay attention to their product and consumer brands.

One of the strategies that companies could use in establishing an attractive employer brand is to participate in the “best employer” competitions that are found across the globe. Every year Forbes magazine publish a list of the best employers in America, and locally the Corporate Research Foundation (CRF) Institute publish the same.

The criteria for Best Employers South Africa is “ based on the employment framework offered to top talent i.e. pay and benefits, working conditions, career development, training and development and the overall employment experience from a corporate culture perspective” (www.bestemployers.co.za). Various local business organisations, like the Afrikaanse Handels Instituut, DMSA, South African Institute of Management and media partners like Business Report

endorse this survey. Participating companies must complete a questionnaire, and if a certain score is achieved, a journalist will interview the stakeholders and will compile a company profile that is then published. The participating company also receives a quality seal that they are able to use for marketing and Human Resource purposes (Corporate Research Foundation; 24 Feb 2009). One of the main motivating factors for companies to participate in these types of competitions is to promote their employer brand to the market and to draw top talent to the organisation.

The employee value proposition (EVP) differentiates employers from each other. Organisations clearly differentiate themselves in terms of their EVP's, for example at Starbucks the EVP is referred to as "your special blend", at Google the EVP includes allowing employees to "bring your dog to work" and to have "pool tables in the lobbies" (Nienaber, 2009). EVP evokes both emotive and tangible benefits for current and prospective employees (CRF; April 2009). If companies have thus been recognised as strong employer brands they will attract top talent to the organisation more easily than their opposition with a less strong employer brand.

A highly dynamic job market will be characterised by individuals following a "protean" career path. They will, most likely, be employed on a contract base with a business. The employee brand, through necessity, will become a key variable in attracting talent.

The rise of many “new” talent organisations will want to attract candidates from the 70 million strong, Generation Y components that enter the market place globally. According to Mark McCrindle, “when deciding to accept a job, salary ranks sixth in order of importance after training, management style, work flexibility, staff activities, and non-financial rewards”.

In the context of the preceding information, it is clear that the current work environment is not the same as it was a few years ago. A different kind of jobseeker is entering the workplace. These individuals follow a protean career and are motivated by factors other than pure financial awards. These individuals are also brand conscious and associate with brands that could be an extension of themselves and their personalities. In order for organisations to capitalise on these trends it would be of great value for organisations to understand the value that their employer brand holds.

When companies can quantify the value of their employer brand, they can utilize this factor in attracting the best talent to their organisation without paying a premium. Organisations could offset financial reward against non-financial rewards in a manner that will appeal to these prospective employees.

1.2 Research Objectives

The fundamental question this research paper has set out to answer is this: Would an individual be likely to accept a less financially attractive reward from a highly valued employer brand because certain elements of the non-financial rewards attached to this employer brand are more valued?

A prospecting employee could also expect that a highly valued employer brand should offer increased financial remuneration to their employees because it is such a prestige brand. The outcome of this research hopes to confirm if this is true or not.

In looking at the total reward offering from highly valued employer brands, the employer value proposition will include aspects related to the non-financial side of the reward package, and include the emotive benefits of being associated with a particular employer.

This paper also investigates the opposite of the above: will a prospective employee request a more financially competitive reward, as part of the total reward, because the employer brand is not highly valued.

An additional purpose of this paper would be to attempt to quantify the premium an individual is likely to accept if he/she joins a valued employer brand. This would be expressed as a percentage reduction or increase in the financial side of the total reward package.

1.3 Research justification

Remuneration is arguably any organisation's biggest expense. Organisations use different systems like commission schemes and bonuses based on achieving certain targets, to maintain cost effective, but fair remuneration policy to both employer and employee.

Reward is a motivating factor for most employees to perform. Rewards must, however, be seen in a wider context to include factors other than pure financial reward. Reward includes more non-financial related factors and forms an integral part of any reward package an organisation offers potential employees. The employer brand is part of the intangible award that organisations offer to potential employees and could be a motivation to an employee, if he/she associates with the employer brand.

The main application for this research would be to form part of the remuneration strategy of organisations. If organisations know how their employee brands

impact prospective employees, they could “discount” their financial side of the reward package and incur a saving (Bussin, 2009).

The world is currently coming out of a recession. Companies could have saved revenue if they knew the “discount” value their employer brands brought to the actual financial outlay in remuneration. The value of the employer brand will enhance the non-financial side of the reward package, which means the financial side of the reward could be reduced to a certain extent.

The final results of this study should motivate organisations to establish the value of their employer brand and quantify the premium that they would be able to apply against the financial side of their total reward package.

The next chapter outlines the most pertinent literature and covers related research in this area of study.

CHAPTER 2 - LITERATURE REVIEW

The previous chapter set out the context and background information for this research. In this chapter, the literature review covers the latest literature on remuneration, highlighting the non-financial aspects attached to each of the different views. The literature review also covers the topic of employer brand and concludes with highlighting some psychological theories that could explain why individuals form affective relationship with brands.

2.1 Reward theory

2.1.1 Definition of rewards

The concept of rewards has developed over time to represent more than just the pay cheque an employee receives at the end of the month. The concept of total rewards emerged in the 1990s as a new way of thinking about the deployment of compensation and benefits, combined with the other tangible and intangible ways that companies seek to attract, motivate and retain employees (WorldatWork, 2006). Rewards include many more variables in the current view, and have developed to a multi-dimensional construct, and are developed from an array of different disciplines (Nienaber, 2009).

A total rewards model represents all financial and non-financial, intrinsic and extrinsic types of rewards that are offered to employees (Armstrong, 2006). Rewards could also be seen as transactional awards (which include tangible rewards like pay and benefits) and relational awards (intangible awards like training, challenging work and recognition.) The term “total reward” is often used to refer to a combination of all these types of awards (Armstrong & Brown, 2006; WorldatWork, 2007). Various total reward models exist. These will be highlighted due to their focus on the non-financial and relational aspects of total rewards.

2.1.2 WorldatWork

WorldatWork is the largest global not-for-profit professional association dedicated to the knowledge leadership in total rewards (WorldatWork, 2007). WorldatWork developed a total reward model which includes the following core reward categories.

Compensation

Compensation is made up of four different elements. This includes fixed pay or “base pay”, referring to the non-discretionary compensation you receive that does not change and is not related to performance. Variable pay refers to the part of compensation that change with performance, or when certain results are achieved. The other elements of compensation are short- and long term incentives.

Benefits

Benefits refer to aspects like pay for time not spent at work, group insurance, which cover aspects like medical aid, disability, unemployment, retirement, and other social cover.

Work-life

This is a specific set of organizational practices, policies, programmes, including a philosophy which actively supports efforts to help employees achieve success at both work and home. There are seven major categories of organizational support for work-life effectiveness in the workplace (Corporate Leadership Council, 2007). These categories are:

- Location
- Flexitime
- Child care
- Hours
- Telecommuting
- Travel
- Vacation

Performance and Recognition

Performance deals with the way goals of the organisation are achieved via the alignment of individual, group and organisational effort. Recognition deals with the way attention is given to the actions of an employee and satisfies an intrinsic, psychological need. Recognition

could be formal or informal, and the rewards could be financial or non-financial, like a day off (WorldatWork, 2006).

Development and Career Opportunities

Development refers to the learning opportunities the company presents and career opportunities that plan for the employee to progress within the company.

This model indicates that rewards are a combination of different aspects, and not only monetary. Some non-monetary factors influence the perception of the total rewards one receives from an organisation.



Figure 1 - WorldatWork's total rewards model (WorldatWork, 2007, p. 7)

This model also recognizes that total rewards operate in the context of overall business strategy, organizational culture and Human Resource (HR) strategy. A

company's exceptional culture or external brand value may be considered a critical component of the total employment value proposition (WorldatWork, 2006).

2.1.3 Armstrong and Brown's total rewards model

The Armstrong and Brown model includes an additional category into their model, compared to the WorldatWork model. This category is called "work experience".

Table 1 - Armstrong and Brown's total rewards model, (Armstrong & Brown, 2006)

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

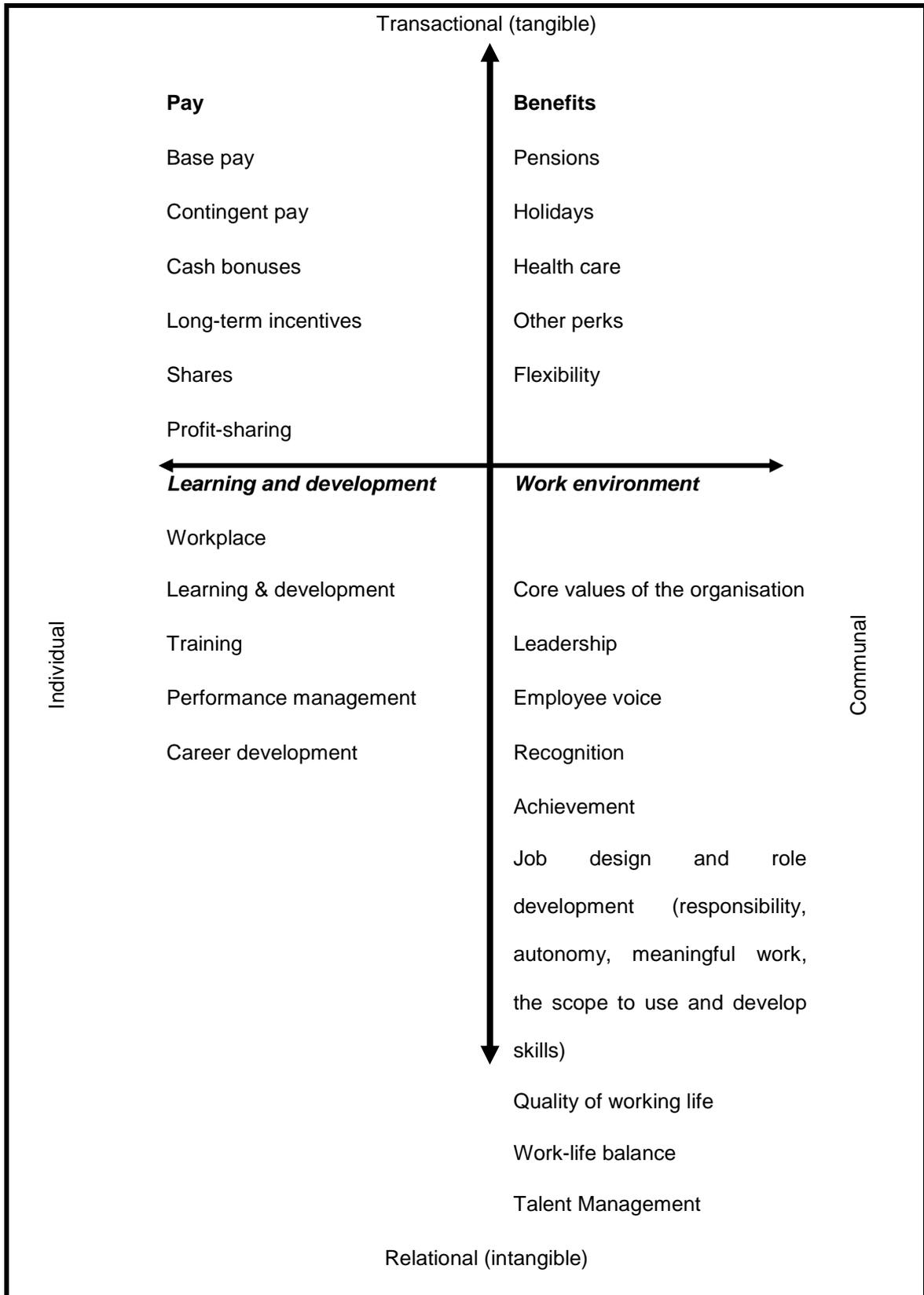
In this model the work-life category is not included, but it is very similar to the work experience, referred to in this model.

2.1.4 Towers Perrin's total rewards model

The Towers Perrin's model continues the differentiation between transactional (tangible) and relational (intangible) rewards. The model includes reference to a work environment category. This model makes the distinction between tangible and intangible rewards. This illustrates the fact that the organisation brings more "value" to the total rewards package, and that could not be measured or quantified in a tangible form.

Another major difference of the Towers Perrin's model, when compared to the WorldatWork model, is that this model has only four major categories. The performance and recognition category that is found in the WorldatWork model is missing. The Towers Perrin's model includes those categories under the *learning and development* and *work environment* headings.

Table 2 - Towers Perrin's model of total rewards (Armstrong & Brown, 2006, p. 25)



2.1.5 Total guaranteed package

From a South African context we need to look at the total guaranteed package model. “The total guaranteed package approach is regarded as the best practice in the South African market today. More than 70% of organisations have already chosen this route” (Bussin & Gildenhuis, 2008. p.2). This model differentiates between fixed and variable pay.

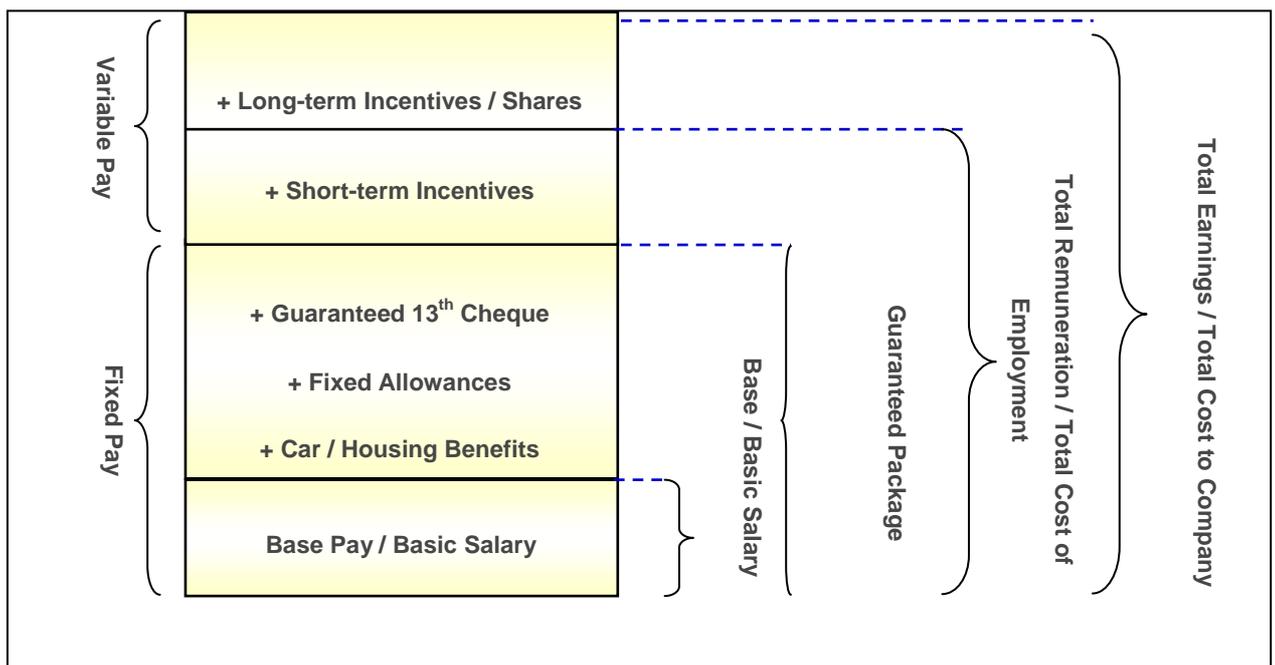


Figure 2 Total Guaranteed Package (Bussin & Gildenhuis, 2008, p.3.)

In this model the fixed pay refers to the financial rewards an individual might consider to adapt if he moved from one employer to another, relating to the strength of its employer brand.

This model is also based on three fundamental pillars. These pillars are:

- Internal equity
- Structuring flexibility
- External market competitiveness

These pillars speak to non-financial aspects related to rewards and form part of the employee value proposition.

2.1.6 Employee value proposition

The employer value proposition (EVP) is not a total reward model, but refers to the total value (financially and non-financially) that employees gain from working for an organisation, namely the value of the total employment experience and therefore the differentiated total compelling offer (Corporate Leadership Council, 2007). When referring to organisations, EVP is broader than total rewards, but the total rewards are a key ingredient of the EVP (Nienaber, 2009).

The difference between EVP and total rewards lies in the intangible experience and perceptions of the organisation. Armstrong and Brown (2006) include the following components in their description of an organisation's EVP:

- Culture
- Organisational reputation and success
- Organisational vision and values
- Organisational product brand strength
- Quality of relationships between peers and with the manager
- Job security
- Leadership visibility
- Employee voice, empowerment and authority and
- Approach to and success with transformation

According to the Corporate Leadership Council (2007a), building and managing an effective EVP offers the following benefits to the organisation:

- Access to a larger pool of candidates. It is found that the size of the available talent pool increased by more than 50%;
- Improve employee engagement levels and commitment levels of new hires by up to 29% (varying from 9% to 38%) and
- Reduce remuneration premiums demanded by new employees by up to 50% (from 21% to 11%).

2.1.7 Summary

The reward models discussed above can be summarised in the following manner:

Table 3 – Reward model summary

Reward Type:	Financial/Tangible/Transactional	Non-Financial/Intangible/Relational
Example of Reward:	Base pay, health benefits, total pay, fixed pay, variable pay	Work/life balance, career development, core values of the organisation.

For the purpose of this research paper and for use in the questionnaire, fixed pay will refer to that part of the total reward package that is made up from:

- Base pay/basic salary
- Fixed allowances
- Guaranteed 13th cheque

EVP offers a broader view on the total rewards a company offers to its employees. EVP extends total reward to include those intangible variables that could explain why certain employer brands are preferred above others. For the purpose of this study the following EVP components are highlighted due to the fact that it correlates with similar components in the brand identity, forming:

- Culture
- Organisational reputation and success
- Organisational vision and values
- Organisational product brand strength

2.2 Employer Brand

Companies are increasingly allocating funds to what has been termed employer branding (Davies, 2008). Employer branding is the process of creating an identity and managing the company's image in its role as an employer (Spitzmuller, Huntington, Wyatt, & Crozier, 2002). According to Collins and Stevens (2002) and Slaughter et al (2004) strong employer brands attracts better applicants, and it shapes the employees' expectations about their employment (Lievens & Highhouse, 2003).

According to Moroko and Uncless (2008), employer branding shares theoretical foundations with both consumer and corporate branding, and impacts many of the same stakeholder groups. For the purposes of this research paper the definition for "employer branding", as explained by Moroko et al (2008), will be utilised:

"It is the sum of a company's efforts to communicate to existing and prospective staff that it is a desirable place to work. More formally it is the package of functional, economic and psychological benefits provided by employment, and identified with the employing company" (Moroko et al 2008, p. 161).

In identifying characteristics of successful employer brands, Moroko et al (2008) make reference to fulfilling the psychological contract. More successful

employer brands are those that accurately portray it in their marketing communications. The EVP and the employer brand is therefore dependant on each other, with the brand promise being delivered through the EVP (Nienaber, 2009). Other characteristics of successful employer brands include:

- Being known and noticeable
- Being seen as relevant and resonant – Employer brands need to have a value proposition that is resonant with their current and prospective employees
- Being differentiated from direct competitors (Moroko & Uncles, 2008)

Davies (2008) argues that the main attributes of a brand are also applicable to the employer brand. These attributes are:

- Ability to differentiate
- Create loyalty
- To satisfy and develop an emotional attachment to brand

The Corporate Character Scale (Davies, Chun, Da Silva, & Roper, 2004) was developed to assess the organisation from both a customer and employee perspective. The scale has five main dimensions:

- Agreeableness
- Enterprise
- Chic
- Competence

- Ruthlessness

Davies (2008) uses an adapted version of this scale to measure the above mentioned attributes of employer brands in commercial managers. His results show that agreeableness is the most prominent dimension of corporate brand personality in influencing outcomes, and that it made the biggest contribution to predicting affinity for the employer brand.

Research by Hansen and Christensen (2007) demonstrated how corporate brands could be evaluated along the following 5 dimensions:

- Success
- Exuberance
- Credibility
- Forcefulness
- Warmth/caring/sincerity

These dimensions are very similar to those identified by Davies et al (2004).

2.3 Brand Identification

People react differently to different brands. Certain brands will be valued more by certain individuals than the same brand by another person. Sprott, Czeller and Spangenberg (2009) propose that consumers vary in their general engagements with brands and have developed the “brand engagement in self-concept” (BESC) construct to explain why people have tendencies to include brands as part of their self-concept. The BESC is defined as an individual’s difference representing consumers’ propensity to include important brands as part of how they view themselves (Sprott, Czellar, & Spangenberg, 2009).

Various literature and theories are available that explain the individual’s motivation and propensity to certain brands. Steel and König (2006) offer an integrated theory of motivation affecting our understanding on a wide range of topics. Focussing on the fundamental features of picoeconomics, expectancy theory, cumulative prospect theory, and need theory, they constructed an integrative theory called temporal motivational theory (TMT). TMT propounds that motivation could be understood by the effects of expectancy and value, weakened by delay, with differences for rewards and losses (Steel & König, 2006).

For the purpose of this research paper, Social Identity Theory (SIT), Group Engagement Model (GEM) and a Theory for Affective Self-Affinity (ASA) will be

reviewed. These theories offer possible explanations of why individuals will interact with a brand in a specific manner.

2.3.1 Social Identity Theory

Social identification (ID) occurs when a person believes he/she belongs to a particular group. Organisational identification is a more specific type of ID that occurs when an organisation (e.g.: sports team, company, etc.) becomes self-referential or self-defining (Donavan, Janda, & Suh, 2006).

According to Donavan, et al (2006), the theoretical principles of SIT suggests the following of individuals:

- Seek to maintain a positive social image
- Positive self-identity exists when the in-group is viewed as superior to the out-group
- When social identity becomes too unattractive, the individual will either try to acquire membership of a new social group, or seek to improve the existing group

Research also shows that SIT is composed of three elements: (Donavan et al, 2006)

- Cognitive
- Evaluative
- Affective commitments

The affective component of this theory could explain why an individual would form a strong affinity towards a certain employer brand.

2.3.2 Group Engagement Model (GEM)

The Group Engagement Model (GEM) extends the traditional SIT perspective on the organisational identification process by including intra- and intergroup dynamics (Fuller, Hester, Barnett, Beu, Frey, & Relyea, 2009). Three variables were investigated:

- Prestige
- Respect
- Employee role identity

According to Dutton et al (1994), individuals are motivated by self-enhancement needs. They tend to identify organisations that confer positive qualities upon them. This correlates with the prestige investigation conducted by Fuller et al (2009). Perceived external prestige answers the question “what do outsiders think of me because I belong to this organisation,” or explained differently, the social value of organisational membership is accounted for through the

individual's own perceptions (Dutton, Dukerich, & Harquail, 1994). Organisational identity is more attractive when it matches the individual's own sense of who they are (Dutton et al, 1994).

2.3.3 Theory of Affective Self- Affinity

Affective Self-Affinity (ASA) is defined as “the extent to which the individual perceives a positively affective congruence between the thing and his/her identity. It is claimed that an individual may have ASA for anything, including people, ideas and ideals, activities and areas of interests, as well as brands and companies” (Aspara, Olkkonen, Tikkanen, Moisander, & Parvinen, 2009).

This theory is an attempt to integrate various consumer theories and it will increase the value of this research study by explaining why some people would be willing to take a reduced monetary award in order to be able to work for a specific company. According to the theory, ASA elicits choice over similar alternative behaviours. An individual's ASA for a company will also lead to his/her choosing to apply for employment in a company, rather than for jobs with approximately similar benefits and demands offered by companies for which he/she has weaker ASA (Aspara et al, 2009). Benefits, in this case, refer to non-financial rewards or the EVP of an employer brand that correlates with the self-identification needs of the individual.

2.3.4 Summary

The above theories highlight elements that explain why individuals form identification with certain brands and have a certain affinity to those brands. To associate with a brand in this manner, the brand should relate closely to an individual's value system and how that individual wishes to be perceived by others. When an individual is associated with a specific brand it brings prestige and respect, which increases the positively affected congruence between the individual's identity and employer brand. This increase in self-identity could cause prospective employees to accept reduced financial rewards from valued employer brands, in exchange for the added EVP the employer offers.

The table below integrates how the psychological needs of an individual link with the EVP of employer brands.

Table 4 – Possible linkage between psychological needs of an individual and EVP of employer brands

Psychological Needs	EVP
Positive self-image	Organisational vision and values
Positive self-identity exists when the in-group is viewed as superior to the out-group	Organisational product brand strength
Prestige	Organisational reputation and success
Respect	Employee voice, empowerment and authority
Employee role identity	Culture

It is important for individuals to associate with the EVP of a company, as this will address their identity and psychological needs. EVP is an imported part of what eventually makes up the employers brand. Employers brand is a company's way to create an identity.

In this chapter, the pertinent literature that relates to this research paper has been discussed. Firstly, total rewards were reviewed and some models were presented. This was followed by a discussion on the concept of the employer brand. Lastly, brand identification was included, and various theories that explain why individuals will form psychological associations with brands were highlighted.

In the next chapter the research questions will be formulated.

CHAPTER 3 - RESEARCH QUESTION

The previous chapter presented an overview of the pertinent literature that relates to this research paper. In this chapter, the main aim of this research paper, as well as specific research questions would be formulated.

The main aim of this research is to determine whether there is a relationship between a company's employer brand value and the financial remuneration it will need to offer to attract talent. The following research questions have been formulated to address the research problem.

Research question 1 and 2 tests the impact that a strong employer brand will have, and question 3 and 4 tests the impact a weak employer brand will have.

3.1 Research question 1:

Will an individual accept employment for less remuneration in a business where the individual highly values the employer brand?

3.2 Research question 2:

What is the total remuneration discount that an individual would be willing to accept in order to work in a business where the individual values the employer brand?

3.3 Research question 3:

Will an individual accept a similar offer in a business with an unpopular employer brand?

3.4 Research question 4:

What is the total remuneration premium needed if an individual accepted employment in a business where the individual does not value the employer brand?

In this chapter, four specific research questions were formulated. The next chapter will discuss the research methodology that will be used during the data gathering portion of this research.

CHAPTER 4 - RESEARCH METHODOLOGY

In the previous chapter four, specific research questions were formulated to be answered through this research. In this chapter the research methodology that was applied during this research is discussed.

Research methodology is a discussion within the body of a research that reports on the research design, data collection methods, sampling techniques, fieldwork procedures and data analysis efforts (Zikmund, 2003.). In the following section, these aspects related to the study will be described.

4.1 Research Design

The research design for this study was quantitative and exploratory in nature. Exploratory research is a useful preliminary step that helps to ensure that a more rigorous, more conclusive study is completed. Future study will not begin with an inadequate understanding of the nature of the problem (Zikmund, 2003). A quantitative study is a numeric description of some fraction of the population, a sample, through the data collection process of asking people questions. The data that was gathered is then used to make generalisations about the population (Creswell, 2003).

For the purpose of this study a questionnaire was used to collect data from employees on the 21st Century Business and Pay Solutions database. This data was then analysed in order to make generalisations about the population.

4.2 Unit of Analysis

The unit of analysis was individuals on the data base that was used.

4.3 Measurement Instruments

A structured questionnaire was developed to measure the required constructs. The aim of questionnaire was to measure the following constructs relating to the research:

- Survey the strengths an individual attaches to his/her current employer brand. This was measured by asking the participant to rate his current employer on a scale of 1 – 5.
- Survey the value an individual attaches to the different aspects of his/her current total rewards package. This was measured by asking the participant to use a constant sum scale and allocate values to the various components.
- Survey the willingness of an individual to change his/her employee to that of a valued brand and an undervalued brand. This construct was

measured in two items. Firstly, using a scale, the participant was asked to indicate his willingness to move to a highly valued employer brand, and secondly to indicate the opposite.

- Ask the participants to indicate on a constant sum scale their re-distribution of the elements of a total rewards package for a valued employer brand, and undervalued employer brand.

The questionnaire consists of two sections. Research questionnaires are usually used to collect two types of information, namely facts and opinions and, therefore, tend to include questions that deal with both these types of information (Denscombe, 2007).

In section A, participants were asked to provide certain personal and geographical data. This factual data is collected by making use of nominal scales. These options were provided and coded with a number. Participants were then asked to select the option that fits them best.

In section B, a combination of measurement scales were used. A five-point Likert scale was used to ask participants to rate their perception of their current employer. The range on the scale is from really bad to very good. Another two questions were asked using a Likert-type scale. Participants were asked to indicate on a scale the impact they are willing to accept relating to their fixed pay component under certain conditions. The scale measured seven different

positions ranging from a greater than 31 % pay cut to a greater than 31% pay increase.

A constant sum scale was employed as part of the questionnaire as it measured attitudes by asking respondents to divide a constant sum across the attributes to indicate the relative importance to them (Zikmund, 2003). This scale was used a total of three times and participants were asked to divide 100 points across the components of a total reward package. The aim of these questions was to quantify the values that are attached to these reward components and to see how this relates to the research questions that must be answered. Section B was constructed in such a way that the participants were first asked to rate their current status quo. They were then asked what they would do if they were offered a job at a company with a stronger employer brand and how this would reflect in their total rewards package. The reverse of this situation was also tested in section B using the same type of questions and scales. The only difference is that the answers were given in the context of an employer with a perceived weaker brand.

The questionnaire was tested on 15 candidates to ensure proper understanding of the questions. Their feedback was used to improve the questionnaire before distribution to the sample population.

4.4 Sampling Method

Sampling is a process using a small number of items or parts of a larger population to make conclusions about the whole population (Zikmund, 2003). Two kinds of sampling techniques are available: probability and non-probability sampling. In a non-probability sampling technique, units of the sample are selected on the basis of personal judgement or convenience (Zikmund, 2003).

For the purpose of this study, a probability sampling method will be employed. The population for this study was the database of 21st Century Business and Pay Solutions, one of the largest Remuneration consultancies in Africa with a database of 4000 organisations. The database of the South African Reward Association (SARA) was also used as SARA has access to 3000 individuals in 420 organisations. Every person on the database received the opportunity to complete the questionnaire.

4.5 Sample Size

The researcher must ensure that the sample size is large enough to allow him/her to make inferences about the population (Tere Blanche, Durrheim, & Painter, 2006). Alreck and Settle (1995) claim that a sample size of 100 is regarded as the minimum size that will be representative for large populations and 750 is the maximum practical size for a study.

Sampling error is something that should be kept in mind. Sampling error refers to a situation where there are statistical differences in the results obtained from a sample and that of a census because of change variations in the elements that are selected for the sample (Zikmund, 2003). This effect could be minimised by increasing the size of the sample. For purposes of this research the aim is to have a sample of at least 150 responses.

4.6 Data Gathering Methods

The final version of the questionnaire was uploaded on Survey Monkey. Survey Monkey is a website that enables people to create and post online surveys. The website generated a link that is sent to participants. Participants were able to click on this link and have instant access to the survey. The link to this questionnaire was included in an email to the identified population sample, asking for their participation in this study.

Responses to the questionnaire were captured electronically via Survey Monkey. The website assists the researcher to track responses to the questionnaire, and offers a range of tools and reports to interpret the responses. The collected data could also be downloaded to be used in other statistical analysis tools.

The questionnaire was administrated during August 2010. Two weeks were allowed to complete the questionnaire. A reminder was sent out to the population just before the two week period expired to remind them about the questionnaire.

4.7 Response Rate

Using the above mentioned database, 6500 HR, Remuneration, Payroll and Finance professionals were reached. A total Of 147 responses was received, which is a response rate of 2.26%. Only 120 responses were complete and could be used for the main analysis. This decreased the response rate to 1.84%

4.8 Data Analysis

The questionnaire consisted of two sections. Section A of the questionnaire collected demographic data that described the participant group. Biographical information was also collected and included gender, industry and job family, educational qualifications and age breakdown. The results of this data are presented in a descriptive style, making use of tables and bar graphs.” Descriptive statistics aim to describe the set of data you are employing” (Howell, 2004).

Section B of the questionnaire included the questions as discussed above (4.2.) This data would be described making use of tables. The information in section B, namely questions 2, 6 and 9 will be summarized and presented in a ranking table.

The next step in the data analysis was to complete correlations between the different questions to reveal any possible associations. A correlation coefficient measures the strength of association between two items. The null hypothesis is always that the correlation coefficient is equal to zero; in other words, there is no association between the two items. The alternative is that the coefficient is **not** equal to zero. The coefficient can either be positive or negative, hence the two tailed entry in the data analysis tables. For a correlation coefficient to be significantly different from zero the value must be $< 0,05$ for a 5% level of significance and $< 0,01$ for a 1% level of significance. In other words a value greater than that, implies that there is no association between the two questions. If the correlation coefficient is negative, it means that as the one item increases in magnitude, the other item decreases. Similarly a positive coefficient indicates that an increase in one is also an increase by the other. In other words, if a person feels positive about the one item s/he will also feel positive about the other item.

Lastly, comparison tables would be presented to identify any possible differences between the sub-groups on the questions relating to total reward components and fixed pay expectations.

4.9 Validity and reliability

“Reliability refers to the dependability of the measurement instrument” (Tere Blanche, Durrheim, & Painter, 2006, p.152). The questionnaire for this study is a new measurement instrument, specially developed for this study. The Cronbach Alpha would be established to measure internal consistency. The questionnaire must obtain a measure of greater than 0.75 in order to be considered internally consistent. “Validity refers to the ability of a scale or measuring instrument to measure what it is intended to measure “(Zikmund, 2003, p. 302). To ensure face validity of the scale, professional agreement will be sought from various knowledgeable persons.

4.10 Research Limitations

A major limitation of this study would be due to the database that will be used. The database primarily consists of HR professionals. This means that the results would be skewed towards the opinions of HR professionals. Generalizations to other population groups may not be possible.

Another limitation of the study would be the inability to control the response bias. Response bias occurs when respondents tend to answer questions in a

certain direction, that is, when they consciously or unconsciously misrepresent the truth (Zikmund, 2003).

A structured questionnaire was utilised. This means that the response of the participants will be limited to the options available on the questionnaire. This might impose a limitation on the study as the participants will not be able to include their own opinions to the study.

Participants would be asked to allocate points to components of a total reward package based on the WorldatWork model. The only additional inclusion into this model is the differentiation that is made under compensation. Compensation is divided into fixed and variable pay. This could be a limitation to this study as other reward models do exist, that could deliver other possible results.

4.11 Conclusion

To understand the influence that employer brands have on total reward package, a quantitative study was undertaken. A questionnaire was developed that utilised total reward models as described in the literature review, and participants to the study were asked to indicate how aspects related to their total reward package would change based on stronger and weaker employer brands.

Consideration was given to the sampling method that would be used, sample size and the reliability and validity of the instrument. The main statistical method that was used to analyse the data, was correlations. Descriptive data analysis was used across the entire research study.

In this chapter the research methodology that was used during the research study was discussed. In the next chapter the data that was collected is analysed.

CHAPTER 5 - Research Results

In the previous chapter the research methodology that was used in collecting data was discussed. In this chapter the results and analysis of the collected data is presented. The measuring instrument was a questionnaire and consisted out of two sections. Section A dealt with the demographics of the participants and had 10 items. Section B had 9 items and dealt with the perception of company brand and rewards components. The results will be presented in a similar way. The first part of this chapter will deal with a description of the demographic data. The results of section B will then follow.

5.1 SAMPLE

The response sample consisted of 147 respondents. A total of 120 complete questionnaires were received and analysed. Of the total respondents received, 27 completed only the demographic details and had to be removed from the response sample. A description of these responses is presented at the end of this chapter.

5.2 SECTION A: DEMOGRAPHIC INFORMATION

5.2.1 Gender

The first question dealt with gender. More females (63.3%) completed this questionnaire than men (36.7%).

Table 5 Gender distribution

Gender			
	Frequency	Per cent	Cumulative Per cent
Male	44	36.7	36.7
Female	76	63.3	100.0
Total	120	100.0	

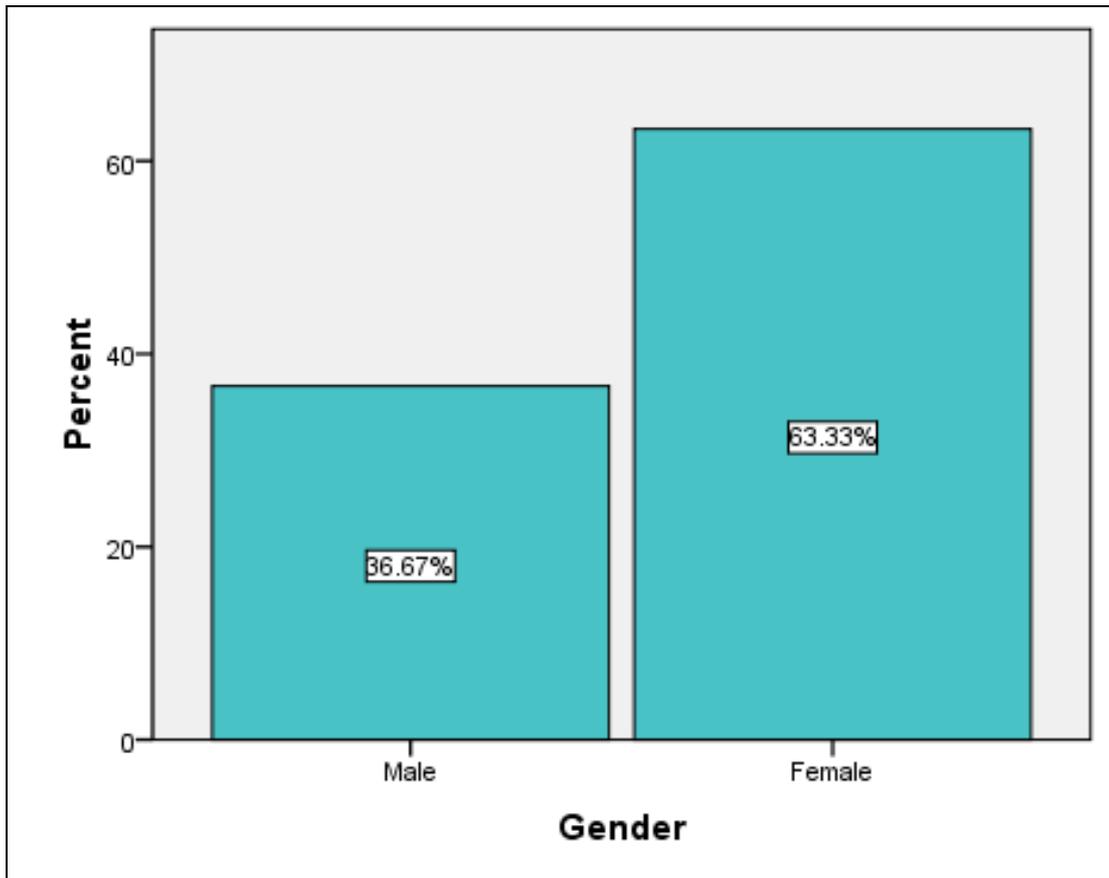


Figure 3 Percentage of respondents in gender group

5.2.2 Age groups

Respondents were asked to indicate their age by selecting from 4 different ranges. Most respondents (35%) are between the ages of 31 and 40, closely followed by respondents (34.2%) between ages 41 and 50. Together these two make up 69.2% of the sample.

Table 6 Age distribution

Age			
	Frequency	Per cent	Cumulative Per cent
18 - 30	19	15.8	15.8
31 - 40	42	35.0	50.8
41 - 50	41	34.2	85.0
51+	18	15.0	100.0
Total	120	100.0	

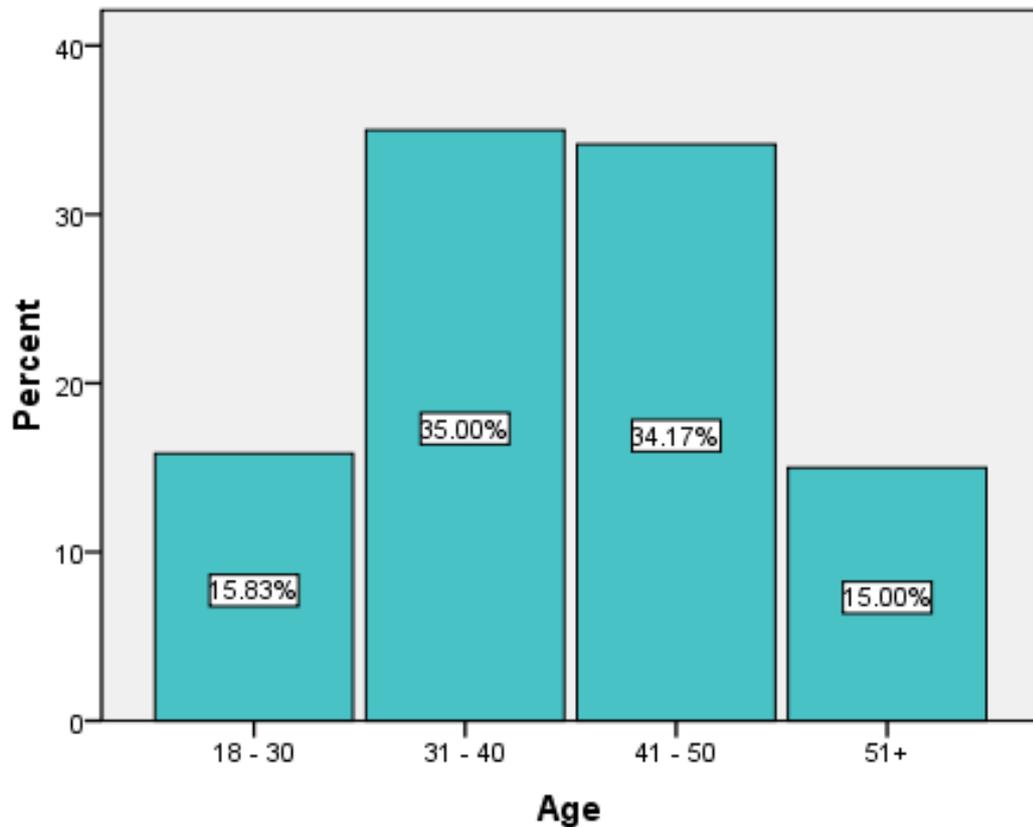


Figure 4 Percentage of respondents in different age groups

5.2.3 Ethnic Groups

Most participants (69.2%) in this study indicated their ethnic group as white.

Africans made up 15.8% of the sample.

Table 7 Ethnic Distribution

Population group			
	Frequency	Per cent	Cumulative Per cent
Indian	7	5.8	5.8
White	83	69.2	75.0
Coloured	10	8.3	83.3
African	19	15.9	99.2
Asian	1	.8	100.0
Total	120	100.0	

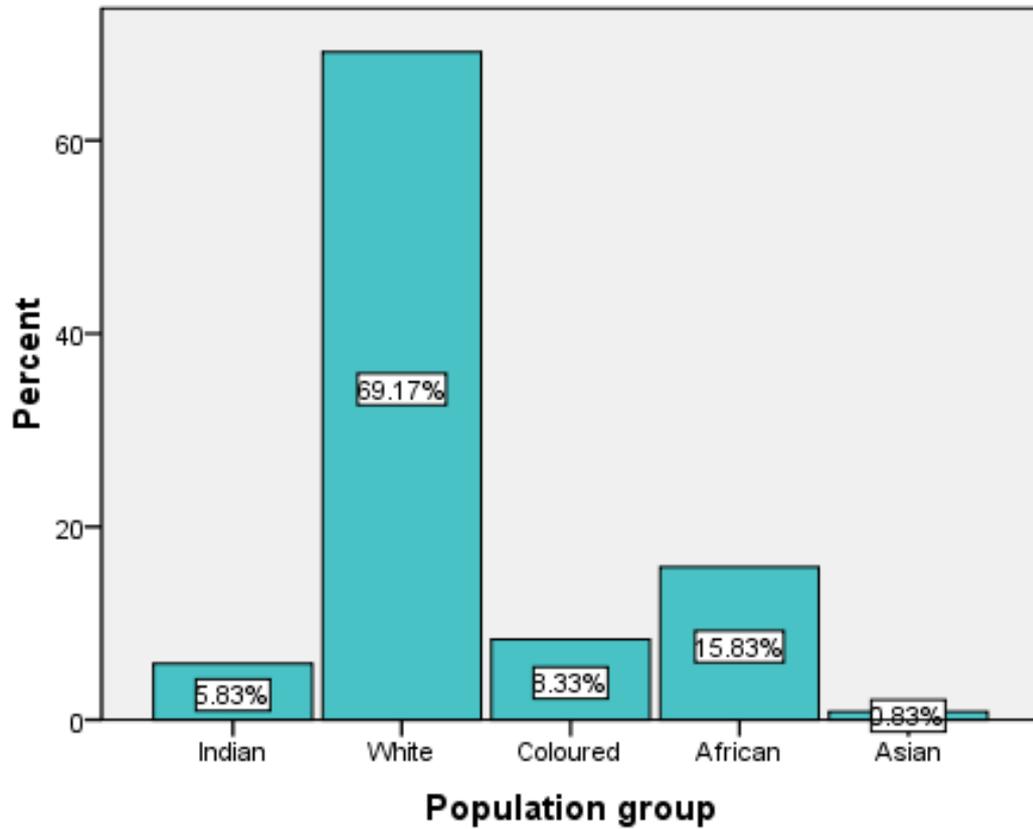


Figure 5 Percentage of respondents in different ethnic groups

5.2.4 Marriage status

From the sample, 59.2% of the respondents indicated that they were married. This is followed by 25% of the respondents that indicated that they were single.

Table 8 Marriage status distribution

Marriage status			
	Frequency	Per cent	Cumulative Per cent
Married	71	59.2	59.2
Single	30	25.0	84.2
Divorced	17	14.1	98.3
Widowed	2	1.7	100.0
Total	120	100.0	

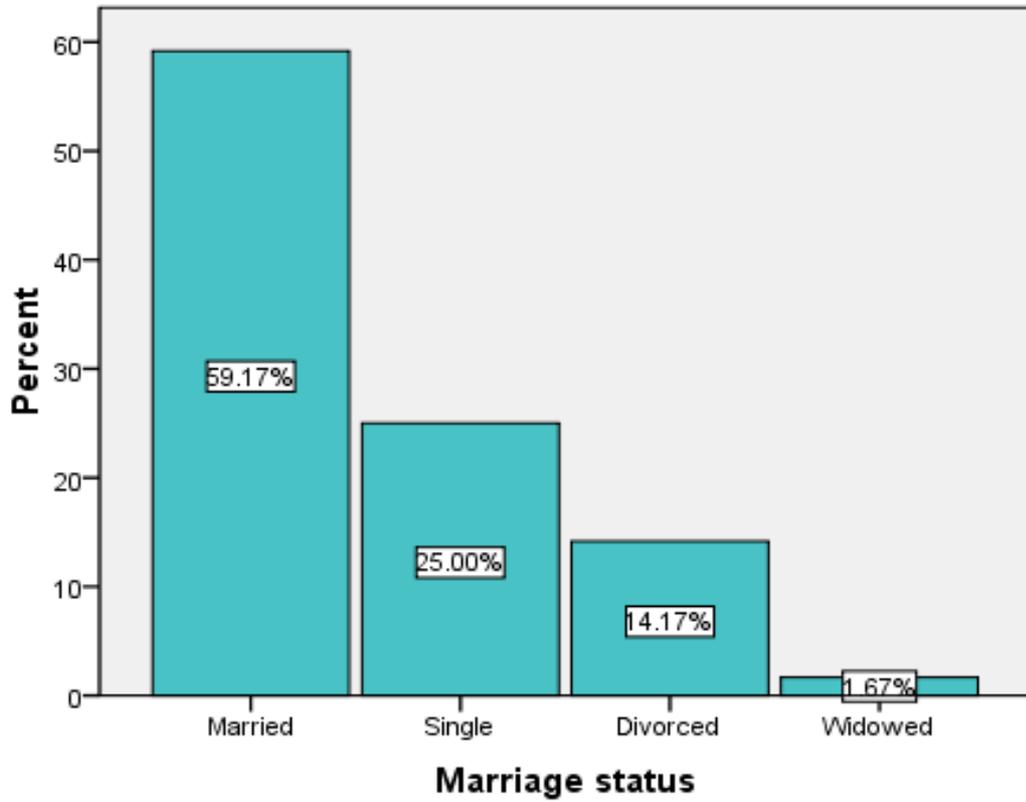


Figure 6 Percentage of respondents' marriage status

5.2.5 Dependents

Most respondents (58.3%) indicated that they have children. An additional 39.2% of the respondents indicated that they have no children. Of the sample, 3 respondents (2.5%) care for extended family.

Table 9 Dependents distribution

Dependents			
	Frequency	Per cent	Cumulative Per cent
None	47	39.2	39.2
Children	70	58.3	97.5
Extended family	3	2.5	100.0
Total	120	100.0	

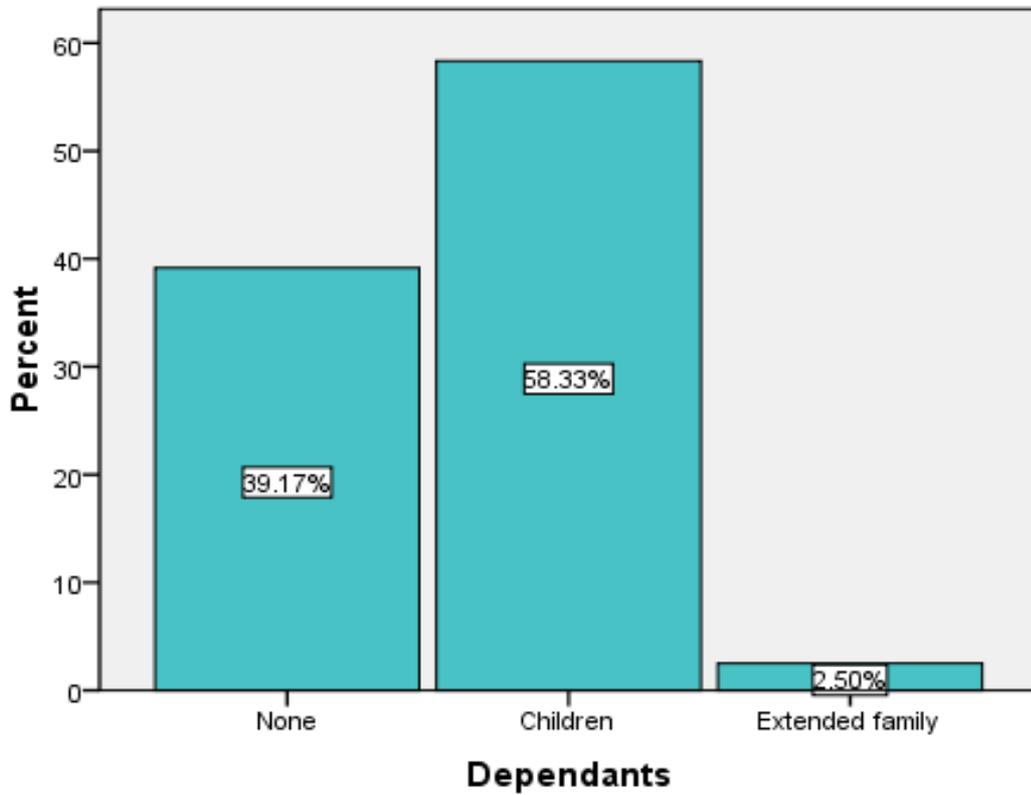


Figure 7 Percentage of respondents' dependents

5.2.6 Level of education

Most respondents (44.2%) to the questionnaire indicated that they have a degree or diploma. An additional 39.2% of the sample holds a postgraduate qualification. Respondents with only a grade 12 represent 15.8% of the sample.

Table 10 Education level distribution

Highest level of education			
	Frequency	Per cent	Cumulative Per cent
Grade 12	19	15.8	15.8
Diploma / degree	53	44.2	60.0
Postgraduate	47	39.2	99.2
Other	1	.8	100.0
Total	120	100.0	

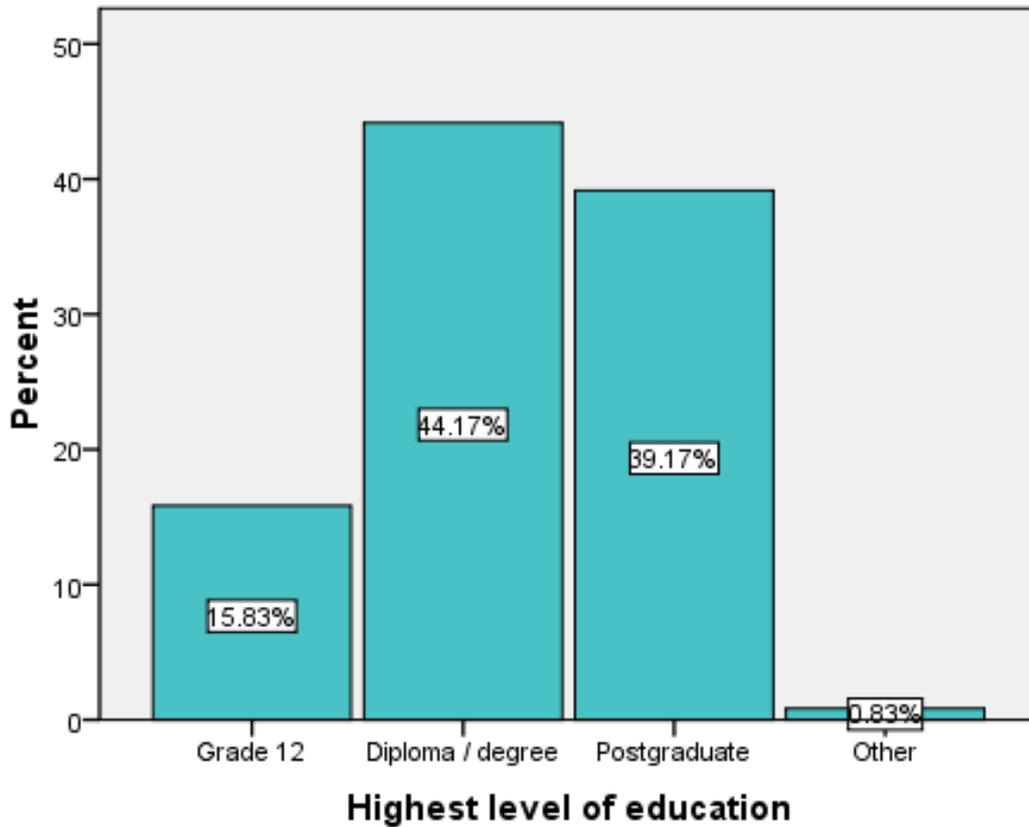


Figure 8 Percentage of respondents with respect to level of education

5.2.7 Annual income

Five income ranges were presented. Respondents were asked to indicate their range of income. Of the sample, 45% indicated an income of above R500 001 p/a. This was followed by 24.2 % of the respondents in the income range of between R 220 001 and R360 000 per annum. Only 19.2% of the respondents fell in the income range of between R 360 001 and R 500 000p/a.

Table 11 Annual income distribution

Annual income level			
	Frequency	Per cent	Cumulative Per cent
< R100 000 p/a	1	.8	.8
R100 001 - 220 000 p/a	13	10.8	11.7
R220 001 - 360 000 p/a	29	24.2	35.8
R360 001 - 500 000 p/a	23	19.2	55.0
> R500 001 p/a	54	45.0	100.0
Total	120	100.0	

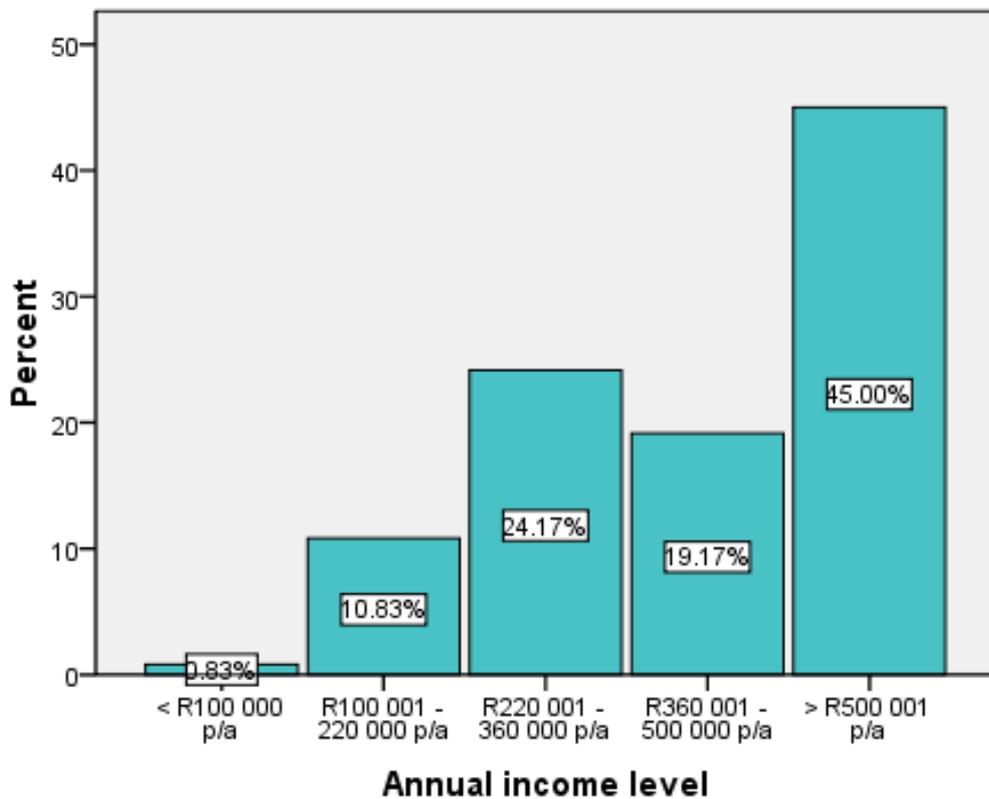


Figure 9 Percentage of respondents' annual income level

5.2.8 Job level

Respondents to this questionnaire were very evenly split between being part of senior management (29.2%) and being a specialist (27.5%). Respondents from the general or executive management group represented 16.7% of the sample. The top 3 job levels represent 73.4% of the responses.

Table 12 Job level distribution

Job level			
	Frequency	Per cent	Cumulative Per cent
Clerical/admin	13	10.8	10.8
Junior management	14	11.7	22.5
Senior management	35	29.2	51.7
General/executive management	20	16.7	68.3
Specialist	33	27.5	95.9
Other	5	4.1	100.0
Total	120	100.0	

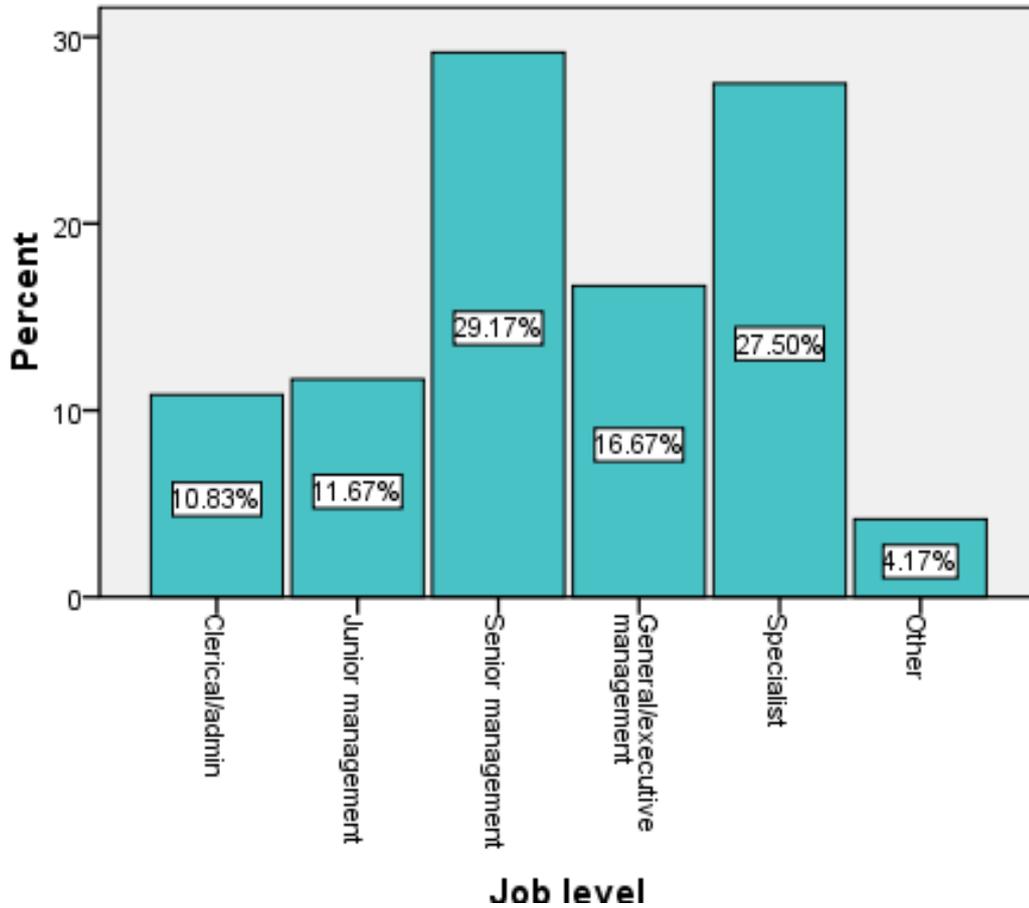


Figure 10 Percentage of respondents' job level

5.2.9 Job family

Eleven different job families were presented. Respondents working in the Human Resources sphere made up 55.8% of the sample. Finance was determined as the second biggest job family with 13.3% of the respondents. 9.2% of the respondents were part of the Consulting family, which ranked third. The balance of the job families contributed around 3% each to the sample.



Table 13 Job family distribution

Job family			
	Frequency	Per cent	Cumulative Per cent
Human Resources	67	55.8	55.8
Sales and services	4	3.3	59.2
Process and project management	4	3.3	62.5
Finance	16	13.4	75.8
IT	3	2.5	78.3
Administrative	7	5.8	84.2
Consulting	11	9.2	93.3
Marketing	1	.8	94.2
Operations	4	3.4	97.5
Other	3	2.5	100.0
Total	120	100.0	

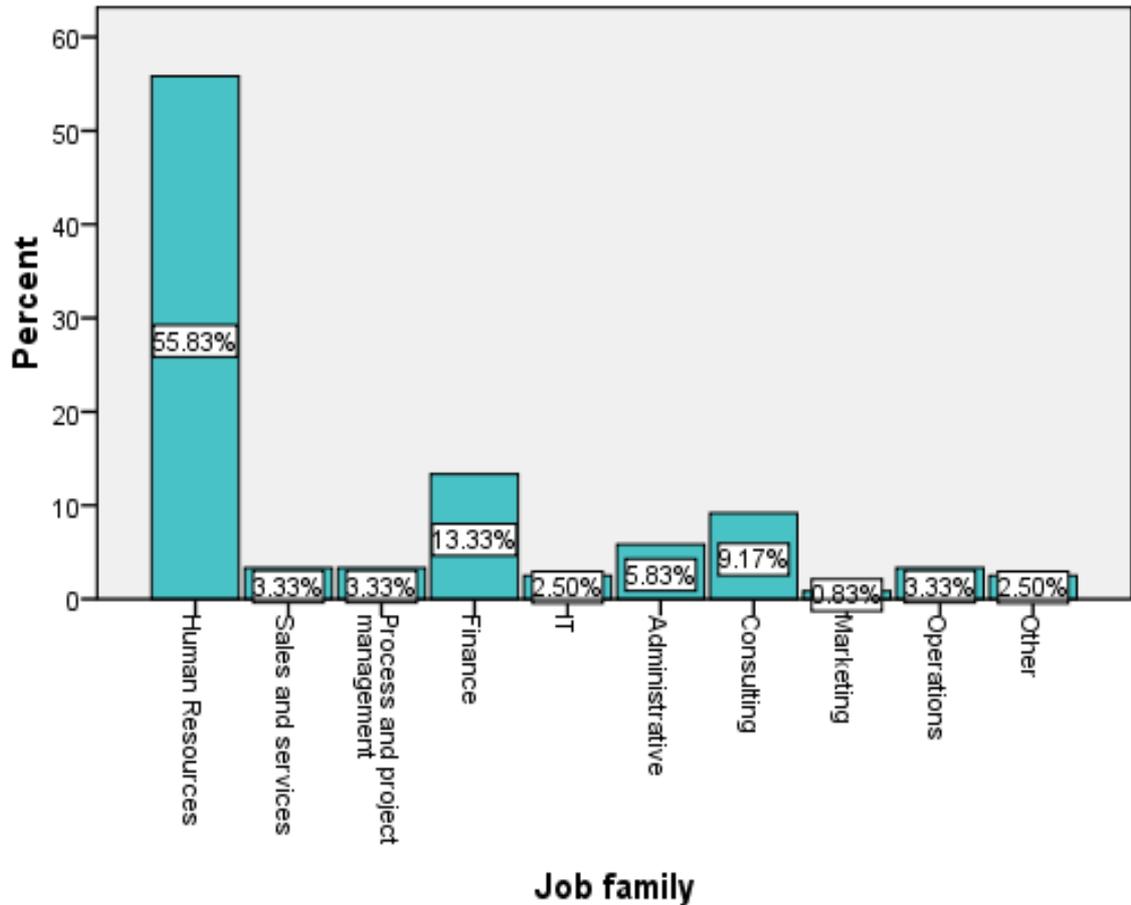


Figure 11 Percentage of respondents' job family

5.2.10 Industry

The overwhelming majority of the respondents (48.3) work in the producer services industry. This includes banking and financial institutions, real estate, engineering, consulting and accounting.



Table 14 Industry distribution

Industry			
	Frequency	Per cent	Cumulative Per cent
Extractive	14	11.7	11.9
Producer Services	58	48.3	61.0
Personal Services	2	1.7	62.7
Logistics and Transport	7	5.8	68.6
Transformative	17	14.2	83.1
Social Services	15	12.5	95.8
Energy	5	4.2	100.0
Total	118	98.3	
Missing response	2	1.7	
Total	120	100.0	

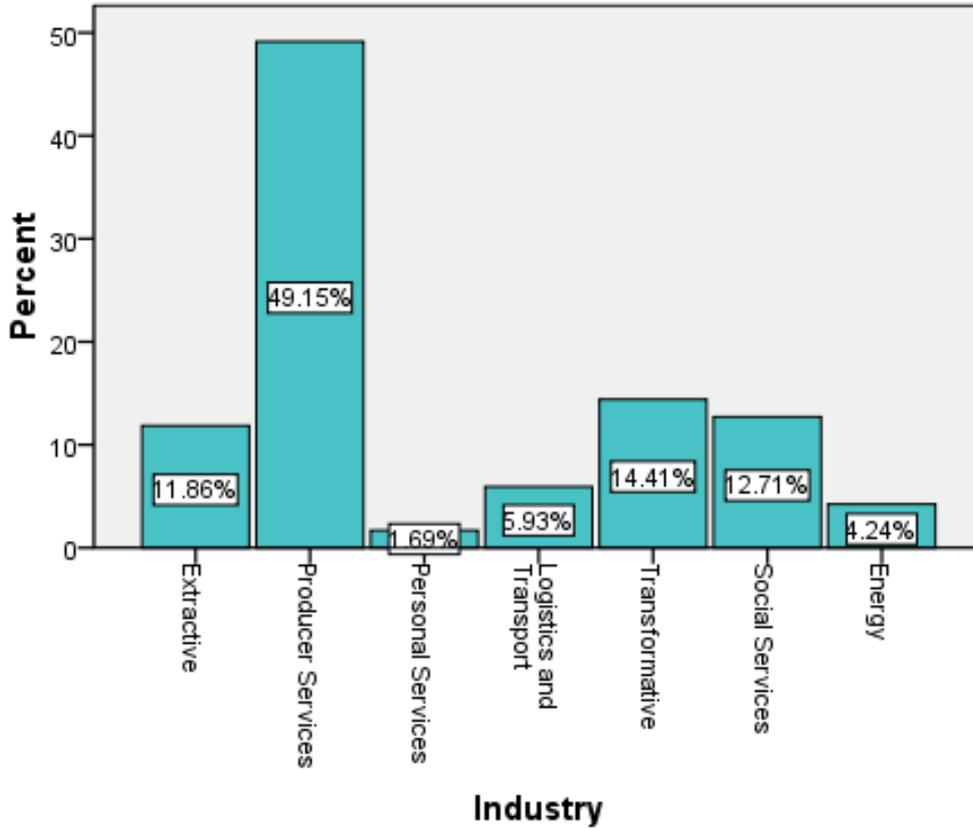


Figure 12 Percentage of respondents' industry

5.3 SECTION B: Reward and brand questions

5.3.1 Question 1 – Employer brand perception

Question 1 deals with the respondent's perception of his/her current employer in terms of the strength of the company as an employer brand. In the table below, the choice of one indicates that the respondent's perception of the employer brand is really bad and five indicates that their perception of the employer brand

is very good. It is clear that 67.5% of the respondents considered their present company to have a good employer brand.

Table 15 Employer perception distribution

Options	Frequency	Per cent	Cumulative Per cent
1 – Really bad	5	4.2	4.2
2	7	5.8	10.0
3	27	22.5	32.5
4	40	33.3	65.8
5 – Very good	41	34.2	100.0
Total	120	100.0	

5.3.2 Question 2 – Current employer point allocation to total reward components

In question 2 the respondents were asked to allocate a total of 100 points to the components of a total reward package based on the factors that have the most importance to them. The components were fixed pay, variable pay, benefits, work-life, performance and recognition as well as development and career.

In the table below, the point allocation to the various total reward components has been summarised, and the highest point allocation has been highlighted. For fixed pay 98 of the respondents allocated 50 points or less to this factor. Variable pay deals with both short term and long term rewards like bonuses and share options. A maximum of 35 points out of a possible 100 were allocated to this category. Most respondents (49) allocated 10 points to this factor.

Benefits refer to components of the total rewards package like medical aid and retirement funding. The maximum point allocation for this factor was 40 points. For this factor 89 of the respondents allocated between 10 and 20 points. Work life refers to organizational practices, policies and programmes aimed to achieve balance between work and personal life. This includes flexitime, telecommuting and job-sharing. Once again the majority of respondents (99) allocated between 5 and 20 points to this factor with 34 respondents allocating 10 points.

Performance and recognition refer to how organisational goals are achieved and whether formal or informal praise is given. Fifty six of the respondents allocated 10 points to this factor. The last factor, development and career, refers to learning opportunities presented and career opportunities available through the company. The highest point allocation to this factor was also 10 points.

Table 16 Points allocation to total reward components for current employer

Points allocated	Fixed pay points frequency	Variable pay points frequency	Benefits points frequency	Work life points frequency	Performance and recognition points frequency	Development and career points frequency
0	-	15	10	-	7	10
2	-	1	-	-	1	-
3	-	-	-	-	-	1
5	2	11	12	24	14	12
6	-	-	-	1	1	1
10	6	49	35	34	56	47
15	4	15	18	13	19	18
20	15	19	36	27	13	23
25	4	3	4	5	6	4
30	22	5	3	4	3	3
35	4	2	1	-	-	1
40	18	-	1	2	-	-
45	2	-	-	-	-	-
50	21	-	-	-	-	-
55	1	-	-	-	-	-
60	12	-	-	-	-	-

70	4	-	-	-	-	-
100	1	-	-	-	-	-
Missing	4	2	0	10	0	0
Total	120	120	120	120	120	120

Ranking

The following table rank the various factors used in question 2, based on averages and standard deviations. This indicates the order in which total reward factors are preferred at the respondents' current employer.

Table 17 Ranking of factors

Ranking	Component	Average	Standard deviation
1	Fixed pay	36.9	16.9
2	Benefits	15	7.3
3	Work-life	13.4	8.0
4	Variable Pay	13.1	7.5
5	Development and career opportunities	13	6.7
6	Performance and recognition	12.5	6.1

5.3.3 Question 3 – Willingness to change employer

In question 3 respondents were asked whether they would change current employers for a stronger employer brand and it is interesting that 36,1% indicated that they would not.

Table 18 Willingness to leave your current employer

Options	Frequency	Per cent	Cumulative Per cent
1 – Yes	76	63.9	63.9
2 – No	43	36.1	100.0
Total	119	100.0	

5.3.4 Question 4 - Expected financial reward indication

In Question 4 the respondent had to choose an option with regard to financial reward when offered a job with a stronger employer brand. 24,4% indicated that the same or reduced financial reward would be acceptable.

Table 19 Change in financial reward

Options	Frequency	Per cent	Cumulative Per cent
1 – Reduced financial reward	5	4.2	4.2
2 – Same financial reward	24	20.0	24.2
3 – Increased financial reward	91	75.8	100.0
Total	120	100.0	

5.3.5 Question 5 – change in financial reward indication

Respondents were asked to indicate on a seven point scale the percentage change they would be willing to accept if they were offered a similar job at an employer with a stronger employer brand. The values included negative, same and increased values. Most respondents (73.3%) indicated that they would expect a fixed pay increase of between 5% and 30% (selection 5 and 6).

Table 20 Percentage change required when job changing

Points allocated	Frequency	Per cent	Cumulative Per cent
2	1	.8	.8
3	5	4.2	5.0
4	11	9.2	14.2
5	40	33.3	47.5
6	48	40.0	87.5
7	15	12.5	100.0
Total	120	100.0	

5.3.6 Question 6 – Stronger employer brand point allocation to total reward components

Question 6 was a very similar to question 2. The only difference was that respondents were asked to allocate the 100 points in the context of the respondent now being offered a job at an employer with a stronger employer brand. The total reward factors remained the same from question 2.

For fixed pay 102 respondents still gave 50 points or less, which is similar to question 2. The maximum point allocation for variable pay was 40 and 49

respondents' allocated 10 points. For benefits, work life, performance and recognition, and development and career 10 points have the highest frequency.

Table 21 Points allocation for total reward components with a stronger employer brand

Points allocated	Fixed pay points frequency	Variable pay points frequency	Benefits points frequency	Work life points frequency	Performance and recognition points frequency	Development and career points frequency
0	-	10	11	10	3	8
2	-	-	-	1	-	-
3	-	-	-	-	-	-
4	-	1	-	-	-	-
5	2	11	16	21	15	14
6	-	-	-	-	-	-
7	-	-	-	-	1	1
10	2	49	36	37	62	53
15	6	16	18	9	16	18
20	23	21	28	29	15	15
25	5	3	5	6	5	7
30	23	4	5	5	3	3
35	5	4	-	-	-	-



40	18	1	1	1	-	-
45	2	-	-	1	-	-
50	16	-	-	-	-	1
55	2	-	-	-	-	-
60	13	-	-	-	-	-
65	1	-	-	-	-	-
70	1	-	-	-	-	-
100	1	-	-	-	-	-
Missing	0	0	0	0	0	0
Total	120	120	120	120	120	120

Ranking

The following table ranks the factors in a similar way to question 2. From the ranking it could be seen that benefits moved to second place in the ranking, pushing the variable pay option into third place.

Table 22 Ranking of total rewards factors

Ranking	Component	Average	Standard deviation
1	Fixed pay	35.2	16.2
2	Benefits	13.3	8.0

3	Variable Pay	13.3	8.5
4	Work-life	13.2	8.7
5	Development and career opportunities	12.2	7.6
6	Performance and career opportunities	12	6.2

5.3.7 Question 7 – Weaker employer brand financial reward preference

Question 7 asked respondents what their financial reward preferences would be if they were offered a similar job with a company with a weaker employer brand. The choice remained the same as in question 2. The vast majority (86.7%) indicated that they would expect an increased in reward.

Table 23 Remuneration preferences

Points allocation	Frequency	Per cent	Cumulative Per cent
1	1	.8	.8
2	15	12.5	13.3
3	104	86.7	100.0
Total	120	100.0	

5.3.8 Question 8 – Financial reward expectations at a weaker employer brand

Question 8 was similar to question 5, with the focus on reward expectancy, when offered the same job with an employer with a strong employer brand. Almost all respondents (116) indicated that an increase of 5% (selection 5, 6 and 7) or more would be expected when offered a similar job with a company with a weaker employer brand. Fifty two respondents (43.4 %) would ask for an increase of between 16% and 30 % in remuneration. An additional 37 respondents (30.8%) would ask for an increase of financial reward in excess of 30 %.

Table 24 Salary preference indication

Points allocation	Frequency	Per cent	Cumulative Per cent
1	0	0	0
2	0	0	0
3	1	.8	.8
4	3	2.5	3.3
5	27	22.5	25.8
6	52	43.4	69.2
7	37	30.8	100.0
Total	120	100.0	

5.3.9 Question 9 - Weaker employer brand point allocation to total reward components

Respondents had to allocate 100 points between the same 6 factors of total rewards used in question 2 and 6, but this time in the context of a weaker employer brand. Fixed pay still received higher point allocation than the complement of the total reward components, and 10 points remained the point's frequency that attracted the most respondents.

Table 25 Points allocation for total reward components at a weaker employer brand

Points allocated	Fixed pay points frequency	Variable pay points frequency	Benefits points frequency	Work life points frequency	Performance and recognition points frequency	Development and career points frequency
0	-	13	10	12	8	10
2	-	-	-	-	-	2
3	-	-	-	-	1	-
4	-	-	-	-	-	1
5	1	16	1	25	32	23
6	-	-	16	-	-	-
7	-	-	1	-	-	-
8	-	-	-	2	2	-
10	4	40	33	30	47	57
15	1	13	17	12	17	10
20	18	26	33	29	9	12
25	4	4	5	3	1	2
30	15	6	2	5	3	3
35	5	1	-	-	-	-
40	24	1	2	1	-	-
45	4	-	-	-	-	-



50	20	-	-	1	-	-
55	1	-	-	-	-	-
60	11	-	-	-	-	-
70	6	-	-	--	-	-
80	4	-	-	-	-	-
90	1	-	-	-	-	-
100	-	-	-	-	-	-
Missing	1	0	0	0	1	0
Total	120	120	120	120	120	120

Ranking

This table summarise the rankings of the factors in question 9 in order of preferences according to the average of the amount of points allocated to each factor. The order of the factors stayed the same from question 6, which related to a stronger employer brand.

Table 26 Rankings for total reward components

Ranking	Component	Average	Standard deviation
1	Fixed pay	40.8	17.7
2	Benefits	13.3	8.0
3	Variable pay	13	8.5

4	Work-life	12.7	9.0
5	Development and career opportunities	10	6
6	Performance and recognition	10	6.5

Comparing the rankings for current employer, stronger employer brand and weaker employer brand, the rankings are almost identical. The only difference is in the ranking for current employer, where work life is ranked third and variable pay is ranked fourth. In both stronger and weaker employer brands variable pay is ranked above work-life.

5.4 Correlations

Correlations have been calculated for various combinations of questions from section A (demographical data) and section B (reward preferences) of the questionnaire. This information will be presented next, in various sub categories.

5.4.1 Correlations between Section A (demographical data) and section B (reward preferences) of the questionnaire

Correlations between the questions in section A and section B of the questionnaire were also calculated to see if there is any association between some of the questions. The results are presented in the following tables.

Demographic data

The biographical data was correlated against Section B, question 3, 4, 5 and 7.

These questions asked:

- (Q3) Would the respondent change jobs to an employer with a stronger employer brand?
- (Q4) What option would apply to the financial rewards you would expect?
- (Q5) What would you indicate as your expected financial reward?
- (Q7) What financial reward expectation would you have when moving to a weaker employer brand?

No significant differences could be found, meaning that there is no association between the response and the respondents' biographical data. The p-values between the correlating questions are indicated in the table below.

Table 27 Correlations Section A and Section B, questions 3, 4, 5 and 7

Section B				
Section A	Question 3	Question 4	Question 5	Question 7
Gender	0,064	0.146	0.012	0.162
Population group	-0,036	0.109	0.02	-0.097
Age	-0,036	0.022	-0.146	-0.062
Marriage status	0,041	0.073	0.157	0.154
Dependents	-0,04	0.032	-0.096	-0.003
Annual income	0,086	0.127	-0.086	-0.017
Education level	0.006	0.126	-0.071	0.103
Job level	-0.086	0.075	-0.13	0.115
Job family	0.03	-0.132	-0.088	-0.067
Industry	0.083	-0.025	0.033	-0.046

5.4.1.1 Section B, question 6 (total reward components for strong employer brand) vs. Section A (demographic data)

Each of the choices presented in question 6 was correlated back to the demographic data in section A. Some significant differences were found, and it is summarised in the table below.

Table 28 Correlations between Section B, Q6 and Section A

	Fixed pay	Variable pay	Benefits	Work life	Performance and recognition	Development and career
Gender	0.068	-0.188	0.086	0.086	-0.18	-0.152
Population group	-0.125	0.128	0.032	-0.068	0.059	0.069
Age	0.105	-0.121	0.158	-0.127	-0.012	-0.207
Marriage status	-0.019	0.061	-0.096	0.005	0.003	0.094
Dependents	0.016	-0.009	0.126	-0.036	-0.021	0.245
Annual income	-0.026	0.228	-0.119	0.027	-0.035	-0.05
Education level	0.014	0.2	-0.252	-0.036	-0.08	0.029
Job level	0.086	0.004	-0.096	0.147	-0.096	-0.06
Job family	0.012	-0.018	0.019	-0.118	0.115	0.226
Industry	0.024	-0.115	0.167	-0.012	0.024	-0.068

The following is an explanation of all the significant differences that was found:

- P = 0,245 with significance of 0,007 indicates that there is a strong association between the dependent groups with regard to the way points are allocated to development and career. Within the dependents group, respondents with no dependents had the highest mean rank, and individuals that take care of extended family have the lowest mean rank.

- $P = 0,228$ with a significance of $0,012$ indicates that there is a strong association between annual income level and how points are allocated to variable pay. Respondents that earned their salaries from the highest income bracket, (Above R500 001) had the highest mean rank. The lowest mean rank is from respondents in the income bracket between R220 001 and R360 000.
- $P = 0,2$ with a significance of $0,029$ indicates that there is a strong association between the highest level of education and how points are allocated to variable pay. The highest mean rank was obtained by respondents with post graduate qualifications. The other sub-groups (Grade 12 and degree/diploma) had similar mean ranks.
- $P = -0,252$ with a significance of $0,005$ indicates that there is a strong association between the highest level of education and how points are allocated to benefits. Respondents with degrees or diplomas had the highest mean rank in this category. The lowest mean rank was obtained by respondents with post graduate qualifications.
- $P = 0,226$ with a significance of $0,013$ indicates that there is a strong association between job family and development and career. The mean rank for Marketing as a job family is the highest. Human Resources, which make up the largest portion of the respondents job family, had the second lowest mean ranking. The only other mean ranking lower than Human Recourses was the category classified as “Other”.

5.4.1.2 Section B, question 9 (total reward components for weaker employer brand) vs. section A (demographical data)

The same correlations were completed by comparing the results of question 9, which deals with a weaker employer brand, with the demographical data of section A of the questionnaire. Various correlations of significance have been found.

Table 29 Correlations between Section B, Q9 and Section A

	Fixed pay	Variable pay	Benefits	Work life	Performance and recognition	Development and career
Gender	-0.36	-0.099	0.117	0.138	-0.093	-0.057
Population group	-0.097	0.217	0.008	-0.133	0.065	0.064
Age	0.045	-0.008	0.203	-0.094	0.004	-0.195
Marriage status	-0.150	0.071	-0.030	0.017	0.212	0.254
Dependents	0.009	0.056	0.071	0.042	-0.104	-0.231
Annual income	0.096	0.191	-0.108	-0,060	-0.146	-0.176
Education level	0.127	0.205	-0.304	-0.197	-0.044	-0.053
Job level	0.109	-0.090	-0.072	0.083	-0.059	-0.194
Job family	-0.080	0.043	0.037	-0.047	0.141	0.168
Industry	-0.045	0.043	0.101	-0.065	0.067	-0.061

The following is an explanation of all the significant differences that was found:

- $P = 0,217$ with significance of $0,017$ indicates that there is a strong association between the population groups with regard to the way points are allocated to variable pay. African respondents had the highest mean rank. The population group with the lowest mean rank was white. All the other population groups were very similar.
- $P = 0,203$ with significance of $0,026$ indicates that there is a strong association between the age groups with regard to the way points are allocated to benefits. Respondents belonging to the oldest age bracket (51+) had the highest mean rank and the youngest age group (18 – 30) allocated the least amount of points to benefits.
- $P = -0,195$ with significance of $0,033$ indicates that there is a strong association between the age groups with regard to the way points are allocated to development and career. The trend relating to allocating points to development and career is similar to the above, when points were allocated to benefits. The oldest age group once again allocated the most points to development and career, and the youngest age group the least.
- $P = 0,212$ with significance of $0,020$ indicates that there is a strong association between marital status with regard to the way points are allocated to performance and recognition. Respondents belonging to the single and divorced or widowed sub group allocated a similar amount of points to performance and recognition. Married respondents allocated the least amount of points.

- $P = 0,254$ with significance of $0,005$ indicates that there is a strong association between marital status with regard to the way points are allocated to development and career. Single respondents had the highest mean rank in allocating points to development and career. Married respondents had the lowest mean rank.
- $P = -0,231$ with significance of $0,011$ indicates that there is a strong association between the dependent groups with regard to the way points are allocated to development and career. The highest mean rank belongs to those respondents that have no dependents. Respondents that indicated they are looking after extended family scored the lowest mean rank.
- $P = 0,205$ with significance of $0,024$ indicates that there is a strong association between the highest level of education with regard to the way points are allocated to variable pay. Respondents with post graduate qualifications had the highest mean rank. The lowest qualified respondents (grade 12) also had the lowest mean rank.
- $P = -0,304$ with significance of $0,001$ indicates that there is a strong association between the highest level of education with regard to the way points are allocated to benefits. Respondents with only a degree or diploma had the highest mean rank in allocating points to benefits. The lowest mean rank belong to respondents with post graduate qualifications.
- $P = -0,197$ with significance of $0,031$ indicates that there is a strong association between the highest level of education with regard to the way points are allocated to work life. The above pattern repeats itself in the

allocation of points to work life. Respondents with degrees or diplomas had the highest mean rank, and respondents with post graduate qualifications had the lowest mean rank.

- $P = 0,191$ with significance of $0,036$ indicates that there is a strong association between annual income with regard to the way points are allocated to variable pay. Respondents belonging to the highest annual income bracket (above R500 001) allocated the most points to variable pay. The other age group categories allocated similar points to variable pay.
- $P = -0,194$ with significance of $0,034$ indicates that there is a strong association between job level with regard to the way points are allocated to development and career. The lowest job level category had the highest mean rank relating to allocating points to development and career. The lowest mean rank was for those respondents in specialist roles.

5.4.2 Correlations between Section B questions

The following table expresses the correlations between the questions of section B in the questionnaire. Questions 2, 6 and 9 have been removed due to the nature of these questions that asked to allocate points to various factors.

Table 30 Section B correlations

Correlation coefficient	Q1	Q1 1					
Correlation coefficient	Q3	0.131 P = 0.155	Q3 1				
Correlation coefficient	Q4	0.319** P = 0	0.259** P = 0.004	Q4 1			
Correlation coefficient	Q5	0.162 P = 0.079	0.238** P = 0.009	0.610** P = 0	Q5 1		
Correlation coefficient	Q7	-0.086 P = 0.351	-0.066 P = 0.474	0.015 P = 0.868	0.004 P = 0.967	Q7 1	
Correlation coefficient	Q8	0.082 P = 0.374	0.14 P = 0.129	0.224* P = 0.015	0.468** P = 0	0.427** P = 0	Q8 1

P = Significance (2 tailed); **. Correlation is significant at the 0.01 level (2-tailed); *. Correlation is significant at the 0.05 level (2-tailed).

There are some significant correlations that can be observed between the various questions of section B. A positive significance indicates that an increase in the allocation of marks (more positive) also co- inside with a higher allocation on the other question.

5.4.3 Summary

Various significant differences have been indicated. This shows that there is a relationship between the two factors that creates this difference. Broadly, this means that high allocations of marks on the one factor also relate to high marks allocated to the matching (paired) factor to give a positive significance. A negative significance indicates a high allocation of points on one factor relates to lower point allocation on the matching (paired) factor. The significant differences indicate that different sub groups, based on data in section A, have different preferences to the total reward components when considering employment with a stronger and weaker employer brand.

5.5 Comparisons

In this section various sub-groups would be compared against each other to identify any possible differences between the sub- groups.

5.5.1 Differences between male and female in total rewards components

The following table compares males and females with regard to their preferences in total reward components. It is clear that males and female value the different components of a total reward package differently. Males are attracted by the financial aspects, and females prefer lifestyle benefits.

Table 31 Comparison on total reward preferences between males and females

Total reward components	Male Ranking	Male Mean points	Male Std. Deviation	Female Ranking	Female Mean points	Female Std. Deviation
Fixed pay	1	35.7	17.7	1	37.8	16.4
Variable pay	2	14.1	9.2	6	10.9	6.9
Development and career opportunities	3	13.1	8.12	4	12.1	6.6
Performance and recognition	4	13.1	7.3	5	11.2	5.9
Benefits	5	12.2	7.5	2	14.9	7.8
Work life	6	11.9	7.3	3	13.2	8.9

5.5.2 Income levels and preferences for total reward components

The following tables indicate the preferences of the total reward components for the different income levels. All income level groups rated fixed pay as their most important preference. That is the only consistency visible, as the balance of components differs greatly among the different income levels. The ranking is based on frequencies.

Table 32 Income levels and total rewards component comparison

Income Level					
Frequency Ranking	Below R100 000 p/y	R100 001 – R220 000 p/y	R220 001 – R360 000 p/y	R360 001 – R500 000 p/y	Above R500 001 p/y
1 - Fixed pay	1	1	1	1	1
2 - Variable pay	2	6	6	5	2
3 - Development and career	3	3	4	3	6
4 - Performance and recognition	4	5	5	6	4
5 - Work life	5	4	3	2	3
6 - Benefits	6	2	2	4	5

5.5.3 Age and fixed pay increase

The data has been divided into those below the age of 40 (Gen X and Y) and those above the age of 40 (Baby Boomers) to ascertain any differences in their salary expectations. This is presented in tables for moving to a stronger employer brand and then for moving to a weaker employer brand.

Table 33 Age comparisons and fixed pay expectations for **stronger** employer brand

Section B, question 5								
Age	Salary brackets	-30% to -16%	-15% to -5%	-4% to +4%	5% to 15%	16% to 30%	> 31%	Total
<40 years	Count	0	3	6	14	28	10	61
	% within Age	.0%	4.9%	9.8%	23.0%	45.9%	16.4%	100.0%
>40 Years	Count	1	2	5	26	20	5	59
	% within Age	1.7%	3.4%	8.5%	44.1%	33.9%	8.5%	100.0%
Total	Count	1	5	11	40	48	15	120
	% within Age	.8%	4.2%	9.2%	33.3%	40.0%	12.5%	100.0%

The following table presents the same information as the table above, but this time in the context of a weaker employer brand.

Table 34 Age comparisons and fixed pay expectations for weaker employer brand

Section B, question 8							
Age	Salary brackets	-15% to -5%	-4% to +4%	5% to 15%	16% to 30%	> 31%	Total
<40 Years	Count	1	1	11	26	22	61
	% within Age	1.6%	1.6%	18.0%	42.6%	36.1%	100.0%
>40 Years	Count	0	2	16	26	15	59
	% within Age	.0%	3.4%	27.1%	44.1%	25.4%	100.0%
Total	Count	1	3	27	52	37	120
	% within Age	.8%	2.5%	22.5%	43.3%	30.8%	100.0%

It is clear that respondents under the age of 40 have higher fixed pay expectations, for both stronger and weaker employer brands, compared to those over the age of 40.

5.5.4 Summary

Male and females, as well as the respondents within different salary brackets have been compared to each other to determine their preferences for the components of a total reward package. Differences have been observed in both sub groups.

The respondents have also been divided into 2 groups based on their age - above or below 40. Differences could be identified between the fixed pay expectations. This has been done for both a strong and weaker employer brand.

5.6 Incomplete Questionnaires

From the 147 responses received, 27 of these only completed section A of the questionnaire. This data was also analysed to identify any possible trends, and revealed that mostly white females did not complete the whole questionnaire, with 18 having a job level of senior management, upwards.

5.7 Summary

In this chapter, the data that was collected was analysed. Descriptive analysis was firstly employed to give a general understanding of the data and the response sample. This was followed by a section of correlations, to discover any possible associations between the various questions in section A and section B. The final part of this chapter made comparisons between some sub groups and total reward components. This was completed to comprehend if any differences in the sub-groups preferences exist. The results of the correlations

and comparisons indicate that there are some differences between the different sub-groups on certain aspects of total rewards.

In the next chapter the results will be interpreted and linked with the literature review, as discussed in chapter 2.

CHAPTER 6 - Discussion of the results

6.1 Introduction

In this chapter the research results are discussed and linked back to the research questions and the literature review that was highlighted in the previous chapters. The literature review revealed that reward theory, employer brand and brand theory has been researched in the past by several researchers. The following table provides a summary of the literature reviewed for each topic.

Table 35 Previous Research summary

Reward Theory	<p>Armstrong and Brown (2006)</p> <p>WorldatWork (2007)</p> <p>Bussin and Gildenhuis (2008)</p>
Employer brands	<p>Spitzmuller, Huntington, Wyatt and Crozier (2002)</p> <p>Davies (2008)</p> <p>Moroko and Uncless (2008)</p> <p>Hansen and Christensen (2007)</p>
Brand Theory	<p>Sprott, Czeller and Spangenberg (2009)</p> <p>Donavan, Janda and Suh (2006)</p>

	Dutton, Dukerich and Harqual (1994) Fuller, Hester, Barnett, Beu, Frey and Relyea (2009) Aspara, Olkkonen, Tikkanen, Moisander and Parvinen (2009)
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The previous research focussed only on the individual topics of concern. There has been very little attempt thus far to link these individual topics to each other, and to understand the influence that they have on each other.

This paper attempts to understand the possible linkages between how employers' brand identification influence their total rewards structures. The literature review shows that little, if any, research has been done in this area. The research questions polled what employees would expect from their total reward package when they are offered a similar job with a company with a perceived strong employer brand and a perceived weaker employer brand.

In order to make the connection between the total rewards package and the perceived brand value, the literature review highlights certain theories that would apply to brands and their customers. It is proposed that those same theories would apply to an employee perspective.

The second level of the research questions aims to quantify the premium in fixed pay when one moves to a similar job in a company with a stronger or

weaker employer brand. The relationship between premium consumer brands and lesser valued brands is that superior brands could charge a premium, based on their perceived brand value. The question that needs to be considered is whether more valued employer brands could also have a premium in the form of a discount in fixed pay to their employees, based on their employer brand value.

This chapter will discuss and interpret the data. Both sections of the questionnaire will be discussed and then the correlations between the different sections will be interpreted.

6.2 Section A: Demographic Information

6.2.1 Discussion of Data

Section A of the questionnaire asked respondents for their demographic information. More females than males completed the questionnaire. The possible reason for this is based on the data base used. The data base of 21st Century Business and Pay Solutions is primarily a data base with information of human resource personnel. This is confirmed by the fact that 55.8% of the respondents indicated that they work in the HR arena. The human resource employment field has traditionally been a field associated with more females than male employees. This link could be extended to the populations groups as

this field has also traditionally been reserved for white employees. This is the reason more white responses were received. It is also possible that the employment equity quotas in the human resources industry has not been reached yet, especially in the senior management, general/executive management and specialist areas which is where the majority of respondents indicated their job level.

The income levels confirm the trend that was observed in the question regarding the respondent's job family. As noted before, most respondents belonged in the senior management, general/executive management and specialist categories. This could explain why 45% of the sample group indicated that their current annual income level is above R500 001. The income level bands R360 001 to R500 000 had 19.2% of the response rate, meaning that the top two income bands together represents 64.2% of the respondents compared to 73.4% of respondents indicated they belong to the top 3 job levels, which is also possibly the highest paid compared to that of junior management and clerical/administration positions.

The demographic data revealed that 69.2% of the respondents were between the ages of 31 and 50. Looking at the general population of people in this age bracket, one could assume that most would be married and would have children. The demographical data confirms this assumption. From the sample 59.2 % indicated they were married and an additional 14.2% indicated that they

have been divorced. It can also be deducted that most married people will have children. In this sample 58.3% of respondents indicated they have children.

6.2.2 Summary

The demographical data revealed certain skewness in some of the questions asked. This could be explained mostly by the nature of the data base used and the general composition of the human resources industry. Most of the other demographic data had some logical correlation with each other.

6.3 Section B: Rewards and brand questions

6.3.1 Discussion

The questions in this section of the questionnaire could be subdivided into 3 sections. Question 1 and 2 established a status quo at the current employer. The respondents was asked to rate their current employer, and their preference to the components of their current total rewards package. Questions 3 to 6 spoke to employee reactions towards stronger employer brands, and questions 7 to 9 spoke to weaker employer brands. The set of questions from 3 to 6 were in effect the same set that was asked from question 7 to 9, with the only difference being that the focus was firstly on a stronger employer brand and lastly on a weaker employer brand.

Question 1 revealed that 67.5% of respondents think their company has a good employer brand scoring their current employer either as a 4 or 5 on a 5 point Likert type scale. Keeping in mind that most respondents work in the human resources field it could be expected that they would present a positive view on their employer. The allocation of points to the factors in question 2 reveals that fixed pay is still regarded as the most important component of a total rewards package with an average of 36.93 points from a possible hundred allocated to this factor. Fixed pay is possibly the biggest attracter of talent to companies, but also the biggest expense compared to the other total reward factors, in the total rewards model. This justifies why it would be valuable for organisations to know if they could possibly leverage off their perceived employer brand value, and incur a decrease in their fixed pay component.

Question 3 reveals that 63.9% of respondents indicated that they would change their current employer for a job with a stronger employer brand. Various research like Donovan et al (2006), Dutton et al (1994) and Fuller et al (2009) talk about individuals self-enhancement needs. This could explain why so many respondents would move employment to employer brands that they perceive as more prestigious. This result is very close to the result of question 1, in which 67.5% of respondents rated their current employer very highly. This could indicate that employees will always be on the lookout for a better opportunity even when they think highly of their current employer. This stands in contradiction with the theory of affective self-affinity which suggests that people

apply for employment in a company rather than a job for which they have high affective self-affinity.

In question 4, 75.8% of respondents indicated that they would want increased financial reward when they move to an employer with a stronger employer brand. This is once again in contradiction with the basis of affective self-affinity theory, group engagement model and social identity theory which all explain the individual's value systems and psychological needs. It seems that individual's value financial rewards more in an employment situation than psychological needs. This will also alter the view on the employee value proposition (EVP), which focuses on those intangible components, which extends beyond the total rewards package. Clearly if an employee would change employment for more money, they do not value the components of the EVP in the same light. This brings to question a finding of the Corporate Leadership Council (2007a) that states that an effective EVP could reduce remuneration premiums demanded by new employees by up to 50%.

Question 5 addresses the expected change in the fixed pay component an individual would expect when they move to an employer with a stronger employer brand. The majority of respondents (73.1) indicated that they would expect an increase of between 5% and 30% in their fixed pay component. This aligns back to question 4 where 75.8% of respondents indicated that they would expect an increase in financial reward. It is surprising to see that 52.2% of respondents would expect a financial increase of over 15%. This begs the

question as to whether employees possibly associate employers with strong employer brands as those companies who also make more money than their peers.

Initial expectations, based on SIT, GEM and ASA, were that underlying psychological needs and motivations should reflect an eagerness to be associated with strong brands. This should be reflected in individuals asking for lower salaries in relation to being employed at organisations who exhibit a stronger brand. This expectation was proved to be untrue. It is argued that the same argument, from a consumption point of view, also applies in employer brand following. Consumers of elite brands could expect to pay more for their products when compared to other brands. It could be that employees perceive that these stronger employer brands could also pay more to their employees. Based on these results, it seems that a strong employer brand would actually have a negative impact on these employers, as they would be expected to pay higher remuneration to employees.

The ranking table for question 6 still ranks fixed pay as the most important component of the total reward package but other changes have occurred when compared to the results of question 2.

Table 36 Comparison of rankings between question 2 and 6

Component	Ranking Q2	Average	Ranking Q6	Average
	Current employer	Current employer	Strong employer brand	Strong employer brand
Fixed pay	1	36.9	1	35.2
Benefits	2	15	2	13.3
Work life	3	13.4	4	13.2
Variable pay	4	13.0	3	13.3
Development & career opportunities	5	13	5	12.2
Performance & recognition	6	12.5	6	12

The change that occurred is that variable pay, which includes long term and short term incentives, moved up a position (from position 4 to 3) in the rankings when compared to question 2. This links in with the proposition that financial rewards are valued more than the EVP of an employer.

Question 7 is the start of the same set of questions (3 – 6), but asked in the context of a weaker employer brand. The following table indicates the differences the changed context brought about.

Table 37 Expected financial award comparison

Choice	Question 4 Strong employer brand fixed pay expectation Frequency	Question 4 Strong employer brand fixed pay expectation Per cent	Question 7 Weak employer brand fixed pay expectation Frequency	Question 7 Weak employer brand fixed pay expectation Per cent
1 - Reduced financial reward	5	4.2	1	0.8
2 - The same financial reward	24	20.0	15	13.3
3 - Increased financial reward	91	75.8	104	86.6

There is a shift of 10.8% in the response sample towards increased financial rewards. The first choice (for reduced financial reward) had a change of 4 respondents, leaving only a single response.

74.1% of respondents indicated in question 8 that they would expect their financial rewards to increase by more than 16% when offered a job in a company with a perceived weaker employer brand. The following table compares the change in expected financial reward, comparing the data for questions 5 (strong employer brand) and question 8 (weaker employer brand).

Table 38 Data comparison between question 5 and 8

Increase brackets	Question 5	Question 5	Question 8	Question 8	Change
	Strong employer brand fixed pay indication Frequency	Strong employer brand fixed pay indication Percentage	Weak employer brand fixed pay indication Frequency	Weak employer brand fixed pay indication Percentage	
1 - Greater than minus 31%	0	0	0	0	0
2 - Minus 16% to minus 30% pay reduction	1	0.8	0	0	0.8
3 - Minus 5% to minus 15% pay reduction	5	4.2	1	0.8	- 3.4
4 - Minus 4% pay reduction to 4% pay increase	11	9.2	3	2.5	- 6.7
5 - 5% to 15% pay increase	40	33.3	27	22.5	- 10.8
6 - 16% to 30 % pay increase	48	40.0	52	43.3	+ 3.3
7 - Greater than 31% increase	15	12.5	37	30.8	+ 18.3

It is clear that the shift from strong to weaker employer brands happened across the board to higher financial reward expectancy. The trend indicates that weaker employer brands will have to incur a higher premium in financial reward to attract prospecting employees. This can be interpreted that employee brand value does matter when a weaker employer brand must pay a premium in financial income to individuals based on their brand strength.

By looking at the model, which represents the choice most often made, i.e. the value that appears most, it is clear that most respondents would opt for a 16 – 30% increase, regardless of employer brand’s strength.

Table 39 Increase Average Tables

	Section B, Q5	Section B, Q8
	Strong employer brand	Weak employer brand
Mean	5.5	6.0
Median	6.0	6.0

This is in stark contrast with the findings of the Corporate Leadership Council (2007a) which claims to reduce remuneration premiums of 50% (from 21% to 11%) for employers with effective EVP. It is clear that most respondents in this study value financial rewards more, and would expect an increase when offered

a job with another employer. An employer with a weaker employer brand would be expected to pay a higher premium than an employer with a strong employer brand.

The last question in the questionnaire asked respondents to allocate points to total reward factors in the context of a weaker employer brand. This was very similar to questions 2 (status quo) and question 6 (strong employer brand). The following table compares the change across the factors in these questions.

Table 40 Factor comparisons for question 2, 6 and 9

Component	Question 2 (Status quo) Ranking	Question 2 (Status quo) Average	Question 6 Strong employer brand Ranking	Question 6 Strong employer brand Average	Question 9 Weak employer brand Ranking	Question 9 Weak employer brand Average
Fixed pay	1	36.9	1	35.2	1	40.8
Benefits	2	15	2	13.3	2	13.3
Work life	3	13.4	4	13.2	4	12.7
Variable pay	4	13.0	3	13.3	3	13
Development & career opportunities	5	13	5	12.2	5	10
Performance & recognition	6	12.5	6	12	6	10

Fixed pay is still the most important factor in the total reward package. This can be seen across the board in the different scenarios. The average for weaker employer brands is the highest indicating the premium these employers will need to pay above stronger employer brands. This is more an indication that a weak employer brand will incur a higher premium to attract potential employees.

6.3.2 Summary

The discussion of the data from section B of the questionnaire revealed that employees would expect an increase in financial reward, irrespective of them moving to a stronger or weaker employer brand.

It is proposed that financial reward, and more specifically fixed pay, is still the most important factor an employee considers before changing jobs. Factors like EVP, or various other psychological needs theories (SIT, GEM and ASA) that argue that psychological needs play a decisive role in choosing a brand, appears to be incorrect in the light of all respondents indicating their primary concern is fixed pay.

6.4 Correlations

6.4.1 Correlations between demographic data and Section B, questions 3, 4, 5 and 7

The correlations between these questions indicated that there was no association between the biographical data of the respondents and the identified questions. This means that the responses to the questions in section B were not influenced in any way because of any demographic factor.

6.4.2 Section B, question 6 vs. Section A

Strong associations have been found between 5 different combinations of questions, while calculating the correlation coefficients for this part of the questionnaire. These include:

There is a strong association between the dependents sub-group in section A and how points were allocated to development and career. Respondents with no dependents had the highest mean rank (14.1). This could be viewed in two ways. Perhaps these individuals would like to work themselves up the career

ladder and be more financially secure before they have children, or this could be interpreted as career focussed individuals who do not want children.

There was also a strong association between annual income level and points allocated to variable pay. Individuals in the highest income bracket also allocated the most points to variable pay. This could be part of why their annual salaries are so high. Variable pay, as a portion of one's annual pay, is focussed around performance and results, and individuals in the higher income brackets could be more results and performance driven than perhaps individuals in lower income brackets to have that higher income.

Another strong association was between the level of education and variable pay. Individuals with post graduate qualifications allocated more points (mean rank 15.7) to variable pay than the other sub groups. This could mean that higher educated individuals have different values and believe in acquiring wealth through other options than just fixed pay. They are more money orientated.

The relationship between the level of education and benefits show that individuals with a degree or diploma had the highest mean rank (16). This could point to a different set of values compared to the above, where individuals with post graduate qualifications preferred more variable pay.

The last association that was found is between job family and development and career. The more “exciting” and varied jobs received the highest mean rank. Marketing (mean rank: 50) had the highest mean, followed by IT (mean rank: 21.7) and Process and Project Management (mean rank: 20). These jobs typically have much more changes in their field when compared to the HR field. Thus, due to the nature of the jobs these individuals must continuously develop to stay current and they might value development more than respondents working in the HR field. Respondents in the HR job family allocated the least amount of points to development and career.

In the context of a stronger employer brand all of the above associations are based on the superior image the individual has of the brand. There could be a belief that the stronger employer brand could deliver on the self enhancement of the individual, linking in with the self-enhancement need that is described by Dutton et al (1994).

6.4.3 Section B, question 9 vs. Section A

Similar correlation coefficients have been calculated from the demographical data in section A and section B, question 9, dealing with a weaker employer brand. The following associations have been found:

There is a strong association between the different population groups and how points were allocated to variable pay. This indicates that different population groups do not value variable pay in the same way. White people (mean rank: 11.3) value variable pay much less than any of the other races. African respondents had the highest mean rank of 17.9. This could be due to cultural differences between the different population groups.

There is also correlation between the different age groups and benefits, with younger individuals (mean rank: 7.8) asking for fewer benefits than older age individuals (mean rank: 13.2). A possible reason for this could be the fact that younger individuals (Gen Y) change jobs more often and thus have a lesser focus on benefits compared to individuals in the older age bracket. Because of old age and possible increased health issues, it is clear that these individuals might value benefits, which include aspects like a pension fund and medical aid, more than their younger counter parts.

Furthermore, the different age groups had dissimilar views on development and career. Older people (age 51+ mean rank: 7.7) valued development and career less than the younger age groups (Age 18 – 30 mean rank: 13.2). Krayewski (2009) suggests that the average Generation Y person would change jobs 29 times in his career. In order to jump between jobs so frequently makes it understandable that the respondents in the youngest age group had the highest mean rank. Individuals in the oldest age group also had the lowest mean rank.

This could be understood in light of most of these individuals nearing the end of their career and thus not having the need to focus on future development.

There is an association between marital status and performance and recognition. Single individuals seek more recognition than married people. Individuals who belonged to the divorced group (widowed individuals were added in here) had the highest mean rank of 11.6. This indicates a possible link with Donovan, et al (2006) where due to being divorced a positive social image could be maintained by performing and receiving recognition. It is a way of receiving self-validation.

There is also a similar association between marital status and development and career. Single individuals (mean rank: 10.9) seek more development and career prospects than married individuals (mean rank: 8.8). This correlates with the previous association. It is proposed that single individuals are more focussed on achieving before moving onto marriage and the responsibility of taking care of others. Married respondents had the lowest mean ranking, indicating a shift in priorities, possibly because of the family.

A correlation also exists between the dependents group and development and career. People with no dependents allocated on average more points to development and career than those respondents with dependents. It is proposed that the reason for this is the time it takes to look after dependents.

Personal development could include time to study. A single individual might find this much easier to do than an individual with a family and added responsibilities to take care of.

There is an association between the level of education and the way points were allocated to variable pay. There is an association between these two factors irrespective of a strong or weak employer brand. The higher your level of education (Post grad mean rank: 15.2), the more value you attribute to variable pay.

Another repeat association is that of highest level of education and benefits. Respondents with higher education allocated on average fewer points to benefits than those respondents with lower levels of education.

Strong association also exists between the different levels of education and work life. It seems the higher your level of education, the fewer points were allocated to work life. Because of the level of education this could imply that these respondents love their field of work and that they do not really perceive it as “work”. There is no need to balance “work” with other activities.

Annual income and variable pay is also an association that was observed under the previous section for strong employer brands. The higher your annual pay,

more points were allocated to variable pay. Respondents with the higher annual pay (Above R500 001 mean rank: 14.8) attach more value to this total reward component than other income groups.

The last association that was found is between job level and development and career. It is observed that lower job levels are more development and career orientated than respondents in higher job levels. Respondents in lower job levels (Clerical mean rank: 12.7) still have aspirations and room to move up to higher job levels. Respondents with already high job levels (general/executive management mean rank: 8.9) have limited room to move.

When the correlation coefficients between the demographical data (section A) and section B, question 6, that deals with a stronger employer brand, was calculated a total of 5 correlations with significant differences were found. These are:

- Dependant groups vs. Development and career
- Annual income level vs. Variable pay
- Highest level of education vs. Variable pay
- Highest level of education vs. Benefits
- Job family vs. Development and career.

The same calculations were done for the demographical data and section B, question 9, dealing with a weaker employer brand. The following significant correlations were found:

- Dependant groups vs. Development and career
- Annual income level vs. Variable pay
- Highest level of education vs. Variable pay
- Highest level of education vs. Benefits
- Population groups vs. Variable pay
- Age groups vs. Benefits
- Age groups vs. Development and career
- Marital status vs. Performance and recognition
- Marital status vs. Development and career
- Highest level of education vs. Work life
- Job level vs. Development and career.

From the above eleven significant correlations, six are different and new when compared to the significant correlations for section B, question 6, taking cognisance of employment from a stronger employer brand .In this regard it is clear that a weaker employer brand would make respondents consider the move to the employer more carefully. It seems that there is a focus on development and career, possibly seeing the move to a weaker employer brands as a chance to enhance these factors from a personal perspective. It is more likely for a young, single person to take a job with an employer with a weaker employer brand than for other sub groups. This could be because the

status of the individual would allow the “riskier” employment with a big opportunity to deliver superior results.

All the above results indicate a difference between the preferences to total reward components for different groups of people. In essence, the literature review did not cover any theory that could explain the various sub group differences. On a broader level these results indicate preferential differences in subgroups. None of the theories (SIT, GEM or ASA) that were discussed refer to possible differences that might exist between different sub groups. What transpires in these preferences is what Donovan et al (2006) identified as the three elements of SIT:

1. Cognitive – Clearly the move to a weaker employer brand brings more considerations to the decision. This could be seen in the increased number of significant correlations for weaker employer brands.
2. Evaluative – Evaluation happened by comparing yourself to the stronger brand. The respondents clearly indicated that they perceive the weaker brand as more risky by requesting greater financial reward.
3. Affective – Different factors of total rewards created different affection for different groups. It is thus important to understand the underlying motivational factors for different subgroups.

The GEM refers to self-enhancement needs. The different preferences of the subgroups indicate that self enhancement needs do exist, but it is not a generic factor across board. Different people have different needs.

These results also indicate that personality types (Nienaber, 2009) could not be the only consideration in total reward packages. Some demographical factors also influence the preferences to certain components of total rewards.

6.4.4 Comparisons

6.4.4.1 Male and female differences on total reward components

Comparisons between the importance of the different total reward components between male and female revealed that males and females have different preferences for the different components. The following table reveals the order of importance in ranking these factors for male and female.

Table 41 Male vs. Female total reward components

Ranking	Male	Female
1	Fixed pay	Fixed pay
2	Variable pay	Benefits

3	Development and career opportunities	Work life
4	Performance and recognition	Development and career opportunities
5	Benefits	Performance and recognition
6	Work life	Variable pay

It is clear that after fixed pay females prefer the factors that would assist them in having more balanced lives. Females generally need to look after dependents and run the household. This is possibly why they would prefer the factors like work life and benefits above work related factors like development and career. This aligns with the focus females might have which is different than their male counterparts. Males would be more focussed on advancing their careers and earning more money to provide for his family. This is why factors like variable pay and development and career future rank higher on their list of importance.

McCrindle suggested that “when deciding to accept a job, salary ranks sixth in order of importance after training, management style, work flexibility, staff activities, and non-financial rewards”. The findings of this research paper clearly indicate that fixed pay or salary ranks number 1 in order of importance.

6.4.2.2 Age and fixed pay increase.

The different age groups show differences in their preferences for total reward components as well. Respondents have been divided into two groups, those below 40 years and those above 40 years. Respondents above 40 fall into the Baby Boomer generation, and those below 40 years of age fall into generation X and Y.

Table 42 Age comparisons and fixed pay expectations for stronger employer brand

Age	Section B Q5							
	Stronger employer brands							
		-30% to -16%	-15% to -5%	-4% to +4%	5% to 15%	16% to 30%	> 31%	Total
<40 years	Count	0	3	6	14	28	10	61
	% within Age	.0%	4.9%	9.8%	23.0%	45.9%	16.4%	100.0%
>40 Years	Count	1	2	5	26	20	5	59
	% within Age	1.7%	3.4%	8.5%	44.1%	33.9%	8.5%	100.0%
Total	Count	1	5	11	40	48	15	120
	% within Age	.8%	4.2%	9.2%	33.3%	40.0%	12.5%	100.0%

Respondents (45.9%) under the age of 40 would prefer a fixed pay increase of between 16% and 30 % when moving to an employer with a stronger employer brand. This is higher than the expected fixed pay increase for respondents over the age of 40 where only 33.9% of respondents would expect a fixed pay increase in the same increase bracket provided. Generational theory states that the main difference between these two age categories is the fact that generation X and Y (respondents below 40) like to work to live. Baby Boomers (respondents above the age of 40) still live to work and are more employer loyal than their younger counterparts. This is illustrated by the fact that more Baby Boomers (44.1%) than generation X and Y (23%) would expect only a 5% to 15% fixed pay increase when moving to a stronger employer brand. Baby Boomers would be more focussed on other factors of total rewards due to their life stages, e.g.: being married with dependents and thus factors that would enhance this life stage.

What is clear from this analysis is that both age groups prefer the external factor of careers like financial reward above the internal factors like values, as is inferred by Imam and Simpson (2007). This could be that in rapidly changing world more people adopt a protean-style career, and by focussing more on the financial components it is possible to make provision for you and not be subjected to non-financial benefits that are tied in with the duration of the job. The older generation is slower to react to this new reality in the employment

market, which explains why they are slightly behind the curve when compared to the younger generation.

Table 43 Age comparisons and fixed pay expectations for weaker employer brand

Age	Section B Q8						
	Weaker employer brands						
		-15% to -5%	-4% to +4%	5% to 15%	16% to 30%	> 31%	Total
<40 Years	Count	1	1	11	26	22	61
	% within Age	1.6%	1.6%	18.0%	42.6%	36.1%	100.0%
>40 Years	Count	0	2	16	26	15	59
	% within Age	.0%	3.4%	27.1%	44.1%	25.4%	100.0%
Total	Count	1	3	27	52	37	120

The same trend is visible when moving to an employer with a weaker employer brand. The only difference is that both age groups move up their expectancy regarding fixed pay. Now 36.1% of respondents under the age of 40 expect a fixed pay increase of above 31%, vs.25.4% of respondents over the age of 40. The younger generations still have higher fixed pay expectations and the reasoning for this is the same as for a stronger employer brand. The shift of these preferences to more fixed pay expectations indicate that employer brand

value does play a role. The weaker your employer brand the higher the expected fixed salary component is.

It is interesting to note that an increase in financial reward is the strongest motivator for individuals to consider a job with a weaker employer brand. This contradicts aspects of SIT which states that:

- Positive self-identity exists when the in-group is viewed as superior to the out-group
- When social identity becomes too unattractive, the individual will either try to acquire membership of a new social group, or seek to improve the existing group

The aspects of a weaker employer brand should be investigated so as to propose how these brands can create positive self-identity, and a superior in-group. It could be that an individual will move to a less desirable out-group in order to improve this group. This will create a stronger positive self-identity within the individual, which links in with the self enhancement needs referred to by Dutton et al (1994).

Table 44 Strong and weak employer brand fixed pay expectation comparison

	Section B Q5 Strong employer brand	Section B Q8 Weak employer brand
Mean	5.5	6.
Median	6.0	6.
Mode	6	6

Due to nature of how the question was asked in the questionnaire it is not possible to calculate a single premium that would apply to both scenarios. The mode is the best indication for depicting the trend.

6.5 Final summary

In conclusion, the original research questions could be answered as follows:

6.5.1 Research question 1:

Will an individual accept employment for less remuneration in a business where the individual highly values the employer brand?

The answer to this question is no. The respondents indicated across the board that an increase in remuneration would be expected.

6.5.2 Research question 2:

What is the total remuneration discount that an individual would be willing to accept in order to work in a business where the individual values the employer brand?

No remuneration discount would be able to persuade respondents to change employment to an employer with a stronger employer brand. None of the aspects, like a strong EVP, would be able to achieve this means either. Respondents across the board indicated that they would expect a remuneration increase. The mode, which is the best indicator of the expected increase, shows that across all groups an expected salary increase of between 15% and 30% would be required to persuade respondents to change employment to an employer with a strong employer brand.

6.5.3 Research question 3:

Will an individual accept a similar offer in a business with an unpopular employer brand?

The answer to this research question is yes. Various aspects of the total rewards package would play a bigger role before such a decision is made. The different sub-groups show differences in their preferences for these factors.

6.5.4 Research question 4:

What is the total remuneration premium needed if an individual accepted employment in a business where the individual does not value the employer brand?

The mode, which is once again the best indicator of the premium, due to the nature of how the question was asked in the questionnaire shows that a premium of between 15% and 30% must be offered. The expected remuneration increase is much stronger in the weaker employer brand scenario as 30.8% of the sample indicated an expected remuneration increase above 31%.

Results of the study also indicated that there is a difference in the preferences for total reward components in certain sub groups.

In this chapter the research results were discussed, and some links were made back to the literature. The next chapter is the conclusion of this research paper and will offer views on how this research could be improved on. Research limitations will be discussed as well as possible future studies.

CHAPTER 7 - Conclusion

7.1 Introduction

In this chapter the research paper would be summarised. The motivations, aims and contribution of this study will be discussed, and what value it adds to the existing body of knowledge. The strengths and limitations of the study will be highlighted and suggestions for future research will be presented. This would be followed by a final conclusion.

7.2 Motivation for the study, aims and contributions

Huge amounts of money are spent annually on marketing campaigns and building brand awareness with consumers. Consumers develop certain brand preferences, affinity and loyalty due to the perceived values the brand presents. Like with product brands, employers also obtain a certain image or employer brand. This could be the result of intended or unintended action from the employer. Campaigns like “best company to work for” prove that some companies take their employer brand very seriously. They believe that this will assist the company in attracting top talent.

The aim of this research was to find out if there is a relationship between the strength of the employer brand and the remuneration that prospecting employees would require when moving to another employer. Remuneration has been defined as total rewards and the various components of a total reward package have been discussed in the literature review. Other factors like EVP was included in the literature study to account for the broader view on the total rewards a company offers its employees. EVP extends total reward to include those intangible variables that could explain why certain employer brands are preferred above others.

Theories like social identity theory, the group engagement model and affective self-affinity offers explanations as to how and why individuals would react to brands. Four research questions were set to determine if the employer brand (both strong and weak) has any effect on the preferences for total reward. The following specific research questions were set:

1. Will an individual accept employment for less remuneration in a business where the individual highly values the employer brand?
2. What is the total remuneration discount that an individual would be willing to accept in order to work in a business where the individual values the employer brand?
3. Will an individual accept a similar offer in a business with an unpopular employer brand?

4. What is the total remuneration premium needed if an individual accepted employment in a business where the individual does not value the employer brand?

In order to answer these research questions it was necessary to do the following:

1. Undertake a literature review. Total rewards, employer brand and brand engagement was studied to form a basis for the research.
2. A questionnaire was developed that tested for total reward component preferences for both strong and weak employer brands.
3. Data was collected using the questionnaire.
4. Comprehensive data analysis was completed to understand the various trends and preferences relating to total rewards and employer brand strength.

After the data analysis was done, it was possible to answer the research questions that were posed. It is clear that, irrespective of employer brand strength, employees would expect a financial reward increase when moving to another employer. The indication in the research is that an expected premium is an increase of between 15% and 30%. Weaker employer brands are to the top end of this increase band with 30.8% of the sample indicated an increase of above 31%

7.3 Value-add in terms of practice and theory

During the literature review, no information could be found that linked remuneration and the total rewards to employer brand, and what influence it has on each other. This research paper could be viewed as the first attempt to try and understand this relationship. From this research paper it was possible to identify the income bracket of between 16% and 30% as the expected salary increase for individuals to move to a stronger or weaker employer brand. This information is valuable for employers to be acquainted with, and could be a proxy of what they would be expecting to offer additionally, especially if they want to attract top talent.

The results of this study brings in disrepute a statement from the Corporate Leadership Counsel stating that a strong EVP could reduce remuneration to new employees. Theories like SIT, GEM and ASA fails to recognise that in an employment situation, psychological needs seems to be subjected to the need for higher financial reward. Respondents in this study clearly valued monetary reward above other factors of total rewards and would be expecting a high premium when joining another employer.

7.4 Strengths and limitations of the study

The biggest strength of this research paper is the fact that it seems to be the first time research on this particular topic has been prepared. This brings focus on the relationship between total rewards and the employer brand.

A large number of responses were received for this research paper. This made the results valid, and the research questions could be answered with confidence. The sample used in this research could impose limitations to the generalisation of the results. The nature of the sample was skewed more towards respondents in the human resource job family. Other job families were not represented to the same degree. This means generalization of the results must happen cautiously.

A mayor limitation of the study was the use of the different income brackets in section B, questions 5 and 8 of the questionnaire. Respondents were asked to indicate their preference to remuneration expectations by selecting box. This made it impossible to calculate a specific premium for both strong and weak employer brands, which would answer research questions 2 and 4 more definitively. The best result this study could offer is the income range which was most frequently selected.

The questionnaire that was developed for this research could, in retrospect, be improved. More focus should have been placed on offering a choice between total reward components and EVP factors. In order to improve the Cronbach Alpha of the questionnaire, more items should have been included.

7.5 Suggestions for future research

The findings of this research paper should be validated. It is thus suggested that this research must be repeated. The sample that was used in this research was mostly restricted to individuals that work in the human resource space. By using a different sampling technique and obtaining a different sample, a repeated study could be undertaken. The results of such a study could be compared to this study.

Future studies should also use an improved questionnaire that include more elements of EVP and increased items. This will enable respondents to make a much clearer distinction between total reward factors and aspects like EVP. This will indicate more strongly if financial reward is valued over non-financial factors in companies. These results will be able to confirm or question findings like the findings of the Corporate Leadership Council. An improved questionnaire, with no salary brackets, but rather a written amount for section B, questions 5 and 8, would assist in calculating a specific premium for the expected financial increase, in both a strong and weak employer brand context.

If the above suggested research confirms the findings of this research paper, it is advised to investigate the actual link between employer brand value and EVP. Why is EVP undervalued over total rewards, especially financial rewards in the context of employer brand value? The various theories used as a bases to explain the interaction between individuals and brands need to be re-evaluated based on knowledge from this research and in context of reward as an attracter to employer brands. Additional research could also be undertaken to understand the differences the sub-groups have in relation to each other. Results of this research paper indicated a difference, but a clear understanding of these differences could assist organisations in improved construction of total reward packages for each type of sub-group.

What this research failed to ask was what the respondents understand to be a strong employer brand. Is there a difference, in the eyes of the respondents, between a brand that is known for its products, and a brand that is known for its working conditions? It could be that these interpretations could alter the results of this study.

7.6 Final conclusion

The main objective of this research study was to investigate the relationship between employer brand value and total rewards.

The literature review discussed various ways in which people associate with brands, and how certain associations lead to specific decisions. Theories like SIT, GEM and ASA explore how and why individuals associate and form bonds with brands. Previous research even indicated that a strong EVP could lead to reduction in expected financial reward for new employees, due to the value attached to factors like EVP.

Results of this research indicated that prospective employees valued increased financial reward when moving to employers with strong or weak employer brands. The premium for both scenarios is between a 15% and 30% increase in financial rewards.

The results of this study also indicated various differences in the preferences different sub groups have to the components of a total rewards package. The most important differences that need to be noted are that between male and female, and individuals above and below 40 years. This is also where a

generational switch occurs between Baby Boomers, and generation X and Y, which confirms research that employees from these different generations require different things from their employer.

The results of this research indicate that employer brand strength does not relate to a discount in the financial rewards that they offer to prospecting employees. Strong employer brands create the expectation for increased financial rewards. Weaker employer brands have a stronger expectation for even bigger financial reward.

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Appendices

RESEARCH QUESTIONNAIRE

Dear Colleague,

Reference to Masters in Business Administration (MBA) Research: Employer brand identification influence on total reward structure.

I am currently engaged in my MBA research and am investigating the effect that employer brand association has on total reward structures. This research is being completed as part of the course requirements for the MBA degree, for which I am registered at the Gordon Institute of Business Sciences. The purpose of my research is to find out whether employees would leave their current jobs to go and work for employers with weaker or stronger employee brands. The aim is to quantify the premium employees are likely to accept as part of their fixed pay.

I would like to ask you to please complete the following questionnaire which would assist me to answer these questions. The questionnaire will take approximately 20 minutes to complete. Please send it back to me once completed.

Your participation in this study is voluntary and all data will be kept confidential. You may choose to withdraw from this study at any time. If you have any concerns, please feel free to contact me or my research supervisor. Our details are:

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Section A:

Please circle the appropriate number that accurately reflects your current status.

1. Gender:

Male	1
Female	2

2. Population group:

Indian	1
White	2
Coloured	3
African	4
Asian	5

Other	6
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3. Age:

18 – 30	1
31 – 40	2
41 – 50	3
51 +	4

4. Marriage status:

Married	1
Single	2
Divorced	3
Widowed	4

5. Dependents:

None	1
Children	2
Extended family	3

6. Highest level of education:

Grade 12	1
Diploma/ Degree	2
Post Graduate	3
Other	4

7. Annual Income level

Below R 100 00 per year	1
R 100 001 – R 220 000 per year	2
R 220 001 – R 360 00 per year	3
R 360 001 – R 500 000 per year	4
Above R 500 001 per year	5

8. Job level:

Clerical/Administrative	1
Junior Management	2
Senior Management	3
General/ Executive Management	4
Specialist	5



Other	6
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9. Job Family:

Human Resources	1
Sales and Services	2
Process and Project Management	3
Finance	4
IT	5
Administrative	6
Consulting	7
Marketing	8
Production	9
Operations	10
Other	11

10. Industry:

Extractive (Mining, Forestry, Oil and Gas)	1
Producer Services (Banking and Financials, Real Estate, Engineering, Consultancy, Accounting)	2

Personal Service (Domestic, Hotel and Hospitality, Entertainment and Leisure, Print and Media)	3
Logistics and Transport	4
Transformative (Manufacturing, Building and Construction, Utilities)	5
Social Services (Medical and Health, Education, Non Profit, Government)	6
Energy	7

Section B:

1. Please rate your perception of your current employer in terms of the strength of the company as an employer brand.

1 - Really Bad	2	3	4	5 - Very good.
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2. The following are components of a total rewards package. Allocate 100 points between the components based on the importance you attach to each. The total point's allocated need to add up to 100.

Total Rewards Components	Allocated points.
Fixed Pay (Salary, 13th Cheque, Fixed Allowances)	
Variable Pay -Short and Long Term Incentives (Once-off payments if targets are reached, Share Options)	
Benefits (Medical Aid, Retirement, and Disability)	
Work-life (Organizational Practices, Policies and Programmes aimed to achieve balance between work and personal life. Includes Flexi-time, Telecommuting and Job-Sharing)	
Performance and Recognition (How organisational goals are achieved and how formal or informal praise is given)	
Development and Career Opportunities (Learning opportunities presented and career opportunities available through company)	
Total:	100

3. Would you change your employer to move to a company which has a **stronger** employer brand that you identify with?

1 YES	2. NO
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4. If you were offered a job with such a company i.e. one with a **stronger** employer brand, which option would you choose relating to your fixed pay?

1 - Reduced financial reward	2 - Same financial reward	3 - Increased financial reward.
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5. Indicate on the following scale the change in your fixed pay that would be acceptable to you when you move to an employer with a **stronger** employer brand.

1	2	3	4	5	6	7
Greater than minus 31%	Minus 16% to minus 30% pay reduction	Minus 5% to minus 15% pay reduction	Minus 4% pay reduction to 4% pay increase	5% to 15% pay increase	16% to 30% pay increase	Greater than 31% increase

6. If you are offered the same job that you are currently performing in a company with a **stronger** employer brand, how would you allocate 100 points towards the components of the total reward package?

Total Rewards Components	Allocated points.
Fixed Pay (Salary, 13th Cheque, Fixed Allowances)	
Variable Pay, i.e.: Short and Long Term Incentives (Once-off payments if targets are reached, Share Options)	
Benefits (Medical Aid, Retirement, and Disability)	
Work-life (Organizational Practices, Policies and Programmes aimed to achieve balance between work and personal life. Includes Flexi-time, Telecommuting and Job-Sharing)	
Performance and Recognition (How organisational goals are achieved and how formal or informal praise is given)	
Development and Career Opportunities (Learning opportunities presented and career opportunities available through company)	

Total:	100
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7. Indicate on the following scale the option which would be acceptable to you, relating to your financial reward when moving to a company with a **weaker** employer brand than your current employer?

1 - Reduced financial reward	2 - Same financial reward	3 - Increased financial reward.
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8. Indicate on the following scale the range of change that would be acceptable to you if you moved to company with a **weaker** employer brand than your current employer.

1	2	3	4	5	6	7
Greater than minus 31%	Minus 16% to minus 30% pay reduction	Minus 5% to minus 15% pay reduction	Minus 4% pay reduction to 4% pay increase	5% to 15% pay increase	16% to 30% pay increase	Greater than 31% increase

9. If you are offered a similar job than you currently have, in a company with a **weaker** employer brand, please allocate 100 points towards *the total* reward components according to your perceived value.

Total Rewards Components	Allocated points.
Fixed Pay (Salary, 13th Cheque, Fixed Allowances)	
Variable Pay, i.e.: Short and Long Term Incentives (Once-off payments if targets are reached, Share Options)	
Benefits (Medical Aid, Retirement, and Disability)	
Work-life (Organizational Practices, Policies and Programmes aimed to achieve balance between work and personal life. Includes Flexi-time, Telecommuting and Job-Sharing)	
Performance and Recognition (How organisational goals are achieved and how formal or informal praise is given)	
Development and Career Opportunities (Learning opportunities presented and career opportunities available through company)	
Total:	100

Thank you for taking the time to complete this questionnaire.