

# **Gordon Institute of Business Science**

University of Pretoria

## **Reward preferences in South Africa's media industry**

Integrated Business Research Project

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Due Date: 07 November 2016

A research project submitted to the Gordon Institute of Business Science, the  
University of Pretoria in preliminary fulfilment of the requirement for the degree

of

**MASTER OF BUSINESS ADMINISTRATION**

## Abstract

**Orientation:** Organisations are faced with the challenge of surviving the concentrated competitive pressures in this continuously changing domain of the work place. As a result organisations require their employees to demonstrate energy, dedication and be fully engaged in their work as the quality of human resources is of vital importance to the success of organisations, specifically in uncertain working contexts organisation operate within. The attraction, motivation and retention of skilled workers is a key strategy that must be adopted by organisations in order to remain competitive. Employee remuneration as a psychology and employee engagement concept, calls for a thorough understanding of employee needs in order to enable management to develop equitable mix in reward strategy that will enhance the realisation of the overall objective of organisations in order to ensure competitive advantage.

**Research purpose:** The purpose of this study is to examine context specific reward preferences in order to determine overall reward preferences of employees in the media industry in order to improve on existing reward strategies.

**Motivation for the study:** The focus on reward preferences has emerged as a critical element in identifying what really motivates productive behaviour within the workplace, with the intention being on how to find ways to improve performance within the world of work.

**Research design approach and method:** The research was a quantitative, empirical, and descriptive study of reward preferences in an industry-specific context. A self-administered survey was used as a measure and analysed using non-parametric tests to identify variances between dependent and independent groups, testing for internal consistency and non-parametric analysis of variance (ANOVA).

### **Main findings:**

Respondents indicated base pay/salary, merit increase that is linked to personal performance, incentives & bonus, safety and security at the workplace, and market-related salary as the five most important reward components preferred by them. The results for reward preferences indicated that monthly salary (base pay) stood out as the most preferred reward category in attracting, retaining and motivating employees.

### **Managerial implications:**

Managers in the South Africa's media industry need to investigate their organisations' rewards through the perspective of the total rewards concept used in this study in order to assess and develop equitable mix in reward strategy ensuring that they have considered all of the aspects required to attract, retain and motivate employees.

### **Contribution:**

This study adds to the body of social science research, providing a deeper understanding of reward preferences, specifically in the context-specific setting.

## **Keywords**

Reward Preferences, Total Rewards, Remuneration, Compensation, Attraction, Retention, Engagement, South Africa.

## 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.

Name: Nokwanda Nonjabulo Thabethe

Signature: .....

Date: 07 November 2016

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## 1. Chapter One: Introduction to research

### 1.1 Introduction

Organisations are faced with the challenge of surviving the concentrated competitive pressures in this continuously changing domain of the work place. The 21<sup>st</sup>-century organisations face numerous complex challenges characterised by the changing landscape of the workplace, and swift technological changes. Consequently, organisations need to apply several fitting work structures in order to manage these changes effectively.

Mainly, organisations require their employees to demonstrate energy, dedication and be fully engaged in their work. This is recognised that the quality of human resources is of great importance to the success of any organisation, specifically in uncertain working contexts. Bearing in mind these changes, organisations need to focus on acquiring and retaining talented employees and keep them actively engaged in their work (Frank, Finnegan, & Taylor, 2004).

This focus falls within the domain of employee engagement which has emerged as an important topic in talent management, and organisational management space. Therefore the attraction, retention and motivation of skilled workers in the complex and dynamic workplace are a key strategy that must be adopted by organisations in order to remain competitive (Kerr-Phillips & Thomas, 2009).

According to Boyd and Salamin (2001), employees offer an significant source of a sustainable competitive advantage for organisations, which was further expanded by a study by Ferreira (2012) that found that the challenges of work in the 21<sup>st</sup> century have an influence in attracting and retaining employees and therefore employers need to adopt a vigorous approach when developing employment and retention practices within the organisation. Having the right talent in essential roles is of strategic importance and is linked to the ability to attract, engage, and retain talent important for gaining a competitive advantage.

A report by the South African Board for People Practices (2014) listed the shortage of research on factors influencing employee engagement and the poor alignment or integration of people management as the widest gaps in understanding how South African organisations can best leverage on their biggest source of competitive advantage.

In order for any economy to show sustainable growth, a primary indicator is its labour market efficiency which is a key determinant in driving productivity and competitiveness. Organisational challenges are further compounded by the results of the Global Competitiveness Report 2014–2015. In this report, under the global competitiveness indicator, the 7<sup>th</sup> pillar – Labour Market Efficiency, South Africa is ranked 136 out of 144 countries in pay and productivity element (World Economic Forum, 2015).

According to this rating, it is to be believed that in the South African economy, organisations' pay scale (remuneration) is not strongly related to employee productivity, potentially hampering on the country's competitiveness as it impacts on organisations ability to deliver on their strategic objectives and can reduce the competitiveness and productivity of organisations and lowers innovation and creativity within. This is a worrisome assessment when considering that employees provide an important source of a sustainable competitive advantage for organisations.

As a result employees remuneration as a psychology and employee engagement concept, calls for a thorough understanding of employee needs in order to enable management to develop an equitable mix in reward strategy that will enhance the realisation of the overall objective of organisations. Employee reward is therefore once again an important topic where organisations are required to explore innovative ways to optimise this area in order to differentiate themselves' in the labour market and place themselves in a better position to attract, motivate and retain skilled employees in order to support sustainable growth.

Meyer, Mukerjee and Sestero (2001) and Armstrong (2012) support that organisations' reward strategy is recognized as one of the crucial elements of Human Resources (HR) strategy and reward plays a strategic role in developing performance and profitability of an organisation. Further to this, Armstrong (2012) claims that reward strategy delivers performance, helping to foster a high-performance culture, that identifies and rewards key skills, competences, and performance, as well as making certain that reward systems are market - based, fair and cost effective.

According to McKinsey (2012) the global shortage of skill has resulted in the “war for talent” which refers to an progressively competitive backdrop to recruiting and retaining skilled employees and has resulted in a strategic business challenge where talent serves as a critical driver of organisational performance (Michaels, Handfield-Jones, & Axelrod, 2001).

Organisations can better respond to attraction and retention concerns by understanding the reward preferences that employees have. An early study by Horwitz, Heng, and

Quazi (2003) identified the need to differentiate HR practices to manage different groups and identified that competitive pay packages as the most effectual strategy.

## **1.2 Research problem**

Schuler and Rogovsky (1998) suggested a close inter-reliance between organisational rewards and the culture in which it is rooted in. It is a key determinant of organisations' ability to attract and retain employees and key to understanding what specific rewards drive optimum performance considering that South Africa is a dynamic and diverse country, and individuals have different needs which influence the effectiveness of total rewards strategies.

The problem lies in the fact that there is a lack of research on this matter from a South African perspective and it can be assumed that many companies have been operating on a global reward strategy, which has existed in organisations for extended periods and could be considered as outdated especially considering the current competitive landscape of organisations. According to Mercer Consulting (2014), few organisations' rewards strategies align with their business strategies to achieve overall success. In order for reward strategies to be successful, they need to integrate the needs of organisations, the evolving environment, the desires and variations in the demographics of employees, the culture, and cost constraints which are both essential and challenging.

## **1.3 Research objectives**

The research study sought to examine context specific reward preferences in order to determine overall reward preferences of employees in the media industry in order to improve on existing reward strategies, as opposed to mimicking other organisations reward practises that may not be in line with their context-specific culture.

A deeper understanding of reward preferences, specifically in the context-specific setting of the media industry which according to Pricewaterhouse Coopers (2015) media outlook report South Africa's media market will continue its run of double-digit year-on-year growth, as it had recorded an 11.5% rise to reach R112.7 billion in 2014. Although the double-digit run is forecast to end in 2016, the industry forecasts a healthy compound annual growth rate (CAGR) rise of 9.4% to 2019, reaching R176.3 billion in that year. This is set to be a major generator of economic value and the industry revenue growth is set to outstrip the country's economic growth. Organisations, therefore, need to ensure that they are strategically positioned and leverage on this projected growth. As employees have been recognised as the source of competitive advantage, effective

rewards should be used to influence the attraction retention and motivation of key, critical and talented individuals who must be obtained and kept in order for the industry to be competitive.

However in the current weak economic climate, South Africa's growth is stuck in low gear with real GDP growth estimated at 1.3% in 2015/16 and projected at 0.8% for 2016/17 due to a combination of domestic constraints and external headwinds which have opened up the country to macro vulnerabilities (The World Bank, 2016) .

With this economic volatility, employee reward preferences are bound to change over this time as money now is a deficiency need, therefore it is important to look at the impact of rewards on engagement, organisations need to look at total rewards perspective focusing on tangible and intangible reward elements (Royal, 2014).

Understanding whether there are significant differences in attraction and retention preferences aims to expand the current body of knowledge that can be used to link to total rewards strategies and practices in order to positively impact how organisations attract, motivate and retain employees. This will give direction as to how organisations can better package their total reward approaches in order to enhance their ability to attract and retain employees in order to improve and sustain organisational performance. The study also aimed to determine if any demographic variables affect employee reward preferences in order to provide an enhanced understanding of reward preferences to enable organisations to offer more competitive reward options that may be used to address business challenges.

#### **1.4 Summary**

The evolving 21<sup>st</sup> century organisations are characterised by the complex nature of work, rapid technological changes and where they must compete for talent, it is important for organisations to be able to attract and retain skilled resources that will assist in developing and maintaining the competitive advantage of the organisations in order to realise future success.

The next chapter reviews key literature relating to rewards and key concepts in understanding employee engagement and reward preferences and their role in attracting, retaining and motivating employees considering that in the new world of work it is an important strategy to remaining competitive as reward strategy is linked to the strategic role of developing on performance and profitability of an organisation.

## **2. Chapter Two: Theory and Literature Review**

### **2.1 Introduction**

The key focus of this study was to expand our understanding regarding the nature of rewards preferences in a specific industry through the descriptive analysis of employee reward preferences. A theoretical review of rewards and its related theories, engagement and total rewards model was covered.

As a number of studies have been conducted in the rewards management area, this literature review aims to provide an account of literature examining employee reward preferences and offer and justification for the research as it examines key academic concepts that highlight the need for companies to understand how reward preferences influence the attraction, retention and motivation of employees in order to drive productivity and remain competitive.

### **2.2 Rewards**

Rewards refer to the sum of financial (basic pay, variable pay and employee benefits) and non-financial compensation such as recognition, learning and development opportunities and increased job responsibility paid by organisations to employees in exchange for their services (Jiang, Xiao, Qi, & Xiao, 2009).

Horwitz et al. (2003) identified competitive monetary rewards as a basis for attracting and retaining employees, this is why compensation formed the base of this research and was considered as one of the key factors influencing employee engagement and achieving organisational success. According to Bamberger and Levi (2009) rewards impact on performance and productivity, so the alignment of reward strategies to organisational strategies can ensure organisational effectiveness, positive outcomes and increased employee effort, which are important combinations for organisations to ensure competitive advantage.

Reward management has been identified as one of the leading strategies used to attract, motivate and retain employees in the organisation (Kwon & Hein, 2013). The effects of the worldwide economic recession of the year 2008 and the current difficult economic environment have resulted in a challenge to traditional reward strategies and practices in the wake of this global recession, organisations are dealing with a workforce with different demands and expectations, (Deloitte Consulting, 2014).

As a result, in today's increasingly competitive business landscape, it is important to invest in total rewards programmes which are essential to support organisational goals, confirm delivery on greater pay for performance, and promote employee engagement.

In light of the ever-changing work environment, Snelgar, Renard and Venter (2013) concluded that a standard "one-size-fits-all" reward approach was no longer effective; especially considering that employee retention and motivation are a serious challenge in South Africa. Consequently sparking the need for a contemporary understanding of which rewards are preferred by employees is important for organisations in order to develop strategies for attracting and retaining key staff (Bussin & Toerien, 2015).

It has been suggested that reward preferences vary based on a number of factors, and it is important for organisations to ensure the effective attraction, retention and motivation of employees in order to ensure that they are equipped with skilled resources in order to deliver on their strategic objectives.

It is also believed that preferences may differ across industries and are influenced by the various demographic factors; however, context specific, individual, and industry preferences have not been extensively researched. There are numerous studies on reward preferences internationally, however, South Africa has few studies in this regard and it has been found that most of the South African research provides little industry specific information that is key in developing a better understanding of reward preferences in 21<sup>st</sup> century organisations and forms part of the key elements in achieving competitive advantage for organisations

### **2.2.1 Theoretical Underpinning - Agency Theory**

Agency theory provides a unique insight into incentives; Perrow (1986) noted the importance of incentives and self-interest in organisations. In this context, it provides the theoretical foundation for the understanding of reward systems, as the assumption is that employees will not make any more effort than the level that is equal of the value for the pay they are receiving. Implications for organisations are that they should tailor their compensation in a way that gets the desired behaviours from employees (Armstrong, 2012).

According to the Human Recourse Practice, the agency theory draws attention to the different interests and goals of an organisation's stakeholders and the way that employee remuneration can be used to align these interests and goals. In the organisation, employers and employees are the two stakeholders, where the employers assume the role of principals and the employees the role of agents.

In this context, the compensation payable to employees is the agency cost. According to the theory, the principal must choose a contracting scheme (reward strategy) that helps align the interests of the agents with the principal's own interests.

It is evident that rewards are a key source to persuade individuals and ensure work productivity and can be used as a primary tool for organisations to attract competent key employees and improve the productivity of their employees, strengthening the importance of understanding the nature of reward preferences and their differences. A study by Nienaber, Bussin and Henn (2011) and one by Snelgar et al. (2013) indicated that reward preferences differ in the employee attraction, retention, and motivation lifecycle. The study found that base pay (monetary rewards) was the biggest factor in attracting employees, while career management (non-monetary rewards) was the biggest factor in motivating employees. Contrary to the above studies, Bhengu and Bussin (2012) showed that monetary rewards was the third important influencing factor in attracting, retaining and motivating employees.

Further supporting the notion that monetary rewards are limited in their effectiveness across the employee life cycle and supporting the expanded view of the concept of total rewards in the employee life cycle. As competing for talent solely on monetary elements may prove to be not the most effective mechanism for gaining competitive advantage, according to Stahl, Björkman, Farndale, Morris, Paauwe, Stiles and Wright (2012) a holistic total reward approach is required for effectiveness across the attraction, retention and motivation life cycle.

A primary focus of engagement efforts have mostly been on team building programs, studies by Levine (1991), Pfeffer and Langton (1993), and Bloom and Michael (2002) found that unrestricted compensation practices are related to employee cooperation, involvement, satisfaction and commitment, however, they did not examine specific compensation practices.

Studies over the years have suggested that non-monetary rewards and recognition are much more effective motivators than compensation; Scott, McMullen, Royal and Stark (2010) in their research found that total rewards structures, programmes, and policies influence employee engagement.

In response to the current economic crisis and talent/skills shortages, organisations are concerned with keeping employees engaged and motivating them under such circumstances.

As a result, renewed focus on compensation as a catalyst that boosts productivity and having clearly defined reward strategies is essential in improving performance that lends itself to productivity and gives an incentive for employees to perform.

Motivation is defined by Steers and Porter (1991) as a process by which behaviour is energized, directed and sustained in order to help organisations to increase their productivity and is interconnected with engagement. First-hand studies by Hall (1986), and Alexander (1993) found higher remuneration stimulated employee productivity via the efficiency wage argument; however, Horwitz et al. (2003) found dissimilarity from a motivational perspective as in motivating employees non-monetary rewards were found to be the most influential.

Further research by Wakeford (2004), and Strauss and Wohart (2004) found a positive relationship between labour productivity and remuneration. However, pay and benefits can motivate employees to a certain extent. This assertion is supported by findings by Scott et al. (2010) in that organisations need to look at utilising total rewards strategies in order to build on employee engagement.

### **2.3 Theoretical framework surrounding rewards**

According to Wilson (2003) the purpose of reward systems is to establish an efficient way to deliver positive outcomes for contribution towards desired performance as it influences the actions of individuals.



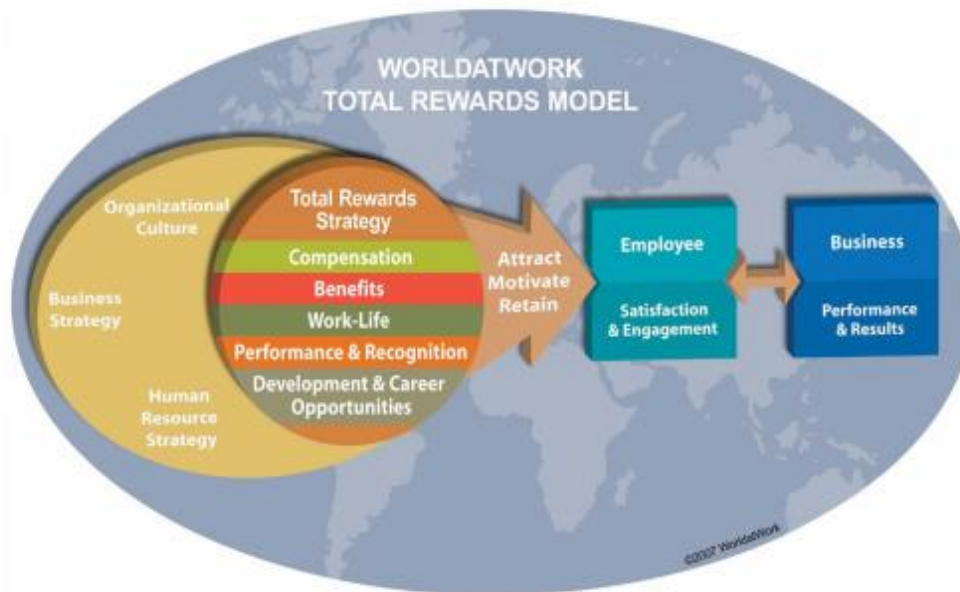
### 2.3.1 Total rewards

Total rewards, according to the WorldatWork total rewards model, which is the main reward model that forms the basis for this study, describes reward strategies combining five elements of reward in order to create value for the organisation and its employees. It is considered as everything of value that forms part of the employer and employee relationship (Medcof & Rumpel, 2007).

According to WorldatWork (2010), the following five elements of rewards have a direct relationship on an organisations ability to attract, motivate and retain employees.

- 1) **Compensation / Remuneration** - any pay provided by an employer to an employee for services rendered
- 2) **Benefits** – programmes employers use as an add-on to any cash compensation that employees receive.
- 3) **Work-Life** – A set of various organisational practices that support efforts for employees to achieve success both at work and at home.
- 4) **Performance and Recognition** – Alignment of employee effort to the achievement of business goals and the acknowledgment of these efforts.
- 5) **Development and Career Opportunities** - Learning experiences that enhance employees skills and competencies and support of individual plans to advance career goals

**Figure 2.3 - WorldatWork Total Rewards model**



Source: WorldatWork, 2010.

The basic premise is that when these elements are properly designed it results in reward strategies, defined as the direct development and operation of reward practices that inform reward policies and practices which provide guideline and action plans formulated to reward and motivate employees.

This is aimed at reinforcing the drive to improve organisational effectiveness and productivity; it provides incentives for individuals to join an organisation, to perform at the required levels in order to produce the desired results and also to ensure that individuals remain with the organisation for as long as they continue to perform at desired levels (Kwon & Hein, 2013).

Research by Nienaber et al. (2011) showed that total rewards models structured according to employee preferences are instrumental in the attraction, motivation and retention of key employees.

## **2.4 Employee Engagement**

According to Schaufeli, Salanova, & González-Roma (2002) employee engagement is defined as a positive, fulfilling, work-related state of mind that is characterised by energy, commitment, and concentration. Employee engagement is believed to manifest when employees experience an ideal fit and identification of self and their work roles. Employee engagement is linked to higher productivity, lower attrition and as a result, the concept of engagement has become a fundamental determinant of organisational success.

A study by Schaufeli and Bakker (2004) further indicated that positive attitudes towards work such as organisational commitment, motivation, and job involvement are related to employee engagement.

### **2.4.1 Social Exchange Theory**

According to Cropanzo and Mitchell (2005), the Social Exchange Theory is considered to be the most significant theoretical model of understanding individuals and organisational behaviours in order to positively influence behaviours to increase productivity.

The theory presumes that when individuals are happy with the rewards provided by the prospective or current organisation, individuals reciprocate with positive attitudes that in turn increase levels of commitment and performance which as an end results sees an increase in productivity (Newman & Sheikh, 2011).

A study by Misra, Jain, and Sood (2013) agreed with Newman et al. (2011), asserting that when desired rewards are received, individuals respond with greater levels of engagement which is linked to positively influencing motivation, performance and a desire to remain with an organisation.

### **2.4.2 Key drivers of Employee Engagement**

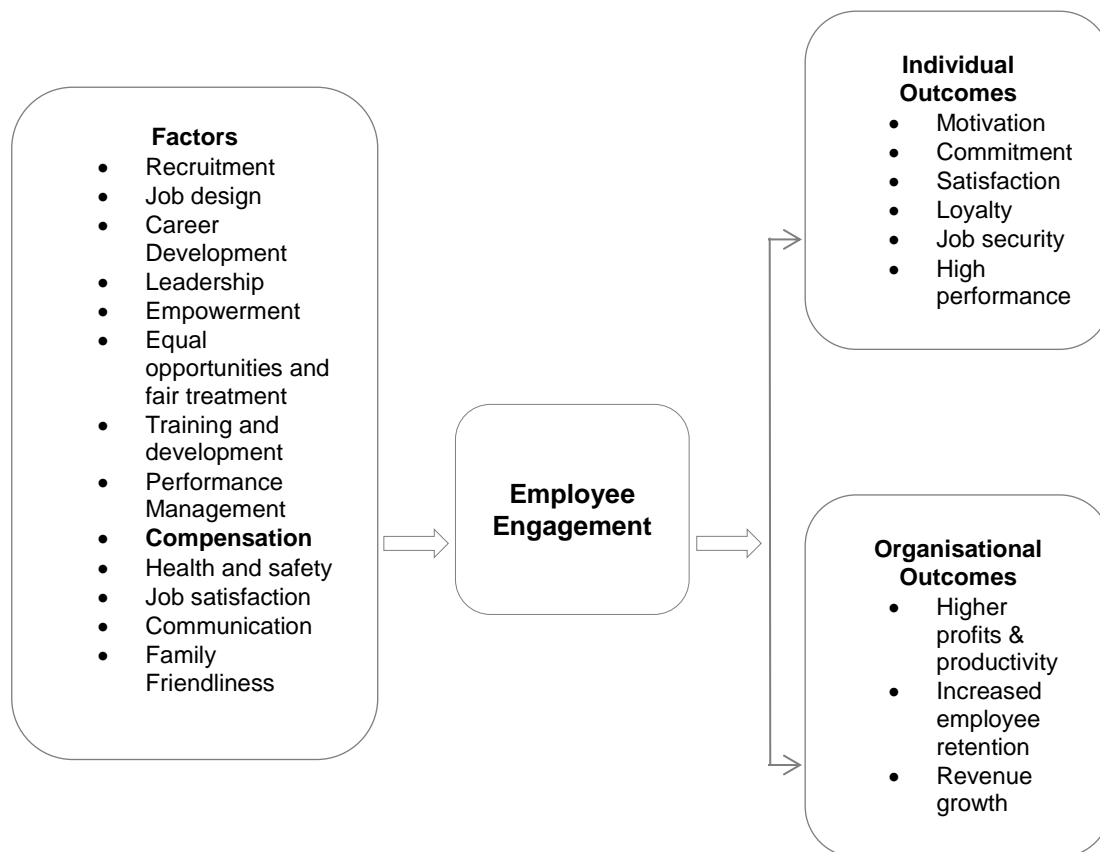
The drivers of employee engagement are critical factors which lead to employee engagement and create the feeling by employees of being valued and involved. Aon (2015) listed career opportunity, reputation, and compensation as the top three engagement drivers across markets and regions from 2013 to 2015. It is important to understand the drivers of engagement in order to increase employee engagement and

ensure that key and critical employees are engaged in order to remain with organisations longer and are in a position to contribute in a more meaningful way (Rama Devi, 2009).

Coffman and Gonzalez-Molina (2002) found employee engagement has a statistical relationship with productivity, profitability, employee retention, business success. Bakker and Demerouti (2008) concluded that an engaged employee is willing and able to contribute to the success of the organisation, putting discretionary effort into their work, going beyond the required minimum to get the job done as engagement is a predictor of overall job satisfaction, the level of productivity and reducing employee turnover.

A number of studies have identified the various factors that influence employee engagement and the outcomes of this engagement are depicted in Figure 2.4

**Figure 2.4 - Factors and Outcomes of Employee Engagement**



Source: Sundaray, 2011.

Employee engagement research has shown that engaged employees perform better as they are consistently demonstrating three general behaviours which improve organisational performance:

- Advocating for the organisation and referring potential employees and customers
- Remaining in the organisation as they have an intense desire to remain in the organisation despite prospects of working elsewhere, and
- Striving and exerting extra effort to contribute to the organisation (Kurnia & Welly, 2015).

## 2.5 Reward preferences – Attraction, Retention, and Motivation

Studies that were undertaken in an effort to deepen the understanding of reward preferences date back as early as von Glinow (1985), and Schuler et al. (1998) who suggested that there is a close interdependence between organisations rewards, motivation and the culture in which the organisation is embedded.

Hofstede (2001) in his study further contended that reward practices successful in North America may not readily be transplanted to other countries such as Europe, Asia, and Africa. The Chiang and Birtch (2005) study also reinforced that reward practices effective in one country are different to those practices successful in other countries, which is attributed to the fact that reward preferences are shaped by individual needs, values and expectations. Therefore organisations must be conscious of the potentially significant influence that culture exerts on reward preferences.

Considering this insight it remains surprising that the influence of industry specific culture on reward preferences remains largely unexplored, considering that Lawler (1995); Wilson (1995), and Zingheim and Schuster (1995) found that successful alignment of rewards with business strategy relies very much on understanding employee reward preferences.

Unclear performance related, pay focused and business aligned reward practices resulting from North American concepts have dominated the literature on rewards and according to Cox, Brown, and Reilly (2010) the outcomes of this literature have not been impressive.

In a South African context, a study by Nienaber et al (2011) showed that total rewards structured according to individual preferences positively influences attraction, retention and motivation of employees yet this structure is not applied because of the challenges in tailor making rewards structures to suit individual preferences especially in large organisation, further to this research it was found that structuring rewards models according to the preferences of employee segments was a viable alternative.

With the exception of the Nienaber et al. (2011) research, there is limited South African research on how employees perceive different rewards and this should be investigated.

A study by Schlechter, Faught and Bussin (2014) provided a generic study in reward preferences of South African employees, and the results of this study showed that base pay was considered to be the most preferred reward component and an important reward component in attracting and retaining employees. This study notably also found differences between reward preferences and demographic variables, including age, gender and job level, providing support for segmentation of rewards based on certain demographic variables and contributed to the literature on reward preferences, considered to be lacking in a South African context.

### **2.5.1 Generational reward preferences**

Considering the needs of different generations, the study by Masibigiri and Nienaber (2011) explored factors that affect the retention of different generations and found specific reward preferences existed among generational groups. However following on this research suggesting that different generations had different reward references, the study by Moore and Bussin (2012) to understand the reward preferences of veterans, baby boomers, generation X and generation Y found no preference among generational groups. These research findings provided the guideline to focus on individual/demographic factors to develop reward strategies.

### **2.5.2 Demographic variables in reward preferences**

Research by Fisher and Yuan (1998) found no differences in gender preferences; however, results of a study by Chiang and Birtch (2006) investigating employee reward preferences in a cross-national context indicated that demographic variables affected reward preferences; this was further supported by a Nienaber, Bussin and Henn (2011) study that indicated that reward preferences, in fact, do differ according to various demographic factors.

Meyer and Kirsten (2012) also found that many factors such as age, values, gender and culture, affect employee reward preferences and therefore were useful to consider in structuring reward packages that suited personal interest.

Studies by Snelgar et al. (2013), Kowalewski and Phillips (2012) and Bussin et al. (2015), further support the notion that it is best for employers to have an understanding of demographic variables and their impact in order to design appropriate reward strategies.

Considering the above insight, understanding which rewards are preferred by employees is an important starting point in assessing and developing methods for attracting, retaining and motivating employees and key talent in organisations.

The historical focus has been on the financial elements of compensation; however, changes in the economic environment have given rise to the need for viewing rewards in a holistic and integrated manner causing a shift from the traditional view of rewards towards a total rewards view.

## **2.6 Summary of literature review**

There is limited research on reward preferences and segmentation of the workforce and this research literature has mostly focused on the financial services industry, knowledge workers of South African information technology companies, and artisans whereas South Africa has a number of industries with diverse characteristics that could benefit from understanding what reward categories employees consider important and how demographic variables influence these reward preferences.

There is still much argument over whether reward packages should be tailor-made to suit individual employees as it has been argued that a 'one-size-fits-all' approach to rewards is no longer effective.

### **2.6.1 Motivation for context specific research**

In the past, traditional reward packages designed and practiced in traditional work environments such as the financial services industry, which has been in the forefront of literature research, have been applied across various industries that are not similar to these traditional work environments. Industries have distinguishing factors and it is therefore deemed important to ensure that organisations design and apply appropriate reward strategies and practices that suit their context.

The Lazear (1995) research argued that reward systems of organisations should be tailored to take the characteristics of their workforce into account, further to this, a study by Medcof and Rumpel (2007) proposed that there was a difference in reward preferences between industries and found that high technology companies exhibited significantly different reward preferences compared to more traditional companies.

Johns and Gratton (2013) found that the rewards preference profile of certain workers would be different, supporting that demographic and industry-specific factors influence reward preferences.



The review of literature outlined the differing reward preferences due to differing stages of the employee lifecycle – attraction, retention and motivation and is also affected by demographical variables. Studies have indicated that reward preferences differ at each stage and across studies, adding to the complexity of developing and maintaining effective reward strategies. As a result reward strategies must utilise a holistic total rewards approach tailored to different segments and importantly determine variables that effectively segments the workforce. The next chapter covers the main research questions.

### **3. Chapter Three: Research Questions**

This chapter details the research questions that this study intends to answer and contribute to expanding the literature on reward preferences in South African industries. The following research questions were derived:

#### **Research Questions**

##### **Research Question 1**

What reward preferences do employees in the media industry have?

##### **Research Question 2**

What are the reward preferences for attraction?

##### **Research Question 3**

What are the reward preferences for retention?

##### **Research Question 4**

What are the reward preferences for motivation?

Literature in the preceding chapter outline studies by Medcof and Rumpel (2007) and Bunton and Brewer (2012) indicating that there is evidence of the presence of industry specific reward preferences and according to Snelgar et.al (2013) most studies examining reward preferences in the South African context did not factor industry composition and its role in determining the different reward preferences.

## **Research Question 5**

Do demographic variables play a significant role in determining the different reward preferences of employees within the media industry?

Previous studies by Nienaber et al. (2011) and Snelgar et al. (2013) outlined in the previous chapter have concluded with conflicting findings on whether demographic variables influence reward preferences.

### **Summary of research questions**

Five research questions have been outlined in this chapter. The following chapter will report on the methodology used to gather and analyse data in order to answer the research questions.

## 4. Chapter Four: Research Methodology

### 4.1 Introduction

This section discusses the design of the study in order to provide a comprehensive narrative of the research methodology applied in order to address the research questions identified in the previous chapter, the unit of analysis and detail the data collection and analysis process associated with the study.

### 4.2 Research Design

Saunders and Lewis (2012) state that a research design is the method and structure of an investigation chosen by the researcher to conduct data collection and analysis.

The research design of this project is a quantitative, descriptive study entailing the collection of numerical data and describing the characteristics of objects, people, or organisations in order to explain a particular phenomenon in answering the research questions (Zikmund, 2003).

According to Zikmund and Babin (2010) descriptive research design is concerned with the frequency with which something occurs or the relationship between two or more variables and involves the collection of structured statistical data that can be verified with statistical testing techniques.

It is underpinned by positivism research philosophy as the main concern of the research was to study observable and measurable variables (Saunders & Lewis, 2012).

A key strength of this approach is that data is collected through structured methods, with large samples to produce generalisable results and which allows for statistical comparisons between various groups and indicates the range of viewpoints held by groups (Zikmund, 2003).

The research method selected for this research project was the survey method in order to assess the reward preferences held by individuals as it attempted to study directly the characteristics of a population. The method allows for the design of highly structured questions with a choice of specific responses that can be measured and analysed statistically (Salkind, 2012).

Survey method advantages are that this method is easy and cost-efficient, and convenient for respondents. It also allows for the collection of data from a large number of people. The disadvantages are that response rates are typically low, and respondents cannot be probed for further details (Saunders & Lewis, 2012)

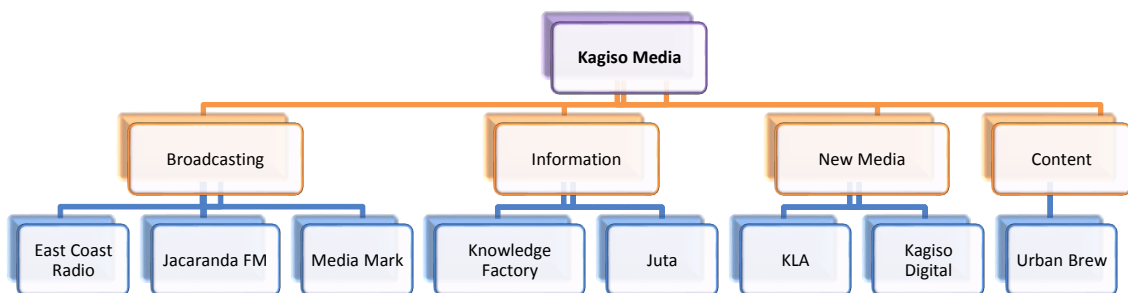
### 4.3 Population and sampling

According to Saunders et al. (2012) the population is an entire group which is the focus of a study. It has well-defined potential participants, known to have similar characteristics and is of interest to a researcher.

The population for this study consisted of all employees of Kagiso Media, a large media organisation that has interests in new media, content production, specialised publishing, research, radio broadcasting and television sphere (Kagiso Media).

Kagiso Media collectively at the time of the study had 736 permanent employees across its various subsidiaries as depicted in figure 4.3 below:

**Figure 4.3 - Kagiso Media Organogram**



According to Cresswell (2014) a smaller group selected from a population is referred to as a sample. In line with the research objective, the study targeted the entire population of the organisation and the sampling methodology was purposive sampling, where the researcher chose to examine the entire population based on the purpose of the research study (Saunders & Lewis, 2012).

The sampling method was selected because the researcher had a clear selection criteria and scope as the study targeted all Kagiso Media employees as the area of interest was in the understanding of reward preferences of employees in the media industry.

#### **4.4 Unit of Analysis**

The study aimed at determining the overall reward preferences of employees in the media industry and therefore the unit of analysis of this study was the individual.

#### **4.5 Measurement Instrument**

The measurement process is about describing a phenomenon of interest by assigning numbers in a reliable and valid way. In order to describe such occurrences in this context, measurement instruments - tools designed to obtain data on a topic of interest for research studies, were used (Zikmund, 2003).

The data collection tool used for data gathering process was through the distribution of a web-based survey questionnaire - Rewards Preferences Questionnaire (Appendix 1). The questionnaire consisted of a series of questions and prompts for the purpose of gathering information from respondents. This was to allow respondent to answer questions during a single visit and submit their responses (Saunders & Lewis, 2012).

This questionnaire was drawn from previous research done by Nienaber et al. (2009). Section A of the questionnaire collected from respondents' demographic information such as age, gender, race, occupational level, division and department within the organisation.

For Section B of the questionnaire, the questions were derived from constructs extracted from the WorldatWork Total Rewards Model (WorldatWork, 2010) to measure reward preferences using a 5-point Likert scale on each reward components from the model indicating the level of importance for each component.

The Likert scale is an interval scaling method that allowed for the respondents to rate reward components based on individual preference. The scale is a universal method for survey collection, and is easily understood and therefore likely to produce a highly reliable scale.

Furthermore responses are easily quantifiable and subjective to the computation of some mathematical analysis; however, the use of such scale has the disadvantage as that the scales lack reproducibility and therefore validity may be difficult to demonstrate (Page-Bucci, 2003).

In the Likert scale, “1” was indicative of extreme negative sentiment towards the statement, “3” served as the midpoint indicative of neutrality towards the statement and “5” indicative of extreme positivity towards the statement.

Section C of the questionnaire focused on enabling respondents to rank which reward component had the greatest impact on attracting, retaining and motivating them. This also functioned as a way to assess the overall reward preferences of respondents.

#### **4.6 Data Gathering**

Data collection is the process of gathering information and is an important aspect of any research and impacts on the results of a study. A survey pre-test was conducted with a group of six individuals for input and comments, no revisions were required.

All respondents completed a self-administered web-based questionnaire hosted by Typeform whose value proposition is on enabling individuals and organisations to “ask awesomely” thus making things a little more human (Typeform).

With assistance from the different subsidiaries human resources managers, the questionnaire link was distributed electronically via email to the entire population, with a six-week response window in order to allow time for targeted individuals to complete the survey. Reminders were sent periodically to encourage participation.

#### **4.7 Data Analysis**

According to De Vos, Fouche and Venter (2002) data analysis is a process of bringing order, structure and interpretation to data collected. It is a process that involves examining, categorising/coding data that will be used to address the research objectives.

Data from the web-based survey tool, Typeform, was inserted into a Microsoft Excel file and uploaded on to the IBM SPSS, a statistical software package used for the analysis of results.

Data being quantitative in nature, the data was analysed using the following three stage data analysis process:

- ✚ Stage 1 involved descriptive statistical analysis to describe, show or summarise data in a meaningful way, focusing on measures of centrality and dispersion.
- ✚ Stage 2 pertained to basic inferential statistics used to make generalisations from a sample to a population to help assess the strength of the relationship between the study's independent variables, and dependent (effect) variables.
- ✚ Stage 3 inferential and multivariate statistical analysis focused on observations made on many variables (Creswell, 2014).

The following statistical techniques were utilised:

### **Means Score Ranking Test**

Descriptive statistical analysis process, the mean, and median were produced for the purpose of understanding reward preferences held by respondents in line with the five reward categories of the Total Rewards Model (figure 2.3). The mean and median ranked the preferences favoured by the respondents

### **Analysis of Variance (ANOVA)**

Analysis of Variance was used to test the total rewards categories in order to identify if there were any significant differences within and between the data collected by comparing means Saunders et al. (2012).

The Wilcoxon matched pair test was used in order to make a comparison between multiple groups, and to test differences between reward components. Weiers (2011) expressed that the rank test is appropriate for testing differences for the purposes of this study, in order to justify and probe the importance assigned by the respondents to the reward components from the descriptive statistics.

As an extension to the Wilcoxon matched pair test, the Kruskal-Wallis test was also conducted in order to assess for significant differences on a continuous dependent variable by grouping an independent variable (with three or more groups) in order to ascertain statistical significance of the respondents' demographics which act as the independent variables in the study, so to test for differences between reward preferences and the different demographic groups (van den Berg, 2016).



Further to the above tests, the Friedman test which is a non-parametric test examining ordinal data, comparing two or more dependent samples was conducted to identify statistically significant differences in the mean ranks (Laerd Statistics).

### **Validity and Reliability**

In quantitative research, reliability and validity of the instrument are very important for minimising errors that might arise from measurement problems in the research study and in effect authenticate the quantitative research.

Validity refers to the degree to which a study accurately reflects or assesses the concept that the researcher is attempting to measure (Saunders & Lewis, 2012).

There are three types of validity used to establish trustworthiness of test results:

- ✚ **Content validity** – refers to the extent to which a measure represents all aspects of a given concept.
- ✚ **Criterion validity** – refers to the extent to which a measure is related to an outcome.
- ✚ **Construct validity** – refers to the degree to which a test measures what it claims, or purports, to be measuring (Salkind, 2012).

From a validity perspective, the Rewards Preferences Questionnaire (Appendix 1) collected both demographic information and reward preferences data constructed from the WorldatWork Total Rewards Model in order to collect data relevant to the research questions. The questionnaire was guided by the literature review on the research subject and was an adaptation from an existing questionnaire that had been used previously in similar research. The process of statistical analysis is important in establishing the validity of the research (Creswell, 2014).

Reliability in research is concerned about the accuracy and precision which the data collection methods and analysis procedures produce consistent findings (Saunders et al., 2012).

Reliability in this research was tested by means of a Cronbach's Alpha test which is a measure of internal consistency between multi- items scales being measured and is used to estimate reliability for split items. Internal consistency describes the extent to which all the items in a test measure the same concept or construct and consequently the inter-relatedness of the items within the test (Tavakol & Dennick, 2011).

In interpreting and reporting on the Cronbach Alpha, the reliability range is between 0 and 1. The closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale.

George and Mallery (2012) provide the following rules of thumb:

- \_ > .9 – Excellent,
- \_ > .8 – Good,
- \_ > .7 – Acceptable,
- \_ > .6 – Questionable,
- \_ > .5 – Poor, and
- \_ < .5 – Unacceptable

## **4.8 Research Limitations**

The limitations of a study are those characteristics of the research methodology that impacts or influences the interpretation of the research findings.

### **4.8.1 Research Approach**

Results are limited to numerical descriptions rather than detailed narrative and generally provide less elaborate accounts of human perception (O'Neill, 2006).

### **4.8.2 Sampling Method**

The sample is not representative of the population being studied and the ability to make generalisations from the sample to the population being studied (Saunders et al., 2012).

### **4.8.3 Measuring Instrument**

Although questionnaires are a cost and time effective method of collecting data, there was a low response rate as a number of employees selected not to participate.

#### **4.8.4 Bias**

The study included the workforce of one organisation found in the media industry. Therefore the possibility exists that data errors and biases would occur. Once again non-response bias is evident as the survey did not test the entire population as the majority of employees chose not to participate (Saunders et al., 2012).

#### **4.9 Conclusion**

This section explained the data analysis process of the data gathered in order to resolve the research questions propositioned in Chapter Three. The next chapter presents the results of the data analysis process.

## 5. Chapter Five: Research Results

### 5.1 Introduction

This chapter presents findings to the study underpinned by the research objectives, questions, and methodology outlined in chapter three and four. The following results:

- Descriptive statistics of the sample
- Results of reward preference ratings
- Reward preferences for attraction, retention, and motivation, and
- Results of reward category internal consistency.

### 5.2 Description of the sample

The survey was distributed to 736 respondents and from that pool, 132 respondents participated in the survey. This signified a response rate of 18%; however, after the data cleaning process and dropping 1 respondent with multiple missing responses, only 131 questionnaires were usable and in turn were processed at the data analysis stage.

#### 5.2.1 Age

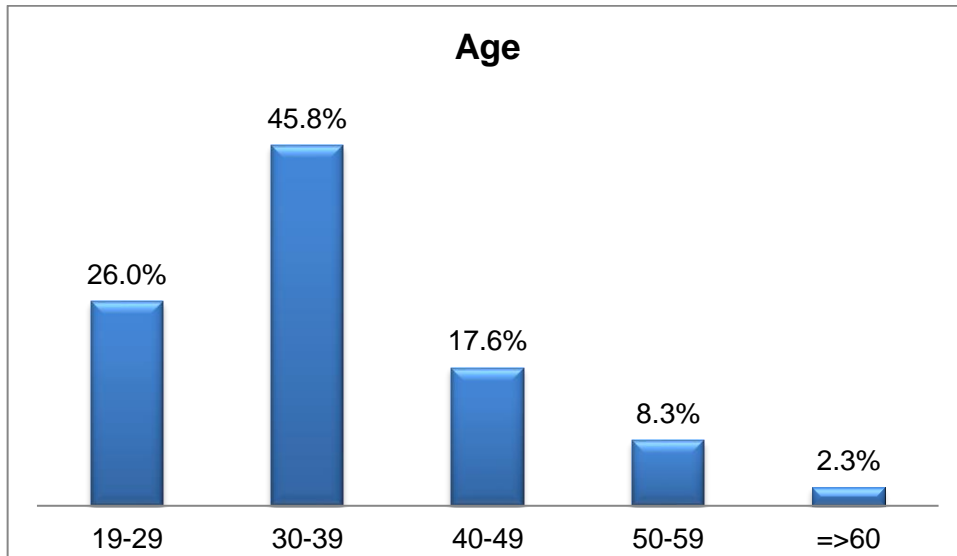
The age of respondents was grouped as follows:

**Table 5.2.1 - Respondents age grouping**

Age	Grouping	No. of respondents
	19-29	34
	30-39	60
	40-49	23
	50-59	11
	=>60	3
	Total	131

The majority of respondents in the sample were middle aged. Out of 131 respondents in the sample, 45.8% (n=60) were aged between 30 to 39 years. With only 10.7% of respondent aged older than 50 years. Figure 5.2.1 illustrates the frequency distribution of respondents' age groups:

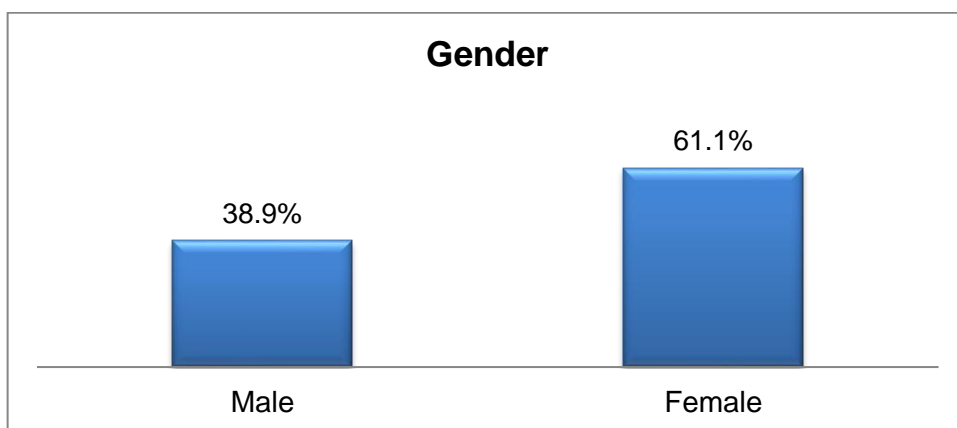
**Figure 5.2.1 - Frequency distribution of age groups**



#### 5.2.2 Gender

Female employees dominated the sample. 61.1% (n=80) of the respondents were female and 38.9% (n=51) were male employees. Figure 5.2.2 illustrates the frequency distribution of respondents' gender.

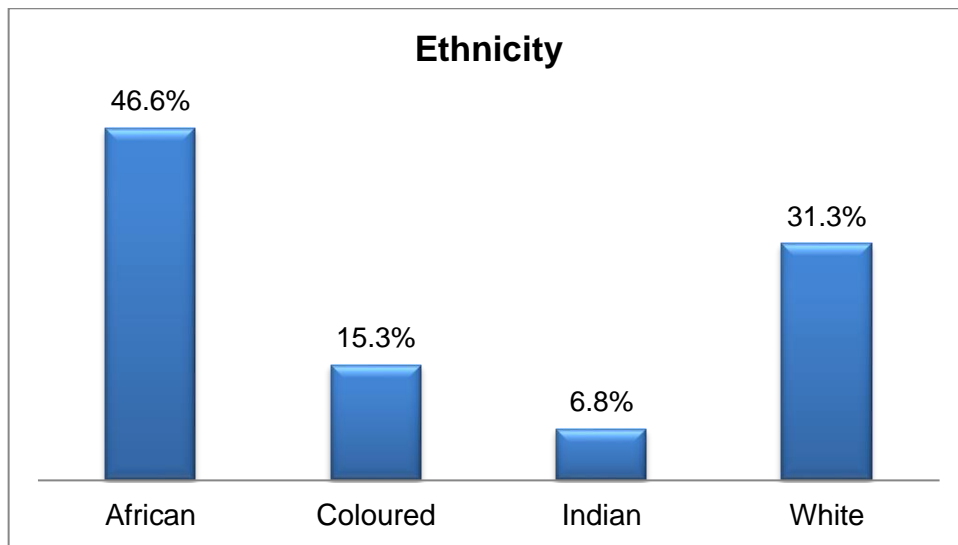
**Figure 5.2.2 - Frequency distribution of gender groups**



### 5.2.3 Ethnicity

African respondents were the dominant ethnic background of respondents. Out of 131 respondents, 46.6% (n=61) indicated that they were African. Only 6.9% (n=9) of the respondents indicated that they were Indian. Figure 5.2.3 illustrates the frequency distribution of respondents' ethnicity (race):

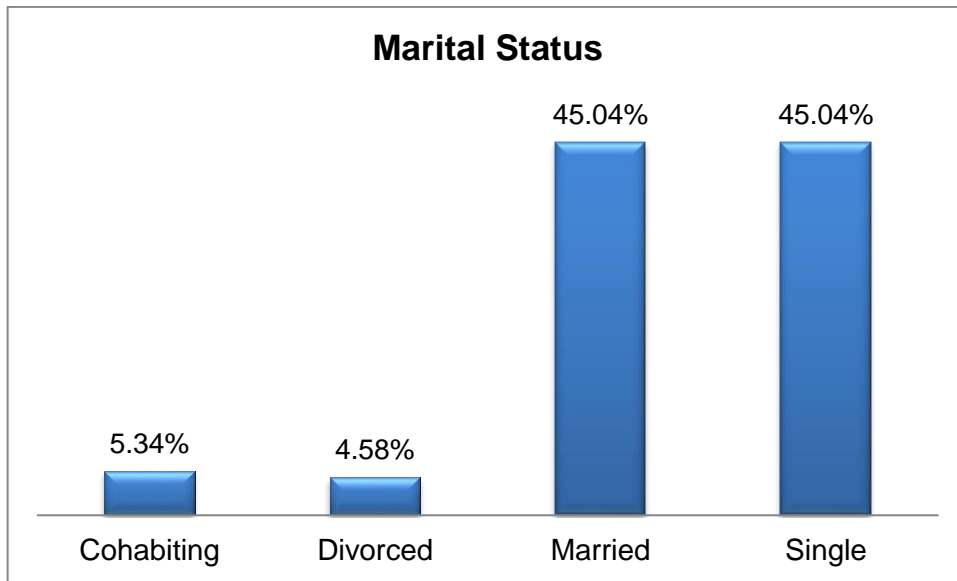
**Figure 5.2.3 - Frequency distribution of ethnicity**



### 5.2.4 Marital status

The majority (90.08%) of respondents were evenly split between being married or single. Only 5.34% (n=7) indicated that they were cohabiting and 4.58% (n=6) indicated that they were divorced.

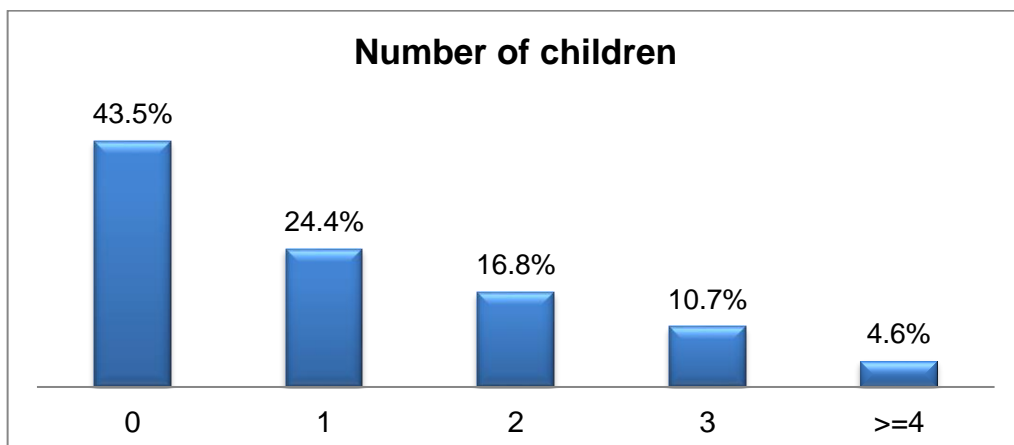
**Figure 5.2.4 - Frequency distribution of marital status**



#### 5.2.5 Number of children

The sample mainly included young and middle-aged respondents, and the majority (43.5%) of respondents indicated that they did not have children. However, some of the respondents highlighted that they were expecting to have a child. Out of the 131 respondents, 24.4% (n=32) had one child and 16.8% (n=2) had two children. It was uncommon to have four or more children in the sample. Only 4.6% (n=6) of the respondents indicated that they had four or more children.

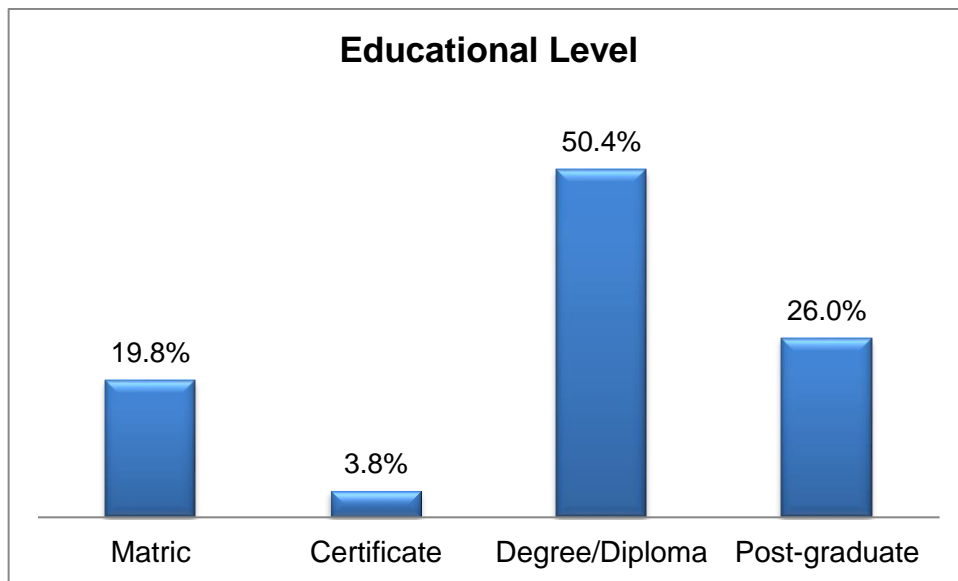
**Figure 5.2.5 - Frequency distribution of number of children**



### 5.2.6 Education level

As outlined in Figure 5.2.6, of the respondents collectively, 76.4% (n=100) had at least a degree or diploma and from that pool, 26.0% (n=34) of the respondents indicated that they possessed a post-graduate qualification. Only 3.8% (n=5) indicated that they had obtained a certificate in various fields.

**Figure 5.2.6 - Frequency distribution of educational level**

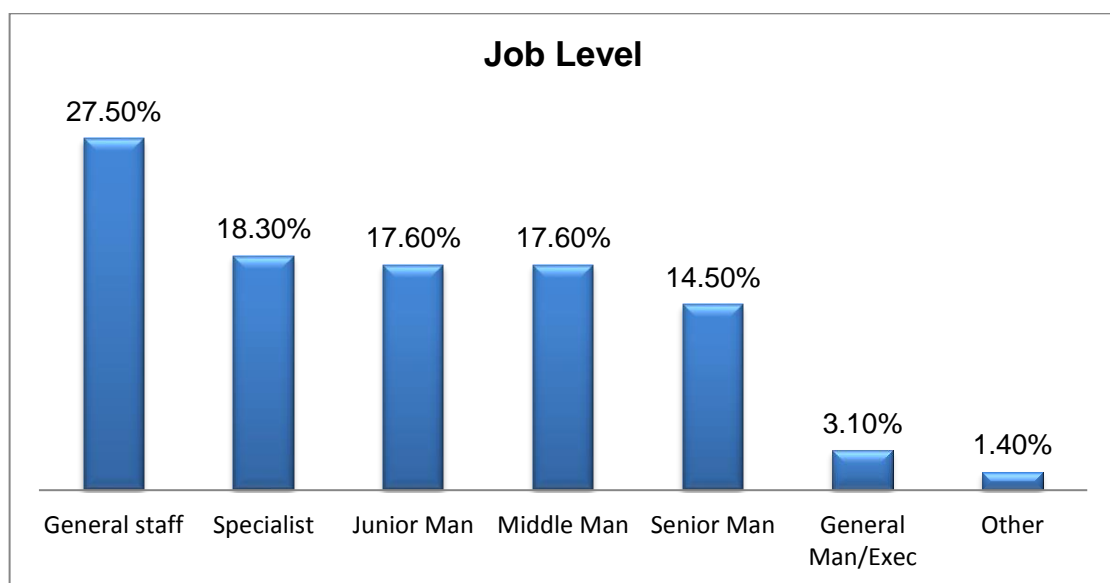




### 5.2.7 Job level

General staff was the dominant group in the sample. Out of 131 respondents, 27.5% (n=36) indicated that they were general staff. However, there was an almost even distribution of respondents holding junior, middle, and senior management jobs. Notably, there was a limited proportion of respondents who indicated that they were either in general management or executive positions at Kagiso Media.

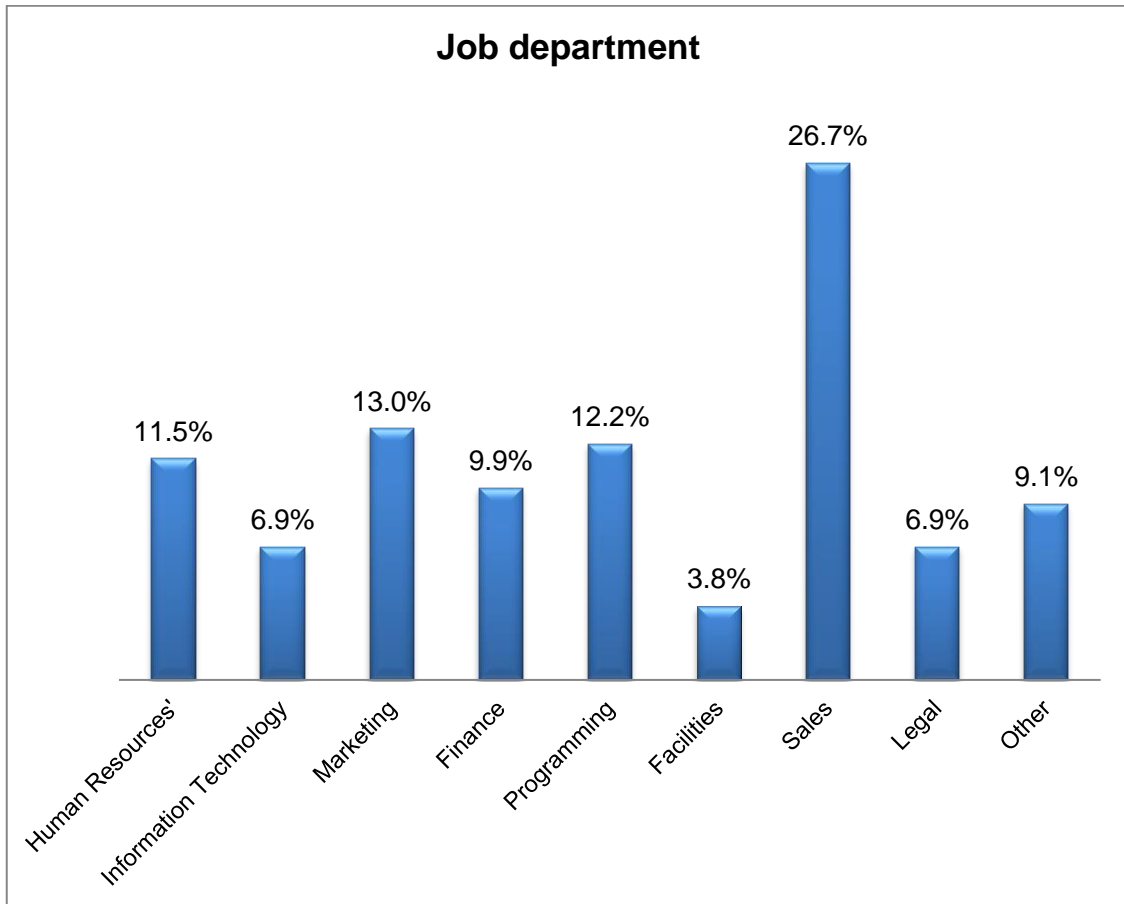
**Figure 5.2.7 - Frequency distribution of job level**



### 5.2.8 Job department

When data was demarcated by job department, results showed that employees in Kagiso Media's sales department dominated. When asked about the department they worked in, 26.7% (n=35) of respondents indicated that they were part of the Sales department. Notably, the second most popular job department in the sample was Marketing (13.0%) and the third was Programming (12.2%). With only 3.8% (n=5), Facilities was the least reported department in the sample

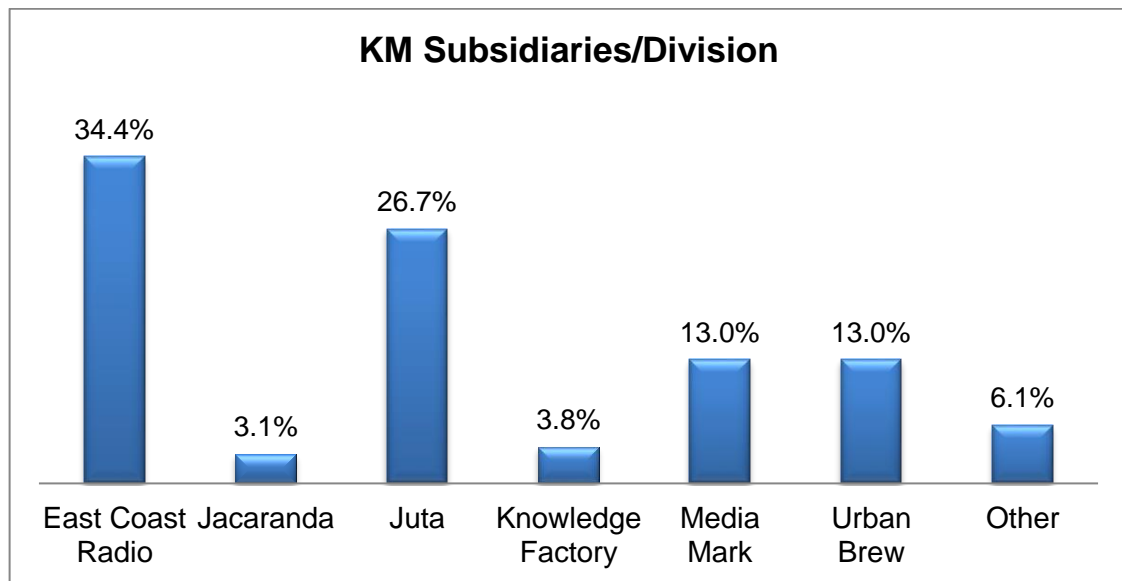
**Figure 5.2.8 - Frequency distribution of job department**



### 5.2.9 Kagiso Subsidiaries (Divisions)

When asked to which Kagiso Media subsidiary which they belonged, the two companies that stood out were East Coast Radio (34.4%) and Juta (26.7%). On the other hand, the least common Kagiso Media division in the sample was Jacaranda (3.1%) and Knowledge Factory.

**Figure 5.2.9 - Frequency distribution of subsidiaries/division**



This section discussed the description of the sample according to the data gathered on the respondents; the next section details the results of the reward preference ratings.

### **5.3 Results of reward preference ratings**

#### **5.3.1 Research Question 1**

##### Description of reward preferences

The summative preferences for this study were measured using measures of central tendency of survey respondents' scores on the 5 point Likert scale, where the scale of 1 being least important/least agreed with and 5 being extremely/total agreed with. The Table 5.3.1 below reveals the summary statistics of the measures.

**Table 5.3.1 - Summary of overall reward preferences sorted by mean**

<b>Reward Component</b>	<b>Mean</b>	<b>Median</b>	<b>Std. Deviation</b>
1. Base pay/salary	4.69	5.00	.643
2. Merit increase – personal performance	4.63	5.00	.682
3. Incentives & Bonus	4.60	5.00	.752
4. Safety and security at the workplace	4.60	5.00	.654
5. Market-related salary	4.56	5.00	.946
6. Good working relationships	4.52	5.00	.705
7. Balanced scorecard	4.51	5.00	.637
8. Bonus linked to personal performance	4.51	5.00	.817
9. Accountable jobs	4.49	5.00	.672
10. Total control over work	4.47	5.00	.705
11. Quality of co-workers in the team	4.45	5.00	.659
12. Feedback and performance	4.44	5.00	.724
13. Learning and development	4.43	5.00	.832
14. Working flexible working hours	4.39	5.00	.949
15. Login into employer's network at home	4.30	5.00	1.072
16. Retirement Benefits	4.27	5.00	1.038
17. Medical Aid Benefits	4.10	5.00	1.221
18. Formal Recognition	4.25	4.00	.914
19. Management and team performance	4.23	4.00	.864
20. Career planning and interests	4.23	4.00	.891
21. Office environment	4.20	4.00	.872
22. Total control over work	4.16	4.00	.951
23. Monthly communication sessions	4.11	4.00	.947
24. Informal recognition	4.03	4.00	1.037
25. Study leave	4.02	4.00	1.246



26. Funding for tertiary education	3.92	4.00	1.216
27. International secondment	3.66	4.00	1.357
28. Job rotation	3.53	4.00	1.248
29. Onsite restaurant	3.46	4.00	1.302
30. Return to work after maternity leave	3.27	3.00	1.306
31. Children's education subsidy	3.19	3.00	1.589
32. On-site fitness centre	3.15	3.00	1.292
33. Sabbatical leave	3.13	3.00	1.454
34. Onsite convenience store	3.10	3.00	1.312
35. Financial assistance for a house	3.05	3.00	1.472
36. Onsite medical centre	3.01	3.00	1.237
37. Parking bay	2.94	3.00	1.508
38. Income inflation	2.92	3.00	1.522
39. Onsite childcare facilities	2.61	3.00	1.417
40. Children holiday programme	2.44	2.00	1.371
41. Subsidised care for dependents	2.40	2.00	1.334

Both central tendency measures (mean and median) shown in the above table show similar ranking of reward preferences and these ranks indicated the following:

Most favoured reward component by the respondents – salary, merit increase linked to personal performance and incentives and bonus and the least preferred reward component by the respondents - onsite childcare facilities, children holiday programme and subsidised care for dependent.

Respondents rated 6 reward categories based on an ordinal scale of 1 (most) - 6 (least) preferred reward category in structuring their own package. Findings of the reward preferences is presented in Table 5.3.2 below.

**Table 5.3.2: Reward category preferences**

Reward categories	1 = Most preferred	2	3	4	5	6 = Least preferred
Monthly salary/base pay	80 (61.5%)	4 (3.1%)	4 (3.1%)	7 (5.4%)	8 (6.1%)	27 (20.8%)
Variable pay	15 (11.7%)	43 (33.6%)	16 (12.5%)	17 (13.3%)	18 (14.1%)	19 (14.8%)
Benefits	14 (10.9%)	21 (16.3%)	44 (34.1%)	20 (15.5%)	11 (8.5%)	19 (14.7%)
Performance & career	11 (8.5%)	5 (3.8%)	21 (16.2%)	42 (32.3%)	18 (13.8%)	33 (25.4%)
Quality work environment	10 (7.7%)	11 (8.5%)	6 (4.6%)	16 (12.3%)	34 (26.2%)	53 (40.8%)
Work/home integration	14 (11%)	10 (7.9%)	9 (7.1%)	17 (13.4%)	35 (27.6%)	42 (33%)

The top category preferred by the respondents in structuring their own rewards package was base pay and the least preferred c quality work environment category.

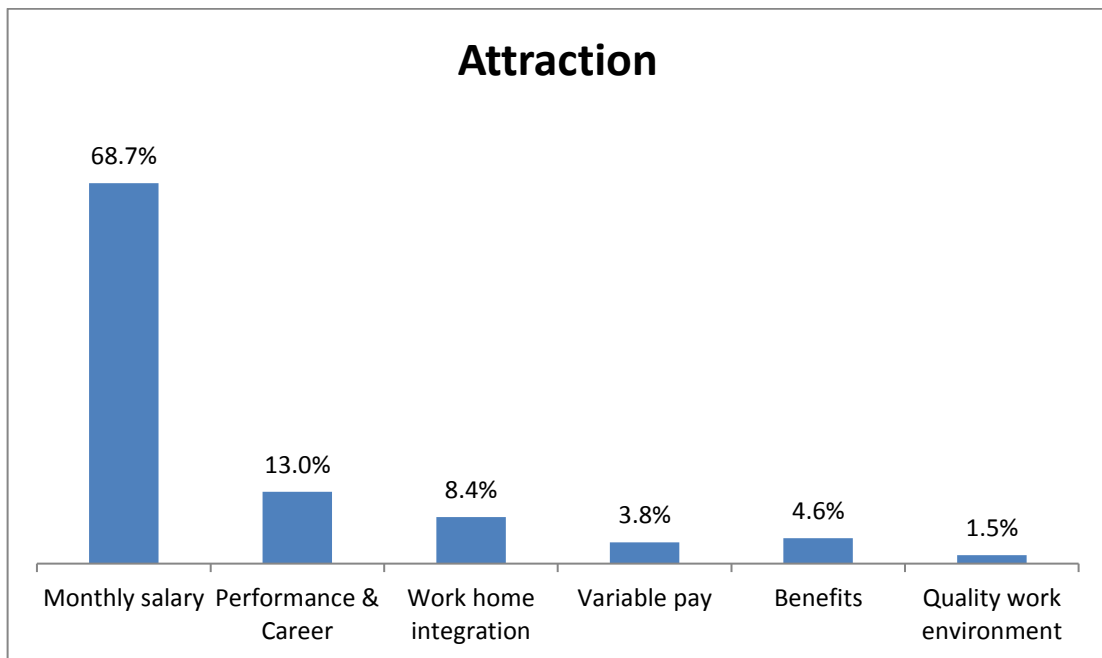
### 5.3.2 Research question 2

Reward preferences in attraction

Different reward preferences for attraction, retention, and motivation scenarios was measured through respondents indicating which one of the six reward categories had the greatest impact on an organisation's ability to attract, retain and motivate them.

The frequency distribution in Figure 5.3.2 below shows the trend in respondents' reward preference categories.

**Figure 5.3.2 - Summary of reward preferences in attraction sorted ranking**



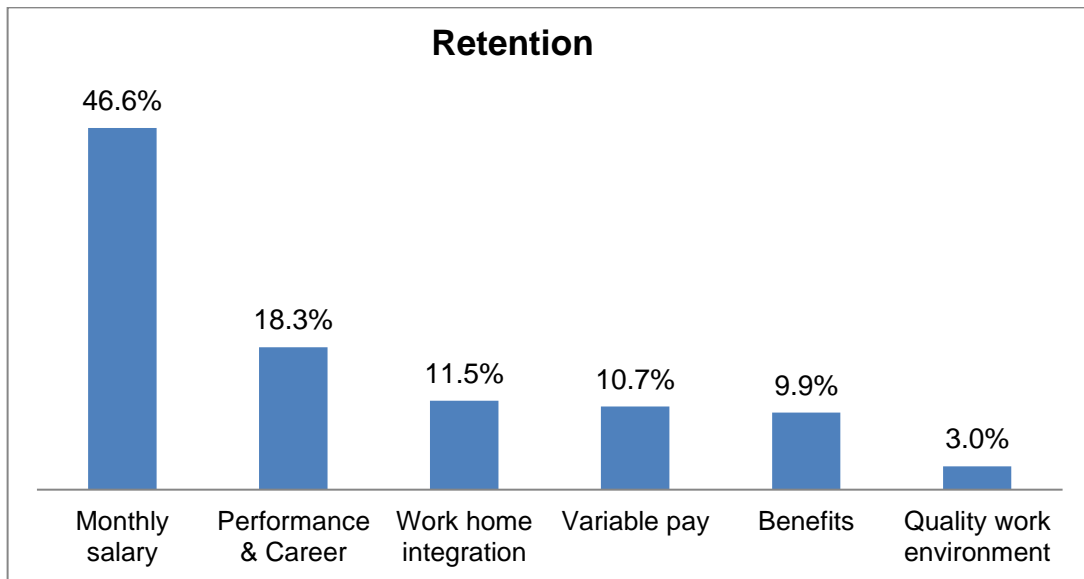
The majority of respondents preferred a monthly salary as a means of attraction. 68.7% (n=90) of the respondents indicated that they preferred monthly salary in order to join the organisation. In contrast, quality work environment stood out as the least preferred category for driving respondents to join the organisation.

### 5.3.3 Research Question 3

Reward preferences for retention

The frequency distribution in Figure 5.3.3 shows the trend in respondents' reward preference categories for retention.

**Figure 5.3.3 - Summary of reward preferences in retention sorted by ranking**



The results show that most (46.6%) of respondents preferred a monthly salary as a means of retention. The second most preferred reward preference category for retention was related to performance and career. In contrast, only 3 % (n=4) of the respondents indicated that they prefer the quality of work environment as a means of retention. In contrary, quality work environment stood out as the least preferred category for driving respondents to join the organisation.

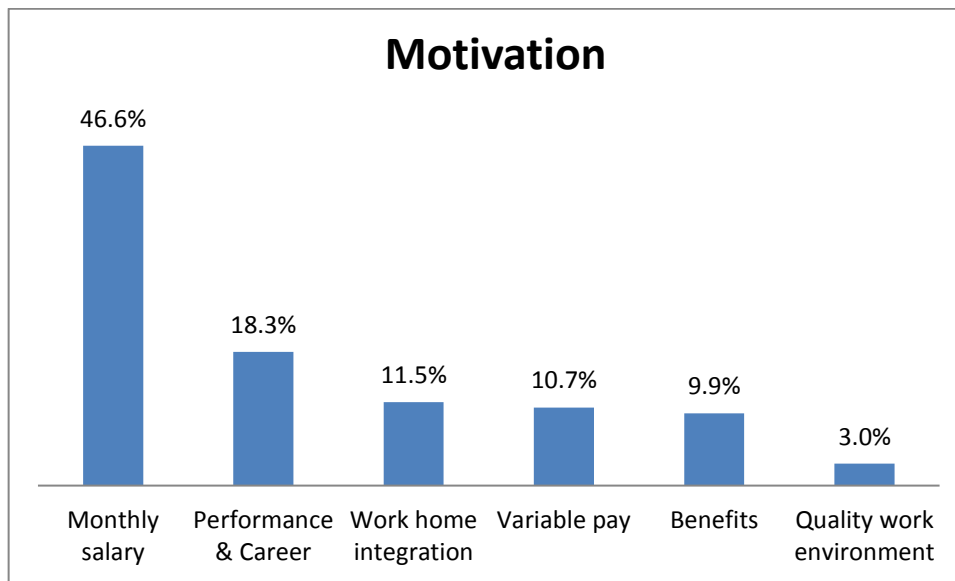
#### **5.3.4 Research Question 4**

Reward preferences for motivation

The frequency distribution in Figure 5.3.4 shows the trend in respondents' reward preference categories for motivation.



**Figure 5.3.4 - Summary of reward preferences in motivation**



The results show that most (46.6%) of the respondents preferred a monthly salary as a means of motivation. The second most preferred reward preference category for motivation was related to performance and career. In contrast, only 3% (n=4) of the respondents indicated that they preferred the quality of work environment as a means of motivation.

The results for reward preferences suggest that monthly salary (base pay) stood out as the most preferred reward category for employee attraction, retention, and motivation.

In testing for whether the samples mean ranks differ, the Wilcoxon matched pair test was conducted and the results are discussed in the following section

#### 5.3.4.1 Wilcoxon matched pairs test

The Wilcoxon signed rank sum test, a non-parametric version of a paired samples t-test was used to assess whether there was statistically significant difference between matched pairs of the 6 types of reward packages.

**Table 5.3.4.1 - Summary of Wilcoxon matched pairs**

<b>Pair of variables</b>	<b>Z</b>	<b>p-value</b>
Base pay & Variable pay	-5.220	<b>0.000</b>
Base pay & Benefits	-4.749	<b>0.000</b>
Base pay & Performance and career	-6.566	<b>0.000</b>
Base pay & Work environment	-6.644	<b>0.000</b>
Base pay & Work / home integration	-6.193	<b>0.000</b>
Variable pay & Benefits	-0.566	0.571
Variable pay & Performance and career	-4.289	<b>0.000</b>
Variable pay & Work environment	-5.695	<b>0.000</b>
Variable pay & Work / home integration	-4.783	<b>0.000</b>
Benefits & Performance and career	-5.111	<b>0.000</b>
Benefits & Work environment	-6.066	<b>0.000</b>
Benefits & Work / home integration	-5.023	<b>0.000</b>
Performance and career & Office environment	-3.264	<b>0.001</b>
Performance and career & Work / home integration	-1.356	0.175
Work / home integration & Office environment	-1.900	0.057

The results for each pair are expressed in Table 5.3.4.1 above and show that there were statistically significant differences between most pairs. However, only Variable pay & Benefits, Performance, and Career & Work / home integration and lastly Work / home integration & Office environment did not have statistically significant differences between each other. This indicates that these pairs are not correlated, or matched as the pairs have different means and median and therefore did not demonstrate accuracy in this aspect.

#### 5.3.4.2 Friedman Test

The Friedman test was then used to determine whether there was a difference in the base pay, variable pay, benefits, performance and career, work/home integration, and office environment rank scores.

The results of the Friedman’s chi-square had a value of 142.17 and a p-value of 0.00 and are statistically significant. Hence, there is evidence that the distributions of the six types of reward preference categories are different.

### 5.3.5 Research Question 5

The next table shows the results of demographic variables on reward preference ratings

**Table 5.3.5 - Summary of reward preferences based on Gender**

	Male	Female
Medical aid	55.43	72.74
Retirement	56.03	72.36
Return to work after maternity and paternity leave	56.75	71.90
Feedback and performance	58.44	70.82

The summary of mean ranks of reward components based on gender showed the extent of rating difference for medical aid, retirement, return to work after maternity and paternity leave, and feedback and performance between the respondents. The summary of mean ranks of the reward components based on gender showed that female respondents have higher mean ranks on all four reward components.

**Table 5.3.6 - Summary of reward preferences based on age**

	19-29	30-39	40-49	50-59	>60
Base pay	65.94	66.15	73.35	51.45	60.67
Study leave	82.57	69.35	48.52	43.36	28.17
Sabbatical leave	58.28	74.41	58.46	70.14	28.00
Learning and development	82.03	68.03	51.89	40.95	43.83
Career path	75.37	70.65	52.70	42.50	55.00
International secondment	81.87	69.13	48.30	40.77	51.67

When the data was analysed by age groups, 6 rewards components revealed statistically significant results as presented in the table above. The mean ranks suggest that study leave, learning and developments, career path, and international secondment are the most appealing rewards for respondents in the 19 to 29 years age group.

With a mean rank of 74.41, respondents aged between 30 to 39 years consider sabbatical leave as the most important reward. Yet, respondents aged between 40 and 49 years recorded the highest mean rank for Base pay.

**Table 5.3.7 - Summary of reward preferences based on ethnicity**

	<b>African</b>	<b>Coloured</b>	<b>Indian</b>	<b>White</b>
Retirement	72.38	64.25	82.72	53.70
Study leave	78.11	71.68	67.33	44.93
Children's education subsidy	75.25	65.08	69.33	51.96
Financial assistance for a house	77.28	69.80	56.17	49.52
Subsidized care for dependents	75.30	62.95	68.67	53.06
Onsite gym	75.22	61.58	64.11	54.85
Children holiday program	74.28	72.43	75.50	48.46
Learning and development	77.25	68.55	60.78	49.16
Funding tertiary education	80.08	68.60	67.00	43.51
Job rotation	78.11	60.75	65.61	50.63
Career path	73.63	71.40	69.83	51.17
Feedback and performance	77.12	61.48	65.83	51.70
Balanced scorecard	76.79	57.60	74.00	52.15
Formal recognition	72.59	57.03	81.05	57.17
Monthly communication sessions	78.36	54.23	56.11	55.61
Challenging job	74.32	71.53	42.67	56.04

The summary of mean ranks shows that there was a statistically significant difference among the four racial groups considered for 16 rewards components as presented in the table above. Notably, mean ranks based on ethnicity showed that respondents who indicated that they are African had the highest mean ranks for the majority of significant mean ranks except for retirement, children holiday program, and formal recognition.

Further to this, Coloured and White respondents did not record any highest mean ranks for reward components which were statistically significant. Besides, Indian respondent, on the other hand, had the highest mean ranks for retirement benefits, children holiday program, and formal recognition.

**Table 5.3.8 - Summary of reward preferences based on number of children**

	0	1	2	3	>=4
Children holiday program	57.15	61.23	67.89	95.82	99.00
Informal recognition	75.84	54.75	66.07	57.43	69.50

The summary of mean ranks of reward components based on a number of children revealed that there was statistically significant difference among the 5 groupings of a number of children for children holiday program and informal recognition. Respondents with 3 or more children stood out for children holiday program. In particular, respondents who indicated that they have 4 or more children recorded the highest mean rank on children holiday program. On the hand, the respondent who indicated that they have no children had the highest mean rank for informal recognition.

**Table 5.3.9 - Summary of reward preferences based on education**

	Matric	Certificate	Diploma/ Degree	Post graduate
Base pay	76.13	41.10	65.38	63.12
Study leave	50.90	89.60	66.67	72.78
Sabbatical leave	54.13	47.70	62.36	84.82
Learning and development	49.75	93.00	67.37	71.79

The summary of mean ranks shows that there was a statistically significant difference among the four groups of academic qualification for four rewards components as presented in the table above.

Respondents who indicated that Matric is their highest education qualification had the highest mean rank for Base pay. In contrary, respondents who stated that in addition to Matric, they had also acquired Certificates for certain skills stood out for study leave and learning and development. With the highest mean rank for sabbatical leave, Postgraduate holders showed sabbatical leave as their most preferred reward.

The summary of mean ranks illustrated in table 5.3.10 shows that there was a statistically significant difference among the groups of job levels for eight rewards components as presented in the table below

**Table 5.3.10 - Summary of reward preferences based on job level**

	General staff	Specialists	Junior man	Middle man	Senior man	General man/Exec	Other
Study leave	78.54	74.63	60.89	61.93	51.92	22.63	62.75
Subsidized care for dependents	72.35	86.25	70.20	52.76	45.16	41.75	59.50
Good working relationship	67.89	80.25	68.83	59.98	43.79	75.38	90.00
Office environment	77.85	77.88	54.35	63.98	48.97	42.50	76.25
On-site medical facilities	71.85	83.29	54.67	65.13	57.84	35.25	32.50
Learning and development	72.82	75.04	64.15	70.65	45.00	49.50	35.00
Funding for tertiary education	74.33	79.42	65.13	59.39	55.65	24.75	21.50
Informal recognition	79.46	72.63	58.43	62.02	48.32	48.00	81.00

The results show that general staff had the highest mean rank for study level. Specialists recorded the highest mean rank for subsidized care for dependents, office environment, on-site medical facilities, learning development, and funding for tertiary education to any other reward benefits. Respondents in the other jobs group had the highest mean rank for good working relationship and informal recognition.

**Table 5.3.11 - Summary of reward preferences based on Kagiso Media division**

	East Coast radio	Jacaranda	Juta	Knowledge Factory	Media Mark	Urban Brew	Other
Parking bay	68.62	49.13	89.14	33.40	45.91	51.38	52.56
Remuneration structure	66.43	43.50	56.14	58.50	59.56	93.29	78.44
Income inflation	65.59	68.38	83.86	43.40	62.24	40.59	65.13
Retirement	64.81	61.75	70.53	65.70	80.56	42.29	74.63
Good working relationship	63.47	90.00	70.27	78.30	79.68	43.18	61.31
Career path	67.13	66.13	50.17	35.90	79.65	78.00	93.13
Accountable jobs	59.96	63.56	55.43	81.20	75.65	81.00	85.63

As a group of companies, Kagiso Media is comprised of different subsidiaries/divisions. A Kruskal-Wallis ANOVA test was conducted to evaluate differences in reward preferences among the groups of companies.

The summary of mean ranks shows that there was a statistically significant difference among the groups of Kagiso Media divisions for seven rewards components as presented in the table above.

Respondents from Jacaranda had the highest mean rank for good working relationship whilst respondents from Juta have parking bay and increases income linked to inflation as their most preferred rewards. Respondents working for Media Mark recorded the highest mean rank for retirement. The highest mean rank for respondents in other media companies was recorded for a career path and accountability for job outputs.



**Table 5.3.12 - Summary of reward preferences based on job role**

	Human Resources	IT	Marketing	Finance	Programming	Facilities	Sales	Legal	Other
Sabbatical leave	81.5 3	39.7 2	79.2 1	66.2 3	65.2 5	28.9 0	72.7 4	48.5 6	57.2 1
Good working relationship	61.4 3	90.0 0	59.7 1	57.5 8	71.7 2	12.7 0	72.6 1	83.5 0	53.9 2
Office environment	58.6 0	65.8 3	60.9 1	52.2 3	81.6 6	16.5 0	74.6 0	81.0 6	60.7 1
Onsite childcare facilities	79.4 0	77.8 9	80.8 2	55.1 5	61.6 3	33.2 0	70.8 3	61.0 0	40.2 5
Flexible working hours	75.6 0	60.2 8	70.5 0	33.6 5	65.9 1	47.3 0	72.8 1	69.7 2	72.2 1
Quality of co-workers in the team	62.2 7	82.7 8	61.0 0	47.8 5	62.5 0	18.5 0	73.9 0	96.0 0	63.7 5
Funding for tertiary education	73.7 3	75.3 0	62.5 3	77.1 5	55.6 3	36.2 0	75.9 4	72.1 1	34.8 3
Informal recognition	57.9 0	60.8 3	62.2 1	51.8 1	93.0 0	11.7 0	68.8 3	79.8 3	64.2 5
Monthly communication session	82.5 3	97.6 7	62.6 2	61.3 8	61.4 7	34.4 0	64.6 1	59.8 3	59.8 3

The summary of mean ranks shows that there was a statistically significant difference among the groups of job roles for nine rewards components as presented in the table above.



The results show that respondents in from the human resources department have the highest mean rank for sabbatical leave and flexible working hours. Respondents from the IT department had the highest mean rank for good working relationship and monthly communication sessions. Respondents in marketing department only had the highest mean rank for onsite childcare facilities. Finance department respondents had the highest mean rank for funding for tertiary education whilst respondents from the programming department had the highest mean rank for an office environment and informal recognition. In addition, the legal department has its respondents finding the quality of co-workers in the team of high importance. These results suggest that the reward preferences vary within and across departments.

As a sum-up Table 5.3.13 below demonstrates the comprehensive summary of the total rewards elements, detailing the reward preference comparisons by demographics achieved through conducting a Kruskal-Wallis ANOVA test, comparing 2 or more independent groups and the results below shows p-values and where significant differences in reward preferences were found are shaded for ease of reference.

**Table 5.3.13 – Total reward preference comparisons by all demographics**

Total Rewards Element	Reward component	Gender	Age group	Ethnicity	Education level	Number of children	Job role	Job level	Kagiso Media division
<b>Compensation</b>	Base pay	0.660	<b>0.053</b>	0.062	<b>0.053</b>	0.508	0.108	0.900	<b>0.041</b>
	Incentives & bonuses	0.384	0.287	0.242	0.287	0.362	0.734	0.433	0.250
	Merit	0.197	0.658	0.520	0.343	0.139	0.105	0.879	0.425
	Market related salary	0.707	0.454	0.331	0.298	0.087	0.714	0.280	0.989
	Remuneration structure	0.802	0.662	0.223	0.535	0.343	0.163	0.090	<b>0.012</b>
	Income Inflation	0.556	0.768	0.086	0.221	0.348	0.583	0.718	<b>0.006</b>
	Bonus linked to personal performance	0.600	0.781	0.686	0.903	0.852	0.330	0.421	0.182
<b>Benefits</b>	Medical	<b>0.005</b>	0.627	0.432	0.627	0.520	0.090	0.296	0.058
	Retirement	<b>0.007</b>	0.445	<b>0.021</b>	0.445	0.984	0.268	0.748	<b>0.049</b>
	Study leave	0.290	<b>0.040</b>	<b>0.000</b>	<b>0.040</b>	0.518	0.071	<b>0.014</b>	0.648
	Sabbatical leave	0.090	<b>0.004</b>	0.846	<b>0.004</b>	0.134	<b>0.019</b>	0.109	0.412
	Children's education subsidy	0.248	0.399	<b>0.019</b>	0.399	0.081	0.207	0.072	0.359
	Financial assistance for a house	0.176	0.666	<b>0.002</b>	0.894	0.321	0.515	0.111	0.249
	Subsidised care for dependents	0.449	0.335	<b>0.026</b>	0.628	0.392	0.787	<b>0.003</b>	0.531
	Parking bay	0.603	0.563	0.268	0.563	0.862	0.215	0.616	<b>0.000</b>
<b>Work life (environment)</b>	Good working relationship	0.345	0.791	0.446	0.791	0.625	<b>0.001</b>	<b>0.013</b>	<b>0.017</b>
	Office environment	0.372	0.650	0.967	0.650	0.931	<b>0.010</b>	<b>0.015</b>	0.111
	On-site fitness centre	0.459	0.168	<b>0.050</b>	0.168	0.824	0.063	0.222	0.262
	On-site medical centre	0.183	0.627	0.056	0.081	0.434	0.398	<b>0.034</b>	0.908

	On-site childcare facilities	0.062	0.498	0.041	0.498	0.125	<b>0.025</b>	0.307	0.644
	On-site staff restaurant	0.459	0.384	0.712	0.384	0.701	0.063	0.266	0.665
	On-site convenience store	0.673	0.701	0.410	0.701	0.683	0.092	0.501	0.509
	Working flexible hours	0.067	0.565	0.912	0.565	0.114	<b>0.018</b>	0.065	0.995
	Quality of co-workers in the team	0.377	0.604	0.393	0.604	0.964	<b>0.001</b>	0.454	0.120
	Safety and security in the workplace	0.406	0.794	0.630	0.794	0.362	0.059	0.058	0.748
	Children holiday programme	0.425	0.358	<b>0.003</b>	0.453	<b>0.001</b>	0.372	0.080	0.424
	Log into employer's network	0.761	0.542	0.629	0.915	0.368	0.059	0.244	0.229
	Return to work after maternity leave	<b>0.021</b>	0.532	0.134	0.885	0.059	0.342	0.646	0.859
<b>Career learning &amp; development</b>	Learning and development	0.131	<b>0.014</b>	<b>0.000</b>	<b>0.014</b>	0.810	0.061	<b>0.029</b>	0.072
	Funding for tertiary education	0.686	0.286	<b>0.000</b>	0.286	0.740	<b>0.013</b>	<b>0.014</b>	0.583
	Job rotation	0.161	0.138	<b>0.003</b>	0.138	0.868	0.757	0.083	0.239
	Career path planning and interests	0.765	<b>0.017</b>	<b>0.013</b>	0.324	0.213	0.097	0.190	<b>0.003</b>
	International secondment	0.194	<b>0.001</b>	0.125	0.236	0.751	0.497	0.732	0.691
<b>Performance &amp; recognition</b>	Feedback and performance	<b>0.040</b>	0.217	<b>0.002</b>	0.217	0.462	0.099	0.484	0.975
	Balanced scorecard	0.122	0.937	<b>0.003</b>	0.937	0.783	0.057	0.929	0.132
	Formal recognition	0.306	0.737	<b>0.047</b>	0.737	0.273	0.734	0.691	0.725
	Informal recognition	0.074	0.362	0.324	0.362	<b>0.050</b>	<b>0.001</b>	<b>0.040</b>	0.343
	Monthly communication sessions	0.087	0.380	<b>0.003</b>	0.380	0.312	<b>0.048</b>	0.661	0.332
	Total control over work	0.796	0.419	0.739	0.802	0.509	0.145	0.111	0.258
	Challenging job	0.853	0.069	<b>0.006</b>	0.590	0.362	0.364	0.287	0.184
	Accountable jobs	0.654	0.411	0.123	0.575	0.217	0.753	0.455	<b>0.032</b>
	Management and team performance	0.737	0.238	0.598	0.866	0.485	0.132	0.292	0.193

#### 5.4 Reward category and component internal consistency

Reward components were grouped into the following 5 categories - compensation, benefits, work-life (work environment), career, learning, and development, and performance and recognition. To ensure consistency, all statements were based on a 5 point Likert scale.

The Cronbach Alpha test was used to determine the internal consistency of the reward categories, where scores equal or greater than 0.6 were considered acceptable and scores approaching 1.0 were considered excellent scores. A summary of the calculated Cronbach alphas is shown in the below table.

**Table 5.4 - Summary of internal consistency tests on Total Rewards elements**

<b>Total Rewards elements</b>	<b>Reward component</b>	<b>Cronbach Alpha</b>
<b>Compensation</b>	Base pay	<b>0.461</b>
	Incentives & bonuses	
	Merit	
	Market-related salary	
	Remuneration structure	
	Income Inflation	
	Bonus linked to personal performance	
<b>Benefits</b>	Medical	<b>0.712</b>
	Retirement	
	Study leave	
	Sabbatical leave	
	Children's education subsidy	
	Financial assistance for a house	
	Subsidised care for dependents	
	Parking bay	
<b>Work life (environment)</b>	Good working relationship	<b>0.825</b>
	Office environment	
	On-site fitness centre	
	On-site medical centre	
	On-site childcare facilities	
	On-site staff restaurant	
	On-site convenience store	
	Working flexible hours	
	Quality of co-workers in the team	
	Safety and security in the workplace	
	Children holiday program	
	Log into employer's network	

	Return to work after maternity leave	
<b>Career learning &amp; development</b>	Learning and development	<b>0.820</b>
	Funding for tertiary education	
	Job rotation	
	Career path planning and interests	
	International secondment	
<b>Performance &amp; recognition</b>	Feedback and performance	<b>0.774</b>
	Balanced scorecard	
	Formal recognition	
	Informal recognition	
	Monthly communication sessions	
	Total control over work	
	Challenging job	
	Accountable jobs	
	Management and team performance	

The summary of internal consistency tests on reward categories suggests that 4 total rewards model elements were internally consistent except for compensation.

The results discussed in this chapter outline the reward preferences established by the mean and median rankings and the analysis of variance that identified where statistical significant differences on certain reward components were observed.

The internal consistency testing examined the suitability of the Likert-type rating for the reward categories. The next chapter discussed the results set out in this chapter.

## 6. Chapter Six: Review of research results

### 6.1 Introduction

This chapter discusses the findings from the statistical results presented in Chapter 5 on the basis that relate to the literature reviewed in Chapter 2 and the research questions stated in Chapter 3.

### 6.2 Discussion of findings: research question 1

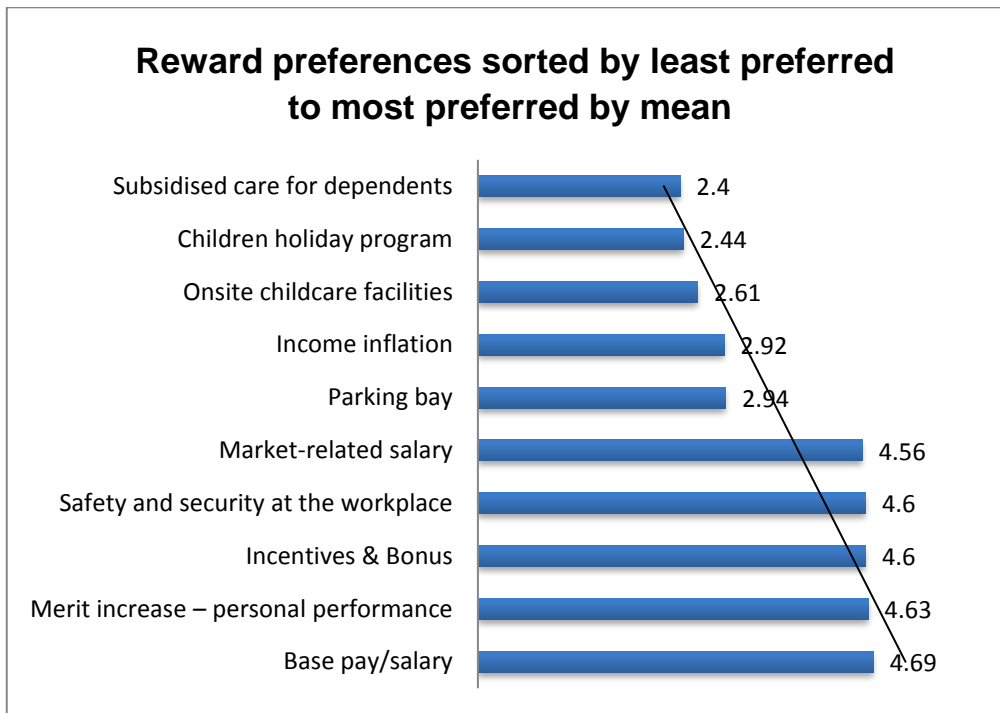
*What reward preferences do employees in the media industry have?*

The overall results of reward preference rating, is reported in Table 5.3.1. This answers the question concerning to which reward component are considered more important by employees in this study.

Respondents ranked base pay/salary, merit increase that is linked to personal performance, incentives & bonus, safety and security at the workplace, and market-related salary as the five most important reward components preferred by them. Indicative of that, collectively monetary compensation element in the total rewards model is extremely important to them.

Figure 6.2 below, an interpreted version of Table 5.3.1 depicts a graphical representation of the bottom and top five reward preferences based on the Likert-type ratings.

**Figure 6.2 - Reward preferences sorted by the least to most preferred by mean**



The finding is in support of previous studies by Horwitz et al. (2003), Kwon and Hein (2013), Nienaber et al. (2011), Schlechter et al. (2014) and Wakeford (2004), whose findings were that financial rewards are extremely important and are the most preferred reward components amongst employees. Contrary to a study by Bhengu et al. (2012) that showed that monetary rewards as the third important factor.

Onsite child care, children holiday program and subsidised care for dependents were the three lower ranked reward components which can be categorized as benefits which nonetheless still form part of extrinsic rewards however are non-monetary.

This supports the notion that a comprehensive total package, as table 5.3.1. orders the relative importance of the total rewards components and aligns to the Worldatwork contentions that competitive rewards are important.

It is important to note that in the current tough economic climate, money is a deficiency need and therefore becomes important when individuals feel deficient in it and don't feel that they have enough and therefore can be attributable to the fact that pay as the most preferred reward component is not industry specific, as similar research have yielded similar results and therefore preferences can be impacted by the current economic climate in which respondents are immersed in.

### 6.3 Discussion of findings: research question 2, 3 and 4

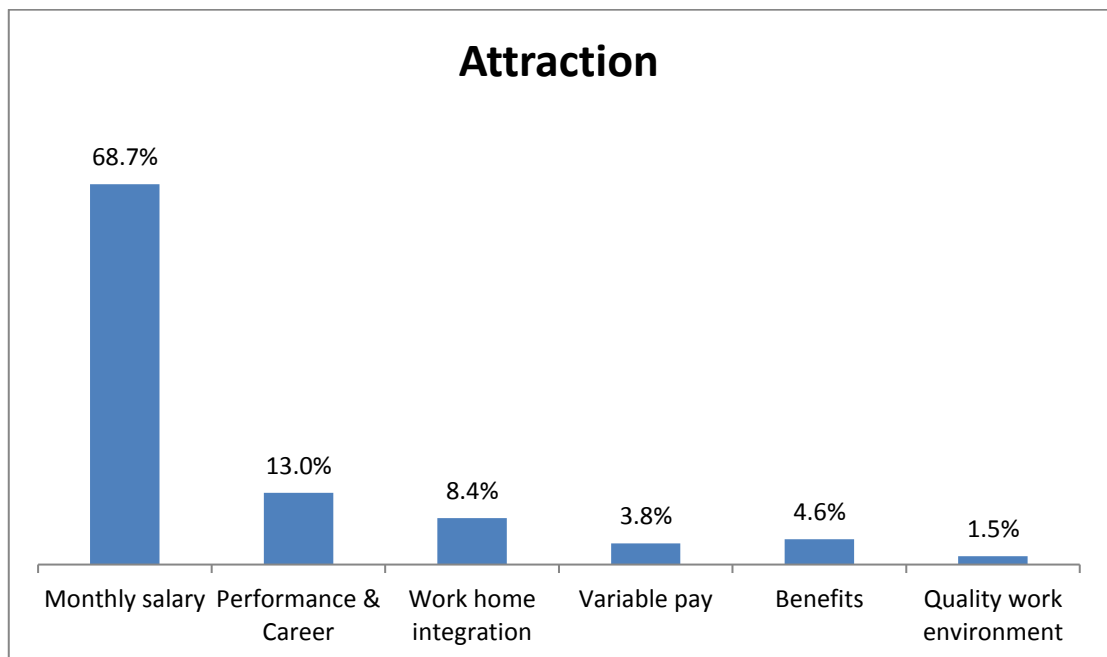
#### Research question 2

*What are the reward preferences for attraction?*

The results of reward preference in attracting employees, answers the question concerning to which reward component were considered most important by employees when considering joining an organisation for this study.

Figure 5.3.2 below depicts monthly salary, performance and career, and work home integration as the three most preferred categories for attraction.

**Figure 5.3.2 - Summary of reward preferences in attraction sorted ranking**





This is similar to research findings by Nienaber et al. (2011) and Snelgar et al. (2013) that indicated that reward preferences that indicated monthly salary (base pay) as the most preferred reward category in attracting employees.

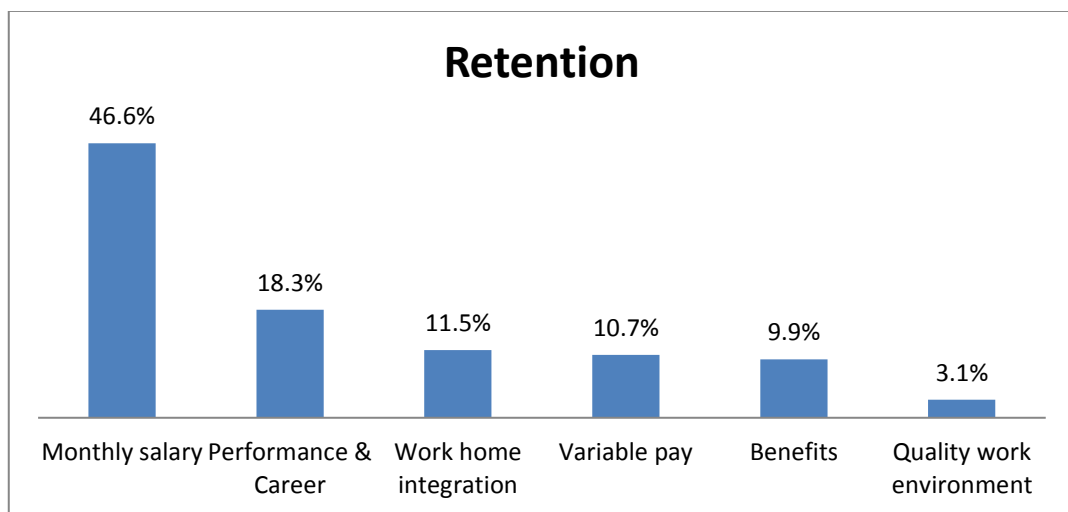
### Research question 3

*What are the reward preferences for retention?*

The results of reward preference in retaining employees in this study, answers the question concerning to which reward component were considered most important by employees in order to drive retention and employee commitment to the organisation.

Figure 5.3.3 below depicts monthly salary, performance and career, and work home integration as the three most preferred categories for retention.

**Figure 5.3.3 - Summary of reward preferences in retention sorted by ranking**



Base pay being the most preferred, ties in to and matches the findings by Nienaber et al. (2011) and Snelgar et al. (2013) that indicated monthly salary (base pay) as the most preferred reward category in retaining employees.

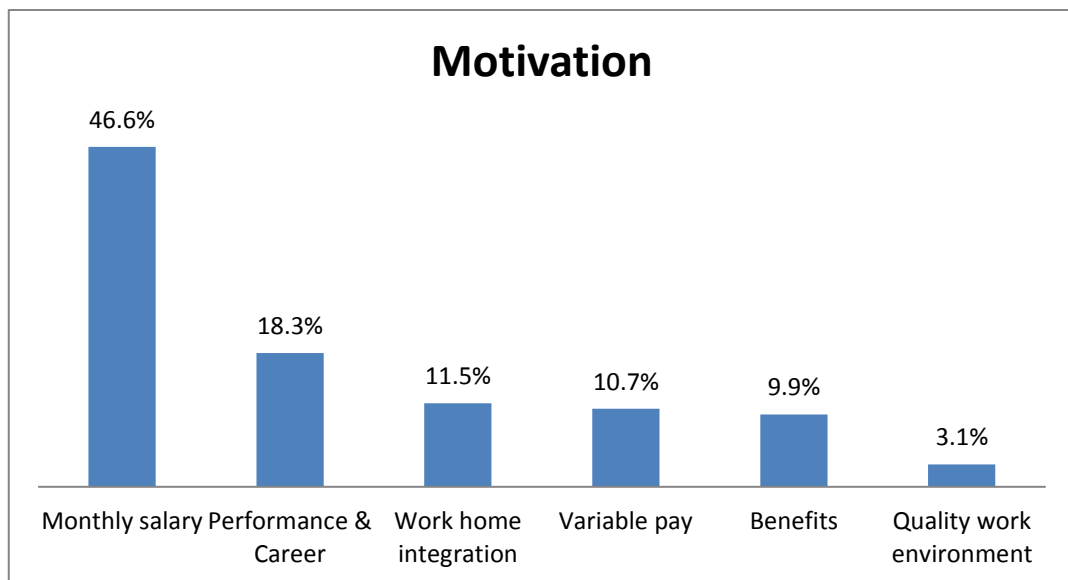
#### Research question 4

*What are the reward preferences for motivation?*

The results of reward preference in motivating employees in this study, answers the question concerning to which reward component are considered most important by employees in order to drive retention and employee commitment to the organisation.

Figure 5.3.4 below depicts monthly salary, performance and career, and work home integration as the three most preferred categories for motivation.

**Figure 5.3.4 - Summary of reward preferences in motivation**



From a motivation perspective base pay being the most preferred reward component differs with research finding of the studies by Nienaber et al. (2011) and Snelgar et al. (2013) that indicated career management (non-monetary rewards) as the biggest factor in motivating employees, as in this study, monthly salary was found to being the biggest factor in motivating employees.

### 6.3.1 Summary of research question 2, 3, and 4

In order of importance, monthly salary is deemed the most influential reward component on employees' decision to join an organisation, followed by performance and career and the third most important component is work home integration. This is indicative of no prominent differences in reward preferences throughout the attraction, retention and motivation life cycle.

Studies by Nienaber, Bussin and Henn (2011) and Snelgar et al. (2013) indicated that reward preferences differ at the employee attraction, retention, and motivation lifecycle. The results for reward preferences for this study indicated that monthly salary (base pay) stood out as the most preferred reward category in attracting, retaining and motivating employees.

From an attraction perspective this correlates with the study Nienaber et al. (2011) and Snelgar et al. (2013) that found base pay (monetary rewards) as the biggest factor in attracting employees. However these studies indicated that reward preferences differ at the employee attraction, retention, and motivation lifecycle. Career management (non-monetary rewards) was found to being the biggest factor in motivating employees, however in this context, monthly salary was found to being the biggest factor in motivating employees.

The results also slightly differ from the study by Bhengu et al. (2012) that explored the views of a sample of employees, industry experts, academics and professionals on talent management tools also showed monetary rewards as the third important influencing factor in attracting, retaining and motivating employees.

Research findings by Lazear (1995) concluded that reward systems of organisations should be tailored to take the characteristics of their workforce into account, supplemented by Medcof and Rumpel (2007) who proposed that there was a difference in reward preferences between industries. The results to this study support the notion of context specific reward preferences.

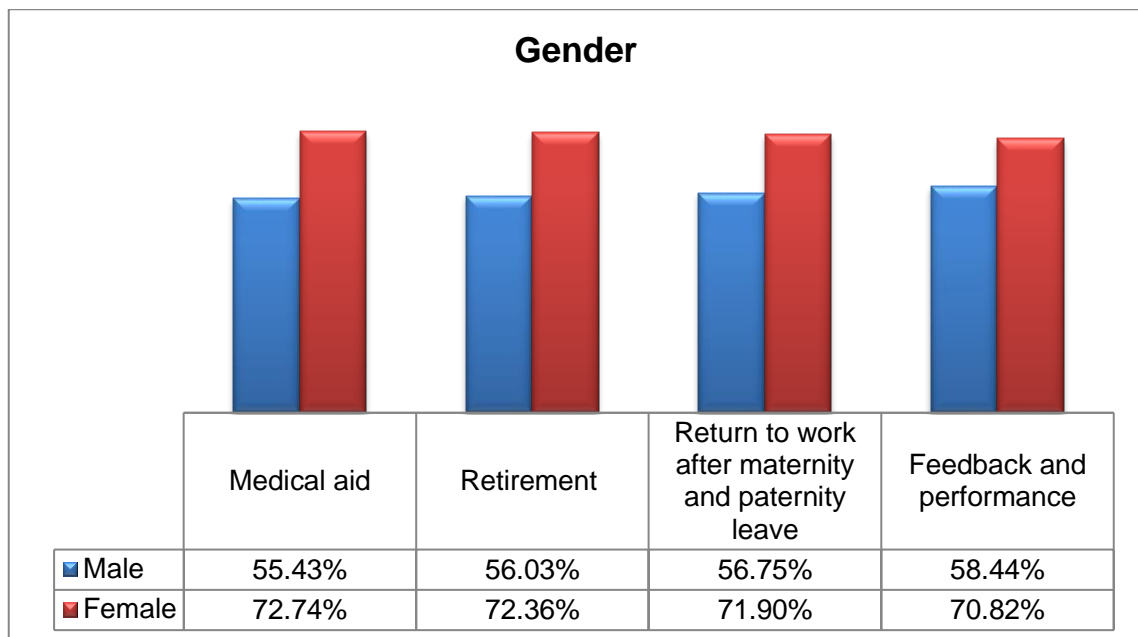
## 6.4 Discussion of findings: research question 5

*Do demographic variables play a significant role in determining the different reward preferences of employees within the media industry?*

### 6.7.1 Gender

From the study statistically significant results were indicated for medical aid, retirement, return to work after maternity and paternity leave, and feedback and performance as outlined by table 5.4.6 and indicative that females had a higher preference for medical aid, retirement, (benefits component) phased return to work after maternity leave (work-life component) and also feedback and performance (Performance & Recognition component).

**Figure 6.7.1 - Reward preferences based on gender**

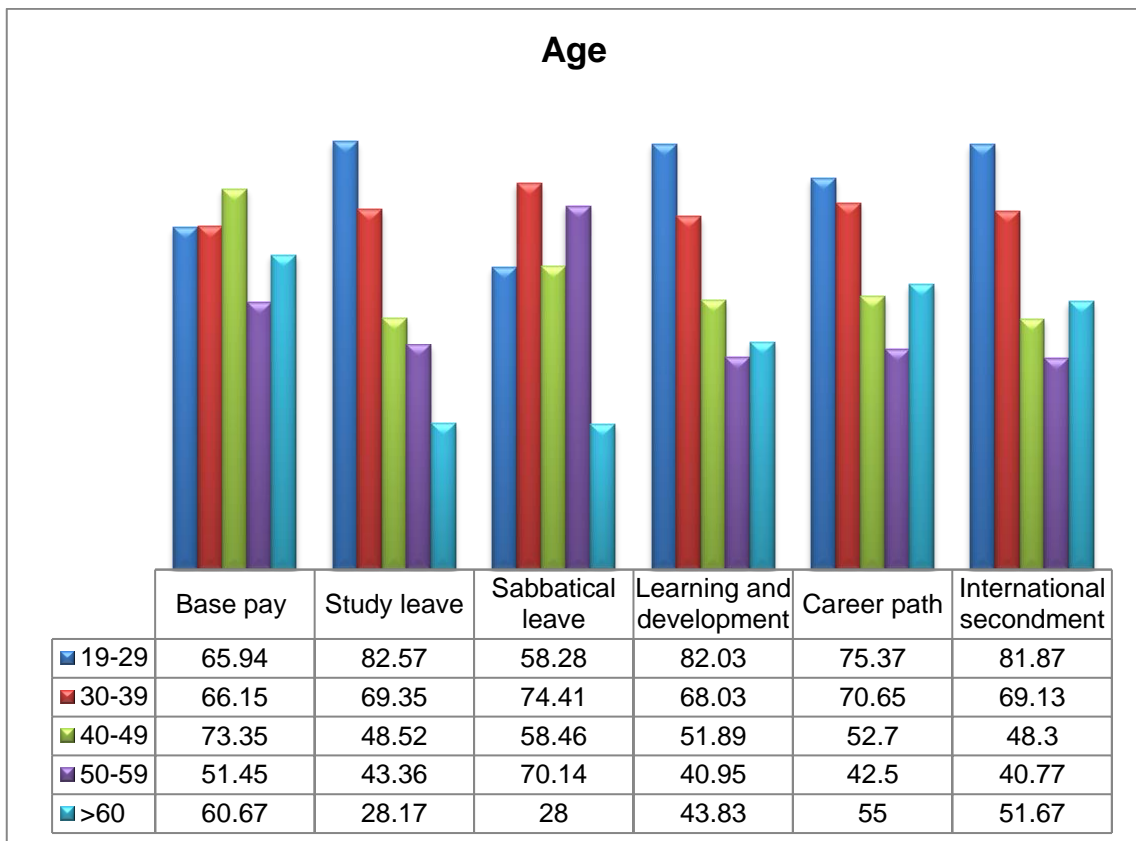


These results are similar to Nienaber et al. (2011) that indicated that women had a higher preference for performance, medical aid and retirement funds as the mean scores for these reward categories were higher than men.

### 6.7.2 Age

Table 5.4.7 outlined statistically significant results on the following reward components according to age groups - study leave, learning and developments, career path, and international secondment are the most appealing rewards for respondents in the 19 to 29 years age group. Respondents aged between 30 to 39 years consider sabbatical leave as the most important reward. Finally, respondents aged between 40 and 49 years recorded the highest preference for base pay.

**Figure 6.7.2 - Reward preferences based on age**



Overall table 5.3.13 is indicative of clear influences of demographic variables and the statistically significant components show that the likely relationship between these variables is not a random chance.

Base pay noted a significant relationship between age group, educational level and division. The findings matches the study by Nienaber et al. (2011) that observed significant differences between age groups, most notably is the base pay preference of the age group 39-48 years.

Benefits were also largely observed a relationship between the following demographic variables – gender, age group, study leave, and sabbatical leave. Ethnicity also displayed a relationship for retirement study leave, child educational subsidy and sabbatical leave, in terms of its influence of reward preferences.

It was interesting to note that the number of children observed a likely relationship only to the the children holiday programme reward component.

### 6.7.3 Job Level

Reward preferences based on job level results showed statistically significant difference among the groups of job levels for eight rewards components as presented in the table 5.3.11

The most noteworthy results are as follows:

- General staff had the highest preference for study leave.
- Specialists recorded the highest preference for subsidized care for dependents, office environment, on site medical facilities, learning development, and funding for tertiary education to any other reward benefits.
- Respondents in the other jobs group had the highest preference for good working relationship and informal recognition.

Total rewards model being a combination five elements of reward and as stated Worldatwork (2010), these five elements of rewards are understood to have a direct relationship on organisations ability to attract, motivate and retain employees.

Table 5.3.13 outlines significant differences to how the reward preferences according to the various demographic variables

Overall, the results from the study and as discussed above, support the findings from the study by Schlechter et al. (2014) on reward preferences of South African employees that also found differences between reward preferences and demographic variables, including age, gender and job level, providing support for segmentation of rewards based on certain demographic variables and contributed to the literature on reward preferences. This is in line with research findings Johns et al. (2013) found that the rewards preference

profile of certain workers would be different, supporting that demographic and industry-specific factors influence reward preferences.

### **6.5 Internal consistency of reward elements**

This brings to a close the discussion of findings on the research questions however it is important to discuss the internal consistency of the study. The key part of this study was assessing the internal consistency of the different reward categories in order to determine if the results of these categories were fitting to group in order to assess overall reward preferences. Notably the compensation category did not score acceptable levels as per Cronbach Alpha reliability test. As the top rated category and most preferred reward component its results showed a poor correlation with the elements in its category.

### **6.6 Conclusion**

The next chapter highlights the main findings of this research, outlining the recommendations and implications for organisational managers and suggestions for future research.

## **7. Chapter Seven: Wrap-up of the research**

### **7.1 Introduction**

The preceding chapter presented a discussion of the results established by this study. In this chapter, a summary of the principal findings, implications for management, the limitations of the research and suggestions for future research is presented.

### **7.2 Principal findings**

As indicated by the PricewaterhouseCoopers (2015) media outlook report South Africa's media market is set to be a major generator of economic value and the industry revenue growth set to outstrip the country's economic growth. Therefore the industry needs to ensure that they are strategically positioned and leverage on this projected growth strategic importance which is linked to the ability to attract, engage, develop and retain talent important for gaining competitive advantage.

Compensation is one of the key levers to gaining competitive advantage; this study demonstrated that there is an inclination towards context- specific reward preferences contained within the parameters in which this study occurred.

The study showed similar reward preferences in the scenarios of attraction, retention and motivation In principle supporting the literature that ascerts that the main elements of monetary compensation are still crucially important (Bunton & Brewer 2012; Horwitz et al. 2003; Moore & Bussin 2012; Nienaber et al. 2011; Schlechter et al. 2014; Snelgar et al. 2013).

This is indication that base pay doesn't seem to lose its desirability and therefore it is important that employees feel that they are adequately rewarded in order to contribute towards achieving organisational goals.



In examining the relative influence of total rewards elements on reward preferences by employees in this context, respondents ranked base pay/salary, merit increase that is linked to personal performance, incentives & bonus, safety and security at the workplace, and market-related salary as the five most important reward components preferred by them. Further indicative of that the preference towards the monetary element in the total rewards model.

This is contrary to some of the findings by Levine (1991), Pfeffer and Langton (1993); and Bloom and Michael (2002) who asserted that competing for talent solely on monetary elements may prove to be not the most effective mechanism in gaining competitive advantage. This can be attributed to the fact that the total rewards model combines five elements of reward in order to create value for the organisation and its employees.

In a mix of reward elements, monetary component still remained the most preferred reward and provides a holistic total reward approach required for effectiveness across attraction, retention and motivation lifecycle. This is supported by findings by Scott, McMullen, Royal and Stark (2010) in that organisations need to look at utilising total rewards strategies in order to build on employee engagement.

Another key findings stems observed significant differences towards reward preferences as a result of demographic variables, similar to the studies by Snelgar et al. (2013), Kowalewski and Phillips (2012) and Bussin et al (2015), and the notion that it is best for employers to have an understanding of demographic variables and their impact in order to design appropriate reward strategies.

## **7.2 Implications for management**

Considering the insight from this study, the results are an important starting point in assessing and developing methods to attracting, retaining and motivating employees and key talent in organisations.

A holistic total reward approach is required for effectiveness across attraction, retention and motivation lifecycle and therefore organisations need to look at utilising total rewards strategies in order to build on employee engagement.

Managers and leaders in the South African media industry need to investigate their organisations' rewards through the perspective of the total rewards concept used in this study in order to evaluate and ensure that they have considered all of the aspects required to attract, retain and motivate employees.

### **7.3 Limitations of the research**

Even though the methodology selected for this study was deemed appropriate for the purposes of this investigation there are some limitations. Most important limitation in this study lies in the fact that the study is descriptive in nature. Therefore the results are limited to numerical descriptions not possible to explore reasons for the respondents' selection in the reward preferences.

Another significant limitation to the study was that the sample is not representative of the population being studied; the survey did not test the entire population as the majority of employees chose not to participate. Consequently it is not possible to make generalisations from the sample to the population that was studied, the results cannot be generalised because had the sample size been larger there is a possibility that different results could have been obtained.

The results are also not without external influences such as economic and political, the study had a much contracted timeframe and therefore not possible to establish if the reward preferences are stable or as a result of temporal external influences.

### **7.4 Suggestions for future research**

It is important to understand the drivers of engagement in order to increase employee engagement and ensure that key and critical employees are engaged in order to remain with organisations longer and are in a position to contribute in a more meaningful way.

Future research should ideally examine specific compensation practices and extend to exploring causal relationships between rewards and attraction, retention and motivation of employees. Another important element is devising a way to fix the correlation and reliability of the compensation category.

## 7.5 Concluding statement

The purpose of this study was to examine context specific reward preferences in order to determine overall reward preferences of employees in the media industry in order to improve on existing reward strategies. The study has meet its purpose by illustrating the total reward components preferred by respondents in South Africa's media industry and indicates the importance of the adoption of a total rewards strategy as rewards are a key source to persuade individuals and ensure work productivity.

Rewards are used as a primary tool for organisations to attract competent key employees and improve the productivity of their employees. Compensation is an important element to understanding the drivers of engagement in order to increase employee engagement and ensure that key and critical employees are engaged in order to remain with organisations longer and are in a position to contribute in a more meaningful way.

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## Appendix 1 - Rewards Preferences Questionnaire

I am conducting research on reward preferences in order to understand what reward preferences do employees in the media industry have, for the requirements and purpose of obtaining my Masters in Business Administration degree.

You are invited to participate in this research project by completing a questionnaire about your reward preferences.

Your participation in this research study is voluntary. You may choose not to participate. If you decide to participate in this research questionnaire, you may withdraw at any time. If you decide not to participate in this study or if you withdrawal from participating at any time, you will not be penalized.

The procedure involves filling this online questionnaire that will take approximately 15 minutes. Your responses will be confidential and we do not collect identifying information such as your name, email address or IP address. All data collected will be kept confidential. To help protect your confidentiality, the surveys will not contain information that will personally identify you. The results of this study will be used for scholarly purposes only.

By completing the survey, you indicate that you voluntarily participate in this research. If you have any concerns, please contact my supervisor or me, our details are provided below.

Researcher Name: **Nokwanda Thabethe**

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Phone: 073 914 3997

Research Supervisor: **Professor Mark Bussin**

Email: drbussin@mweb.co.za

Phone: 082 901 0055

Electronic Consent - Please select your choice below

Clicking on the "agree" button below indicates that:

- You have read the above information
- You voluntarily agree to participate
- You are at least 18 years of age

If you do not wish to participate in the research study, please decline participation by clicking on the "disagree" button.

Agree

Disagree



**Reward  
Questionnaire:**

**Section A: Demographic Factors:**

This section asks you some basic background information. The information you provide will be used to determine any significant differences in opinions between groups, and will not identify you as an individual.

Tick in the box most applicable to you:

What is your gender? 

Male	Female
------	--------

What is your racial group? 

African	Coloured	Indian	White
---------	----------	--------	-------

What is your age? 

19-29	30-39	40-49	50-59	60+
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Which of the following describe your marital status? 

Married	Cohabiting/living together	Single	Divorced	Widowed	Other
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If you indicated other, please elaborate: \_\_\_\_\_

How many children do you have living at home with you? 

0	1	2	3	4+	Other
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Which of the following best describes your highest level of education? 

Matric	Degree/Diploma	Post-graduate	Other
--------	----------------	---------------	-------

If you indicated other, please elaborate: \_\_\_\_\_

What job level best represents your current position? 

General Staff	Specialist	Junior Man	Middle Man	Senior Man	General man/Executive	Other
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If you indicated other, please elaborate: \_\_\_\_\_

Which segment of Kagiso Media are you in? 

East Coast Radio	Jacarana	Juta	Knowledge Factory	Media Mark	Urban Brew	Other
------------------	----------	------	-------------------	------------	------------	-------

What job department best represents your current position? 

HR	IT	Marketing	Finance	Programming	Facilities	Sales
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## Section B: Reward preferences

The following questions are aimed at determining how important different benefits and types of reward structures are to you. Please indicate your choice on the scale of 1 - 5 provided, where 1 = least important or least agreed with and 5 being extremely important or totally agreed with by clicking on the appropriate box.

	Not at all important				Extremely important
My salary / guaranteed remuneration is	1	2	3	4	5
My annual performance bonus / incentive is	1	2	3	4	5
Medical aid benefits through a medical aid scheme are	1	2	3	4	5
Retirement and disability benefits are	1	2	3	4	5
The opportunity to take study leave for further studies is	1	2	3	4	5
The opportunity to take a 3 month sabbatical leave is	1	2	3	4	5
A dedicated parking bay in the building where I work is	1	2	3	4	5
Monthly communication sessions about business progress with my manager are	1	2	3	4	5
Constructive feedback on my performance is	1	2	3	4	5
The opportunity to rotate and experience different types of jobs is	1	2	3	4	5
Opportunities learning and development are	1	2	3	4	5
Informal recognition for a job well done (e.g. a thank you note) is	1	2	3	4	5



Formal recognition for a job well done (e.g. an overseas trip) is	1	2	3	4	5
Having a balanced scorecard or performance agreement with agreed objectives is	1	2	3	4	5
Bursaries / funding for tertiary qualifications is	1	2	3	4	5
Having a good working relationship with colleagues is	1	2	3	4	5
A comfortable work environment (décor, equipment) is	1	2	3	4	5
An on-site fitness centre is	1	2	3	4	5
An on-site medical centre is	1	2	3	4	5
An on-site or closely situated childcare facilities is	1	2	3	4	5
An on-site staff restaurant is	1	2	3	4	5
An on-site convenience store is	1	2	3	4	5
Personal safety and security in the workplace is	1	2	3	4	5
The quality of co-workers in my team is	1	2	3	4	5
Subsidised tuition for my children is	1	2	3	4	5
The ability to work flexible working hours is	1	2	3	4	5



	Totally disagree				Fully Agree
Merit increases should be linked to personal performance	1	2	3	4	5
My salary must be market related	1	2	3	4	5
I would like to structure my remuneration according to my own needs	1	2	3	4	5
Increases should be linked to inflation and not to personal performance	1	2	3	4	5
Bonus allocations should be linked to my personal performance	1	2	3	4	5
Bonus allocations should be linked to my team's performance	1	2	3	4	5
My employer should provide me with financial assistance to buy a house	1	2	3	4	5
I enjoy having total control over my work methods without my manager's interference	1	2	3	4	5
My career path planning should align with my personal interests	1	2	3	4	5
My job should be challenging and test my abilities	1	2	3	4	5
I should be held accountable for my personal job outputs	1	2	3	4	5
I would like to go on an international secondment	1	2	3	4	5



Management should encourage team performance	1	2	3	4	5
My employer should provide holiday programs for my children	1	2	3	4	5
My employer should provide subsidised care for my financially dependent parents	1	2	3	4	5
I need to log into the employer's network from home	1	2	3	4	5
I think employers should provide phased in return to work after maternity / paternity leave	1	2	3	4	5



### Section C: Preferences for Reward Categories

If you have the opportunity to structure your own reward package, which categories are the most important to you. Please rank in order of most preferred (1) to least preferred (6) without using a number twice

Rank from 1 - 6 with 1 being most important and 6 least important

Monthly salary or guaranteed remuneration	
Variable Pay (bonus and / or long term incentives)	
Benefits (medical aid, retirement funding, disability benefits)	
Performance and career (career and development opportunities; quality performance discussions with your manager)	
Quality work environment (fitness centre on site, medical centre on site; latest technology computers)	
Work/home integration (your ability to balance your work and home commitments eg flexible work schedules, half day leave)	

**Section D: Attraction, retention and motivation of employees**

Please indicate which **one** of the following six reward categories has the greatest impact on an organisation's ability to attract, retain and motivate you. Please tick in one block for each category:

<b>Attract</b> (i.e. to join an organisation)	Monthly Salary / remuneration	Variable pay (bonus / long term incentive)	Benefits (medical aid / retirement funding)	Performance & Career (development opportunities, quality discussions with your manager)	Quality work environment (fitness centre on site, medical centre on site, latest technology)	Work/home integration (your ability to balance your work and home commitments e.g. flexible work schedules, half day leave)
<b>Retain</b> (i.e. stay with an organisation)	Monthly Salary / remuneration	Variable pay (bonus / long term incentive)	Benefits (medical aid / retirement funding)	Performance & Career (development opportunities, quality discussions with your manager)	Quality work environment (fitness centre on site, medical centre on site, latest technology)	Work/home integration (your ability to balance your work and home commitments e.g. flexible work schedules, half day leave)
<b>Motivate</b> (i.e. has a positive impact on your performance)	Monthly Salary / remuneration	Variable pay (bonus / long term incentive)	Benefits (medical aid / retirement funding)	Performance & Career (development opportunities, quality discussions with your manager)	Quality work environment (fitness centre on site, medical centre on site, latest technology)	Work/home integration (your ability to balance your work and home commitments e.g. flexible work schedules, half day leave)

We appreciate your feedback. Thank you for helping us understand your reward preferences

## Appendix 2 - Consistency Matrix

Title: Reward preferences in South Africa's media industry

Research Questions	Literature Review	Data Collection Tool	Analysis
<p><b>Research Question 1:</b></p> <p>What reward preferences do employees in the media industry hold?</p>	<p>Nienaber, R., Bussin, M., Henn, C. (2011) The relationship between personality types and reward preferences</p> <p>Moore, A., &amp; Bussin, M. (2012) Reward preferences of generations in selected Information technology companies</p> <p>Snelgar, R., Renard, M., Venter, D. (2013) An empirical study of the reward preferences of South African employees</p> <p>Schlechter, A., Faught, C., Bussin, M. (2014). Total rewards: A study of artisan</p>	<p>Section B &amp; C in questionnaire</p>	<p>Frequency analysis and rank order of categories</p> <p>Wilcoxon matched pair test and Friedman test.</p> <p>Cronbach Alpha test (Internal consistency).</p>

	<p>attraction and retention within a South African context</p> <p>Bussin, M., Toerien, W. (2015). Influence of reward preferences in attracting, retaining, and motivating knowledge workers in South African information technology companies</p>		
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<p><b>Research Question 2:</b></p> <p>What are the reward preferences for attraction?</p> <p><b>Research Question 3:</b></p> <p>What are the reward preferences for retention?</p> <p><b>Research Question 4:</b></p> <p>What are the reward preferences for motivation?</p>	<p>Medcof, J. W., &amp; Rumpel, S. (2007). High technology workers and total rewards.</p> <p>Bunton, T. E., &amp; Brewer, J. L. (2012). Discovering workplace motivators for the millennial generation of IT employees.</p>	<p>Section D of questionnaire</p>	<p>Frequency analysis and rank order of categories.</p>
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<p><b>Research Question 5:</b></p> <p>Do demographic variables influence the reward preferences in the media industry?</p>	<p>Nienaber, R., Bussin, M., Henn, C. (2011) The relationship between personality types and reward preferences</p> <p>Snelgar, R., Renard, M., Venter, D. (2013) An empirical study of the reward preferences of South African employees</p>	<p>Section A, B and C of questionnaire</p>	<p>Frequency analysis, ANOVA – Kruskal Wallis test</p>
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## Ethical Clearance Letter

Dear Miss Nokwanda Thabethe

Protocol Number: **Temp2016-01441**

Title: **Research Project Ethical Clearance**

Please be advised that your application for Ethical Clearance has been APPROVED.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

Kind Regards,

Adele Bekker