



**An Empirical Study of the Reward Preferences of the University of KwaZulu-Natal (UKZN) Academics**

**By**

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## DECLARATION

I, **Sharon Nosipho Makhanya**, declare that:

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Makhanya Sharon Nosipho

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## ABSTRACT

The aim of this study is to investigate the ability of the rewards offered by UKZN to attract, retain and motivate academic employees. The Reward Preference Questionnaire (RPQ) adopted from Nienaber, Bussin and Henn (2011), and modified by Snelgar, Renard and Venter (2013) was used to collect the data for this study. A total of 140 questionnaires were administered to Westville, Howard College and Medical School campuses with 111 questionnaires completed and returned. Descriptive statistics were utilised to analyse the responses and presented in the form of tables and graphs. Principal component analysis was used to extract factors. Four factors were extracted and named; ie., base pay, benefits, performance recognition and career management and quality work environment. The study found that UKZN academics are neither satisfied nor dissatisfied by base pay, benefits, and performance recognition and career management. However, the study found that the academics at UKZN are highly dissatisfied by quality work environment. The study also found that age, level of education, job level and conditions of service influence reward preferences. In addition, the study found that the respondents view rewards offered by the institution to be unfairly and inconsistently implemented. The respondents indicated that they were unhappy with the way performance management was rated; differences in conditions of service; confusing rewards; unfair implementation of academic promotions and unfair, inconsistent implementation of sabbatical leave. This study recommends that the institution should create reward systems that are based on the academic's preferences by focusing on benefits, base pay, quality work environment, performance recognition and career management as they were indicated as the reward categories that attract, retain and motivate academics. This study's findings contribute to knowledge by investigating the most valued rewards categories and the contribution of rewards to attraction, motivation and retention of academic staff. This study will also be beneficial to policy makers, Human Resources Departments and to Higher Education institutions. Furthermore, this study provides evidence to assist the employer in developing suitable and improved rewards packages to enhance the attraction, motivation and retention of academics of high calibre.

**Keywords:** Academics, Attract, Motivate, Reward preferences, Retain, University of KwaZulu-Natal.

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## LIST OF ACRONYMS

HEIs.....	Higher Education Institutions
SA.....	South Africa
UKZN.....	University of KwaZulu-Natal
HESA.....	Higher Education South Africa
SABPP.....	South African Board for People Practices
DHET.....	Department of Higher Education and Training
SARA.....	South African Rewards Association
RPQ.....	Reward Preferences Questionnaire
SPSS.....	Statistical Package for Social Sciences
KMO.....	Kaiser Meyer-Olkin
MANOVA.....	Multivariate Analysis of Variance
ANOVA.....	Univariate Analysis of Variance
CoS.....	Conditions of Service
PU.....	Productivity Units

# CHAPTER 1

## INTRODUCTION AND OVERVIEW OF THE STUDY

### 1.1 Introduction

Higher education institutions (HEIs) are faced with extensive competition for talent which makes it critical for institutions to offer meaningful reward packages that can attract and retain excellent staff. Okello and Lamaro (2015) proclaim that universities worldwide encounter challenges of academic staff turnover as a result of academic's unhappiness with the rewards offered to them. In addition, institutions encounter complications when recruiting academics as many African graduates move to other continents which results in skills shortages (Snelgar et al., 2013). According to the Vaal University of Technology (2015:1), "South African Universities have a shortage of academic staff and universities lack funds to employ more staff. Fewer students are studying for Doctorate degrees and therefore fewer postgraduates enter the labour market as academic professionals and lecturers". Schlechter, Hung and Bussin (2014) concede that migration of skilled employees has caused a grave shortage of skills in South Africa.

HEI's are mostly at risk of losing their best academics to other HEIs and to other industries that offer greater and competitive remuneration. A study by Higher Education South Africa (HESA), (2014:3) asserts that "without competitive remuneration for academics, especially at the lower echelons of the profession, many promising potential academics, as well as current academic staff, will be lured away to well paying positions in the public sector, as well as to the private sector". Therefore, this shows that people work for rewards and are attracted to careers that pay well. It is therefore critical to understand reward preferences and to offer competitive rewards that employee's value, in order to attract and retain valued employees. This is critical for the organisation's success.

Reward packages have evolved from the 'traditional package', where financial rewards were the most important rewards and benefits were supplementary rewards (Ami, Boaten and Yamoah, 2015) to a total rewards package which is more flexible and comprehensive and includes; compensation, benefits, work-life, performance and recognition, and development and career opportunities (World at Work, 2007). According to Snelgar et al., (2013:14)

“traditional rewards are no longer applicable in today’s’ diverse workforce and employers need to understand that rewards encompass the overall value that a company offers its employees”. The South African Board for People Practices (SABPP), (2012) also agree that the focus on rewards has shifted from broad categories to flexible reward packages. On the other hand, Nazir, Shah and Zaman (2014) argue that ‘total rewards packages’ entail the same reward package as the ‘traditional package’. Therefore, the reward packages offered remained the same but salaries and benefits have now been grouped together to produce total rewards packages which are tremendously flexible.

Improving rewards packages in the workplace assists in employees being protected against different risks that they need to be protected from such as disability, health care costs and financial security. Ahmad, Yei and Bujang (2013:2) assert that benefits assist to provide employees with protection from financial burden which assists employees to have peace of mind. This fosters productivity as their belongings and that of their families are taken care of should they face any challenges. The Remuneration Trends report by Price Waterhouse Cooper (2010) reported that benefits consist of 1/3 of total guaranteed package and if properly designed, they will continue to be the main source for attracting, retaining and motivating desired, highly skilled personnel. In addition, rewards allow personnel to enjoy an improved standard of living (Schuler and Jackson, 2006). Organisations that provide reward packages that support employees’ needs are more likely to become ‘employer of choice’ for top personnel, irrespective of age (Brenner, 2010). Rewards are getting more significant for employees world-wide as they assess their existing and future employers (Metlife, 2015). This suggests that rewards have an impact on employee’s choices about which establishment to work for, whether to continue or leave the establishment or when to retire.

Rewards have an influence on employee’s selections about which employer to work for, whether to stay with or leave an employer or when to retire. Cox, Brown and Reilly (2010) assert that reward packages effect the attraction and retention of workers. Reward packages structured according to individual preferences are drivers of attraction, motivation and retention (Nienaber and Bussin, 2011). Similarly, Phillips and Gully (2011) state that competitive remuneration is an approach for attracting and retaining personnel. Close (2015) agrees that employees are attracted by monetary rewards. Furthermore, Carrell, Elbert, Hatfield (2011) state that insufficient rewards often results in turnover. Moreover, Theron, Barkhuizen and du Plessis (2014) found that dissatisfaction with pay was one of the factors affecting retention.

World at Work (2007) states that total rewards were designed to attract, retain and engage a diversity of employees. Smit, Stanz and Bussin (2015:3) state that “research on total reward and retention preferences for multi-generation groups is limited in the South African workplace”. Smit et al., (2015) further state that if organisations do not offer what the different generations prefer, particularly the younger generation, Generation X and Generation Y, it may results in organisational failure, as it is important for institutions to provide what the dissimilar generations value to ensure a motivated workforce. Modern employees are attracted to total rewards packages as benefits can be tailored according to individual choices. Many organisations have developed reward packages to attract and hold on to their excellent staff (Bussin, 2011). Okello and Kamaro (2015) found that in African Universities, the academic staff consider altering careers for better paying professions due to dissatisfaction with their rewards. This study contributes new knowledge of the academics’ rewards preferences in South Africa. This study could assist universities with the knowledge to retain their highly skilled workforce by crafting attractive remuneration packages.

## **1.2 Background of the problem**

Universities play a tremendous role in the growth of intellectual manpower who can add knowledge in the nations’ economic, social and knowledge economies. Govinder, Zondo and Makgoba (2013:9) argue that “high quality higher education is crucial for social equity, economic and social development and a vibrant democracy and civil society”. HEIs cannot be prosperous and operate without academic personnel (Ng’ethe, Iravo and Namusonge, 2012). Therefore, it is important to attract and retain academic staff of a high calibre that can produce quality research and teaching. This will assist in the universities being able to operate at a level of excellence. By doing so, universities can produce graduates of high calibre who can meet society’s demands over a long period (Pienaar and Bester, 2008). However, attracting and retaining highly qualified academics is a concern and a challenge of the HEIs (Erasmus, Grobler and Van Nieker, 2015). Attracting and retaining excellent academic staff results in the university being able to achieve its mission and vision as the academics are the vehicle of the institutions’ success. UKZN’s mission is “to be academically excellent, innovative in research, critically engaged with society and demographically representative” (UKZN Performance Pay Progression and Performance Based Pay Procedures and Guidelines, 2016). Successful organisations utilise reward packages that are aligned to the organisation’s mission and vision to tactically recognise the personnel’s hard work and inspire extraordinary performance

(Mujtaba and Shuaib, 2010). As a result of this, it is important to conduct a study to investigate the rewards packages that can assist in attracting and retaining academics of high calibre. Managers will also be more knowledgeable of which rewards attract, retain and motivate academics.

Rewards offered by institutions play a significant role in attracting and retaining skilled academics as reward packages impact staff attitudes and perceptions of employment (Milkovich, Newman and Gerhart, 2011, Lawler, 1996). The capability of rewards to attract and retain staff seems to be the main concern of most institutions. Fisher and Yuan (1998), Nazir et al.,(2014) and Smit et al., (2015) argue that it is important to understand what the workforce values and different generations' preferences are in order to tailor rewards offered as per the employees' requirements. Therefore, universities need to be aware of what academics value in rewards packages in order to design attractive reward packages. Smit (2014:5) also points out that "if employers do not cater to the different generations it may lead to the organisations downfall" as the one size fits all approach is no longer effective. Therefore, it is important that institutions utilise attractive total rewards as they are flexible and cater to individual needs (Matthee, 2009). By offering attractive reward packages, universities will ensure that they attract and retain their best academics, This will generate quality research and teaching.

Institutions cannot be successful without qualified and dedicated academic staff members (Altbach, 2009). Employees will be de-motivated if the rewards presented to them are not meaningful and aligned to their necessities (Chiang and Birtch, 2007). Therefore, it is vital that employers are aware of the personnel's dissimilar needs, as they are faced with challenges to develop fair and equitable reward systems in order to attract, retain and motivate employees (Mujtaba and Shuaib, 2010). Managers need to pay attention to the impact of rewards on employees' morale and productivity as reward packages are no longer based on the 'traditional package' which may not be useful to motivate all the different kinds of employees. Motivation is vital for management as it assists them recognise why employees behave the way they do. An understanding of how to influence desired behaviour will lead to the accomplishment of organisational goals (Haque, Haque and Islam, 2014).



### **1.3 Problem statement**

South African HEIs are experiencing extraordinary challenges in academic staffing. The Department of Higher Education and Training (DHET) has identified staffing challenges at HEIs which include the slow pace of transformation, regeneration, an ageing workforce, relatively under-qualified academic workforce, and low numbers of postgraduate students representing an inadequate pipeline for the recruitment of future academics (DHET, 2015). Young and talented professionals are not taking up academic jobs preferring to join the private sector. In an effort to alleviate this problem, the DHET introduced the 'new generation of academic programme' or nGAP.

According to Seeletse and Thabane (2016) the high turnover rate of academics in HEIs in SA is a result of several factors. Negligence by top management who fail to appoint suitable line and middle managers and lack of consistent monitoring and evaluation of practices at operational level result's in high turnover. Competition for the best academics is widespread among universities themselves (King, 2007). Competition for talented people between private sectors and HEIs is very high. These factors have resulted in a high mobility of talented individuals between universities themselves and the private sector.

Besides HEIs resorting to using under-qualified staff, several other challenges are presented by a high turnover of staff. It has been estimated that the cost of replacing an employee who has resigned are two-thirds of their annual salary (Dibble, 1999). Some studies estimate replacement costs to be between 70% and 200% of the lost employee's annual salary (Netsweta, Rankhumise and Mavundla, 2005; Dibble, 1999). High turnover can also be expected to disrupt the learning programme and HEIs resorting to under-qualified staff to fill-in the gap. A reward system that takes into account the preferences of employees can go a long way in mitigating these costs.

The topic of staff retention has been explored extensively in the private sector. However, little research has focused on documenting strategies HEIs have adopted to retain their valuable staff members through attractive remuneration packages (Seeletse and Thabane, 2016). An important aspect in employee retention is the reward preferences of academics and how these are tied to the HEI remuneration policies. There is a scarcity of literature on this area. It has been noted that HEIs are operating in a diverse environment and, exercise discretion when crafting policies to entice the best academics (Netsweta et al., 2005). It is therefore very important for HEIs to understand the reward preferences of their employees. The UKZN cannot

afford to lose their academic staff to competitors or to the private sector as it will have a negative impact on the university. This motivated this study into the perceptions of the academic staff at UKZN on their rewards and what attracted them to the university and what motivates them to stay.

This basis of this study is the work done by Snelgar's et al., (2013) that investigated reward preferences of 250 workers from 11 medium-sized to large-sized organisations from Johannesburg and Port Elizabeth. For this study, a structured questionnaire, [adopted from Nienaber et al., (2011) and modified by Snelgar et al., (2013)], Reward Preferences Questionnaire (RPQ),(Appendix A), was used to collect data from UKZN academics. This study differs from Snelgar's et al., (2013) in that it investigates UKZN academic reward preferences in a university setting.

#### **1.4 Theoretical framework and methodology**

The theoretical framework used in this study is presented in Figure 1.1. It was important in this study to link the demographic characteristics of participants with their reward preferences. Older academics might have reward preferences that are different from younger academics. The six elements of the Total Rewards Model (Rajkumar, 2014) collectively define an organisation's strategy to attract, motivate, retain and motivate employees. The Total Rewards Model identifies the different types of rewards available to employers that they can utilise to attract, motivate and retain their employees. This model was adopted for this study and it is further described in more detail in Chapter 3.

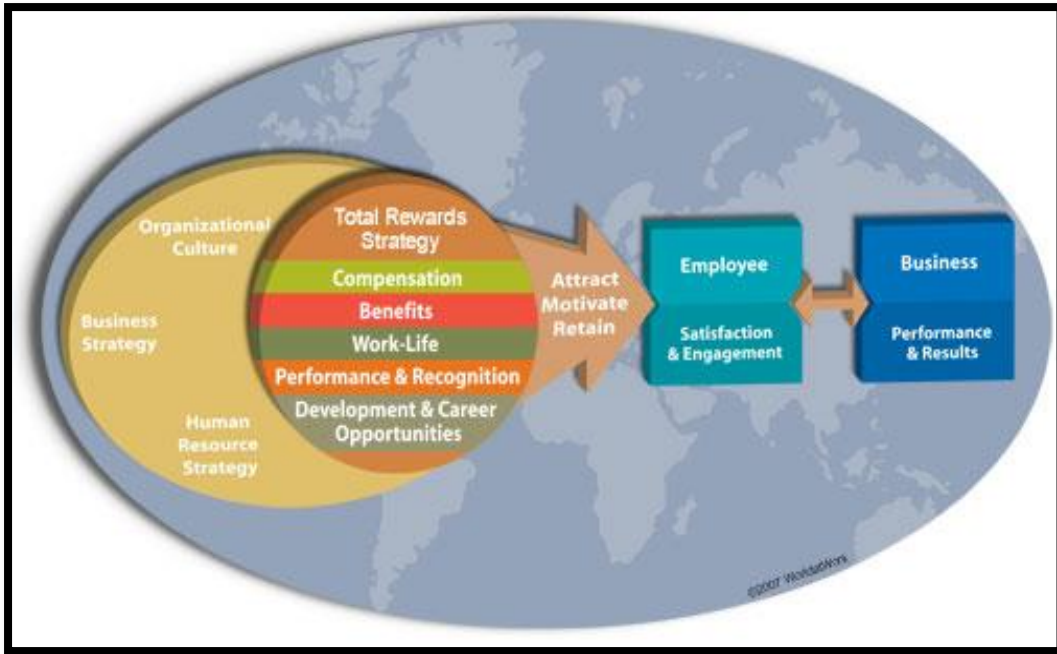


Figure 1.1: Total rewards model: Source: World at Work (2007:3)

A quantitative research approach was adopted for this study and the target population was the academic staff at UKZN. Systematic sampling was used to sample academics at three different campuses of UKZN, namely Westville campus, Howard College Campus and Medical School Campus. Data was collected from only three campuses because of lack of resources to move around across all campuses as they are far from each other and there were time constraints. Data was collected by means of a survey questionnaire that included structured questions as well as open-ended questions. Statistical analysis was done using the Statistical Package for Social Sciences (SPSS 24) statistical software.

### 1.5 Focus of the study

This study empirically investigated the categories of rewards that the academic staff at the University of KwaZulu-Natal (UKZN) prefer and value. It further examined the impact of the total rewards on attraction, retention and motivation and whether the academics perceived the rewards offered to them as competitive. According to World at Work (2007) total rewards have been shown to have a major impact on attraction, retention and motivation of employees. When offered, they have been shown to motivate employees to fulfil their needs. This study was guided by related motivational theories to understand why employees become motivated and how rewards related to employee motivation.

### **1.6 Significance of the study**

This study specifically focused on academics' preferred rewards categories at a South African University. The reason for the focus on academic staff views is that the academics are the most valuable asset and are the core business of the University and academics are the reason for a University to prosper and be a highly ranked university globally (Rust and Kim, 2012; Nazir et al., 2014). Altbach (2009) supports this by stating that university rankings are determined by the total number of Nobel Prize winners, the research output of academics, the grants attained by the university and the eminence of the learners. Employers need to understand employee's needs and expectations in order to structure reward packages that fulfil different employee needs and preferences. In addition, rewards should be related to the organisation's strategy and aims in order to attract, motivate and retain academic staff, as they are the most valuable asset and core business of the University. Therefore, this study is significant as it has never been conducted at UKZN and will contribute knowledge by investigating the most valued rewards categories and the contribution of rewards to attraction, motivation and retention of academic staff. The study will also be beneficial to policy makers, Human Resources Departments and to HEIs. Furthermore, this study provides evidence to assist the employer in developing suitable and improved rewards packages to enhance attraction, motivation and retention of academics of high calibre.

### **1.7 Research aims and objectives**

The aim of the study is to identify the categories of rewards that UKZN academics value and prefer as well as how satisfied these academics are with the rewards offered to them by the university. In addition, the study seeks to investigate the ability of the rewards offered by the institution to attract, motivate and retain employees. Furthermore, it seeks to investigate the influence of demographic and reward preference variables. In order to achieve the aims of the study, the following research objectives were created.

### **1.8 Research objectives**

The aim of the study can be achieved by the following research objectives:

1. To identify preferred rewards categories of UKZN academics.
2. To identify the reward categories that satisfy the UKZN academics.

3. To identify demographic variables that influences reward preferences of UKZN academics.
4. To assess the impact of reward categories offered by UKZN on the institution's ability to attract, motivate and retain academics.
5. To investigate whether UKZN academics perceive rewards offered by UKZN to be fairly and consistently implemented.

### **1.9 Research hypotheses**

In order to achieve the objectives of the study, the following Null hypotheses were developed:

1. H1: University of KwaZulu-Natal academics perceive basic pay as an important reward category.
2. H2: University of KwaZulu-Natal academics are satisfied by base pay, variable pay, benefits, performance recognition and career management, and quality work environment offered to them by the institution.
3. H3: Demographic variables (age, job level, gender, marital status, number of dependents and educational qualifications influence reward preferences.
4. H4: University of KwaZulu-Natal reward categories attract, retain and motivate its academic employees.
5. H5: The implementation of the UKZN reward system is fair and consistent.

### **1.10 Research questions**

1. Which reward categories do the University of KwaZulu-Natal academics prefer?
2. Which reward categories satisfy the UKZN academics?
3. Which demographic variables influence reward preferences?
4. To what extent do the reward categories offered by UKZN have the ability to attract, motivate and retain academics?
5. Is the implementation of rewards offered by UKZN perceived as fair and consistent by the academics?

### **1.11 Overview of the structure of the thesis**

**Chapter 1:** Introduces the research topic on reward preferences for staff at UKZN. The chapter discusses the background and research problem, the justification of the study, the aims,

objectives, hypotheses and the present state of knowledge in the field of study. The reward preferences of academic staff at UKZN are a neglected area of study warranting this research.

**Chapter 2:** An extensive literature review on motivation is provided. Past research is explored as well as the relevant motivation theories. A discussion on how these theories inform the current study is also presented.

**Chapter 3:** A review of literature on rewards and reward models is given. Factors that influence reward preferences of employees are also given. Furthermore, a review of literature on rewards preferences is discussed. Rewards preferences are discussed in terms of demographics such as gender, age, race and job level of employees.

**Chapter 4:** The questionnaire used to collect data from the UKZN academics is described. Validity and reliability of the measuring instrument and the data analysis techniques are also discussed. The chapter concludes by discussing ethical considerations and limitations of the study.

**Chapter 5:** Data analysis and research findings are presented in this chapter. The null hypothesis developed for the research objectives are also presented and explored in this chapter. Furthermore, summaries from descriptive and inferential statistics used are presented as well as distinguished relations among variables are presented.

**Chapter 6:** The discussion of results is presented based on the descriptive and inferential statistics used to analyse and summarise data collected from the respondents. The null hypotheses generated to achieve the aims and objectives of the study are also discussed. These findings are also linked with other studies in the same area.

**Chapter 7:** The main conclusions and recommendations of this study are given and how the study achieved the research aims is provided in this chapter.

## **1.12 Conclusion**

Globally, there is a shortage of academic staff in the higher education sector. South Africa has not been spared this as SA HEIs face various challenges when it comes to academic staffing. All HEIs in SA are competing amongst themselves for top talent and added to this the private sector also competes with HEIs for the same talent. This has not been helped by the fact that HEIs are not employing line and middle managers sensitive to the need of retaining academic

staff. Rewards and benefits for academic staff are not tailor-made to suit the individual requirements of academic staff. All this has resulted in high staff turnover in HEIs. A neglected area that needs attention is how HEIs and, UKZN in particular, can craft reward policies that are in-tune with the reward preferences of academic staff. This study focused on the reward preferences of academic staff at UKZN with the hope that knowledge gained in this study can be utilized by HEI management to retain academic staff through their reward policies. In the next chapter relevant literature on motivation and motivational theories are discussed.

## **CHAPTER 2**

### **MOTIVATION AND MOTIVATIONAL THEORIES**

#### **2.1 Introduction**

The focus of this research is on reward preferences of academics that can be used by management to retain staff. The issue of staff retention is a broad area with several aspects. It begins with motivation as it is much easier to retain staff who are motivated. This chapter reviews motivation and motivational theories. Staff retention is examined more broadly under motivation in this chapter. Rewards and reward preferences of employees are identified as an area that requires more attention, particularly with respect to academic staff. The next chapter (Chapter 3) will then review knowledge gained so far with respect to rewards and reward preferences.

This chapter examines the relevant theories that provide the theoretical framework for this study. Bhattacharjee (2012) defines a theory as a set of systematically interrelated constructs and propositions intended to explain and predict a phenomenon or behaviour of interest, within certain boundary conditions and assumptions. Many motivation theories, Maslow's hierarchy of needs theory (1954), Herzberg two factor theory (1959), Expectancy theory (1964) and the Equity theory (1965), shed light on understanding the significance and proper use of motivation. They also address why employees work and why employees are attracted, retained and motivated in the work place. These theories posit that employees have needs that motivate them to work. Moreover, they state how managers can assist to motivate employees. Therefore, institutions can identify and utilise these theories to positively encouragement academic staff's behaviours.

#### **2.2 Defining motivation**

Researchers from different spheres have studied motivation to find ways to improve performance in the work place (South African Board of People Practices {SABP}, 2012). Motivation in the place of employment is said to enthuse staff to work hard. Academic staff motivation needs to be understood in order to know how to influence their behaviour. Carefully studying what motivates employees can help to understand what influences them to work willingly and what influences their choices in order to come up with rewards that enhance



performance (Daft, 2011; Ramlall, 2004; Eshun and Duah, 2010). Furthermore, employees' demographics may influence what motivates employees.

People are engaged when they believe that their activities are likely to result in achieving an objective and a cherished reward that satisfies their needs. Maslow's hierarchy theory of need (1954) helps employers understand employee needs in order to tailor desired rewards that will satisfy employees' needs. Similarly, Herzberg's two-factor theory (1959) identifies important needs that affect job satisfaction. Researchers shed light on why some employees may be motivated to work for internal satisfaction whilst others maybe are motivated to work out of anticipation of rewards (Rajkumar, 2014). Taylor (1911) suggests that monetary reward enhanced employee performance. Herzberg's two-factor theory postulates that both monetary and non-monetary rewards have to be present for an employee to be satisfied at work. On the other hand, Kohn (1993) posit that employees are not certainly encouraged by rewards to work hard. Organisational and social psychologists persist in conducting research on motivation. Research has found that motivated staff work harder and stay with the same employer longer and have a stronger optimistic influence on organisational outcomes because they are more eager, more energised and apply more effort (Schiemann, 2009).

Motivation has been correlated highly with the level of performance. High performance is attained by driven people who are prepared to put effort into their tasks. Motivation is a vital tool that can be utilised by managers to enhance performance of staff, satisfy staffs' needs, and also retain high performing staff to achieve positive outcomes (Bessell, Dicks, Wysocki and Kepner, 2002, Rajkumar, 2014). This means motivated staff tend to be committed, willing to perform their tasks and intend to stay longer with the same organisation. They are more likely to perform voluntarily to produce some positive outcome and are important for the organisations' success. In contrast, when staff are de-motivated, they tend to be discouraged and dissatisfied and it leads to absenteeism and lateness (Schiemann, 2009). Herzberg's two-factor theory (1959) posit that the basic satisfiers must be present, such as job security, fair treatment and compensation, in order to create high organisational satisfaction as their absence would result in dissatisfaction.

Motivation in the place of employment refers to staff exerting effort without pressure to work to produce positive outcomes for the organisation (Bessell et al., 2002; Eshun and Duah, 2010). Similarly, Close (2015:10) defines motivation as a "combination of intellectual, physiological and psychological process that determines, in a given situation, how much and in what direction

our energy is channelled”. For this research, motivation in the workplace was investigated with special reference to how rewards can motivate and engender loyalty of employees to the organisation.

In summary, based on the above arguments, it is important to understand what motivates the workforce. Managers need to also understand the theories that explain employee motivation in order to provide the correct kind of motivation as organisations succeed when staff members are motivated and when their needs are met. This also positively impacts on the institution’s ability to reach its goals, mission and vision. In contrast, when staff members are de-motivated, it can negatively impact on the institution by the institution not reaching its goals, mission and vision. As a result, it is absolutely vital that employers are conscious of the influence of remuneration packages offered to employees and how they are utilised to motivate staff members.

### **2.3 Intrinsic and extrinsic motivation**

Intrinsic and extrinsic motivation are two kinds of motivation that encourage employees to work harder. However, managers tend to concentrate on extrinsic motivation more than intrinsic motivation when motivating their employees. Manion (2005: 283) states that it is important for managers to bear in mind that “a combination of factors motivates employees, not just one type of extrinsic or intrinsic reward”. Also, managers experience difficulties and do not know exactly what motivates their workers. Therefore, it is important that managers make an effort to implement both kinds of motivation. (Eshun and Duah, 2010).

Intrinsic motivation is the individuals’ internal force that drives a person to do an activity because of personal interest or the joy the individual receives from doing the task. It comes from the work itself when individuals view that their duties and tasks at work are meaningful and exciting and provides them with opportunities for personal growth (Armstrong, 2009). Acquiring knowledge is a fulfilling and rewarding experience and makes an important input to intrinsic motivation for employees. Intrinsic motivation is based on the desire to be knowledgeable and the work itself which must offer dynamism and challenges for employees to use their skills (Katz, 1964; Deci and Ryan, 2000). Therefore, for work to be intrinsically motivating, work itself should provide feedback on employees’ performance, independence for workers to set their own goals and the use of their abilities. Similarly, the job characteristic

model by Hackman and Oldham (1974) stressed that feedback, skill diversity; role clarification and significance are the main job motivators.

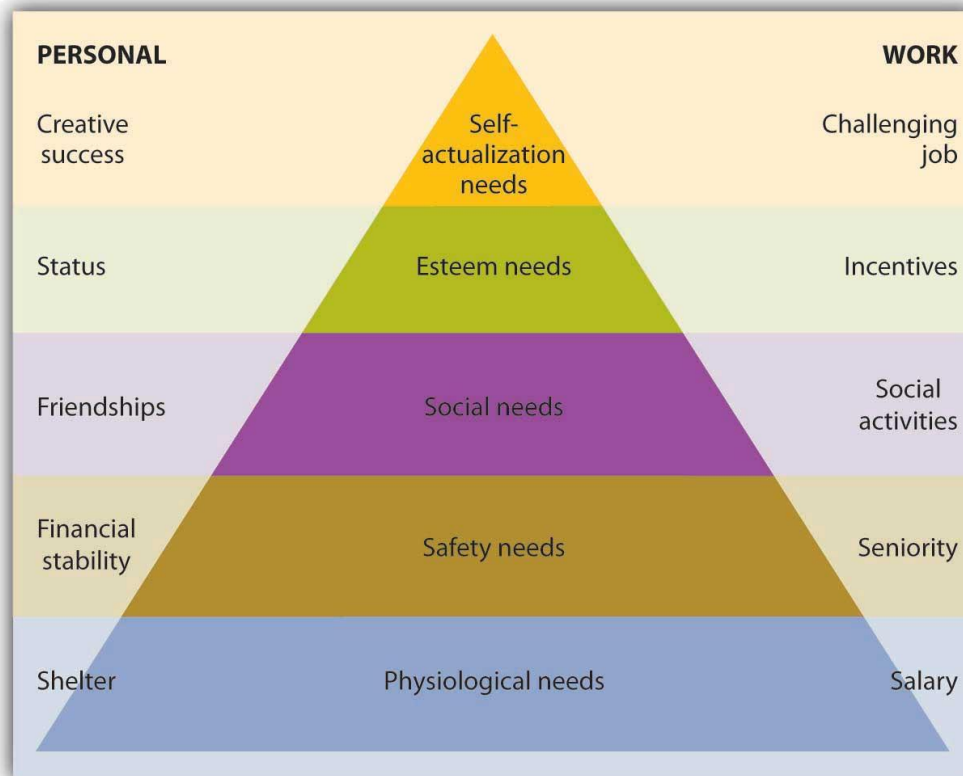
Extrinsic motivation is the drive that occurs when employers do things to encourage workers to work harder or when employees expect an external reward from the employer. These rewards that are externally motivating are financial in nature and encompass bonuses, pay increments, recognition and any other kinds of external gratification (Deci and Ryan, 2000). The extrinsic rewards can have an instant and greater influence on employees' motivation but do not necessarily have a profound and durable effect like intrinsic motivation factors which are intangible and deeply inherent in a job (Armstrong, 2009). Several theories have been used to understand what really motivates employees in the workplace and these are discussed below.

## **2.4 Motivation theories**

Workers are different from each other, have different needs and wants, have dissimilar individual reward preferences and view rewards differently. For instance, a graduate that has been newly recruited might have different needs and reward preferences compared to the employee that is close to retirement. Researchers have studied what motivates employees in the workplace for many years but could not establish a distinct and clear approach to employee motivation (Eshun and Duah, 2010). For any organisation to achieve its objectives, it requires a motivated workforce that can contribute towards the achievement of its objectives. There are many motivational theories that managers can utilise to understand employee motivation in the workplace in order to offer employees exactly the rewards that drive them to work to the best of their ability and in turn, achieve organisational goals. No particular motivation theory has supremacy over the other (Rajkumar, 2014), therefore this study will focus on the Hierarchy of needs theory (1954), Expectancy theory (1964), Equity theory (1965) and the Two-factor model (1957) which are the most relevant and significant theories for this study.

### **2.4.1 Maslow's hierarchy of needs theory**

Abraham Maslow's hierarchy of needs theory (1954) explains the needs that motivate people at work. The theory postulates that human beings are motivated by 5 major needs which are in a pyramid fashion from a lower need to a higher need (Figure 2.1) ie.,: physiological, safety, belongingness, esteem and self-actualization needs that motivate behaviour (Sadri and Bowen, 2011; Daft, 2011).



**Figure 1.1: Maslow's hierarchy-of-needs theory: Source: Collins (2016: 331)**

This theory guides managers in understanding the employee needs that influence positive behaviour to join an organisation, remain with the organisation and stay engaged. Kaur (2013) states that the ultimate value of Maslow's theory is that it can assist managers to influence their employees to satisfy their needs by recognising their achievements, providing financial security, providing opportunities to interact with their colleagues to build team spirit and by encouraging a healthy work environment which satisfies employees physiological needs.

Maslow's hierarchy of needs theory points out that workers motivation plays a part in reward preferences. For instance, an employee who participates in sport would appreciate a reward that enables time off from work for training and competitions (Rajkumar, 2014). Also, an academic choosing to gain recognition by publishing would opt for a reward that permits study sabbatical leave which would be time off from work to pursue research. Managers also need to understand what motivates the diverse generations in the work place in order to offer them the right kind of rewards that meet their needs. For instance, Veterans seek security and stability; Baby boomers seek self – actualisation and respect, Generation X values socialisation, family and personal time whereas Generation Y values meaningful work and development (Smit et

al., 2015, Goldbeck, 2016). Axelsson and Bokedal (2009) found that Generation X values holidays and socialising but in contrast the author found Baby Boomers value benefits, security which Smith (2014) found to be valued by the Veterans. This shows that different generations are motivated differently as they have different needs, different expectations, different experiences and different views. Calk and Patrick (2017) found that to attract and keep Generation Y employees, organisations should encourage a team work environment together with intriguing and significant work. Furthermore, Armour (2005) found that Generation Y are not afraid of leaving their current employer for a better offer somewhere else. Therefore, it is essential that managers provide these different generations with rewards that meet their needs in order to attract, properly motivate and retain them in the organisation for many years, as age and experiences has an effect on how the employees view rewards.

Employees also need a variety of motivators in order to remain engaged in their work. According to Sadri and Bowen (2011) employers need to provide employees with a balanced work-life by providing flexible working hours. This would show the employers support of the employees' life exterior to the place of employment. Physiological needs such as base pay (which can be utilised to buy food and a house) must be satisfied first before satisfying safety needs which reflect the need for job security and fringe benefits. Once all these needs are met, in return an employee will be motivated and stay with the same employer. Nazir et al., (2014) agrees that organisations that address employee's needs and preferences and reward employees sufficiently are more likely to attract and retain the best talent. They also found that employers need to also focus on benefits and not only on financial rewards as it can be difficult during economic down turns to offer financial rewards.

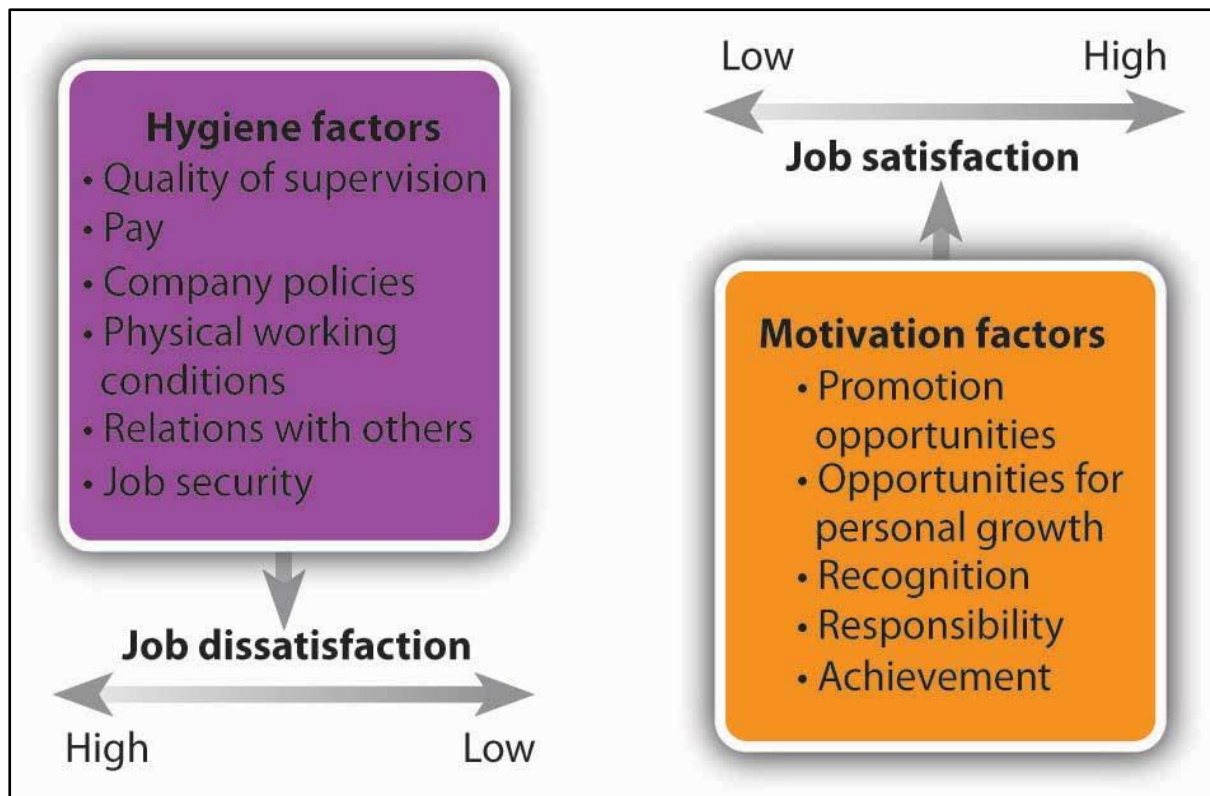
Therefore, employers must be able to recognise employees' needs in order to present suitable motivation. Hence, this theory can be utilised to motivate employees by creating remuneration packages that attract employees to the job; satisfy their needs and retain top talent. By keeping employees needs' satisfied employees do not have to look elsewhere for employment that will satisfy their needs.

Maslow's Hierarchy of Needs theory has been reviewed and criticised by many authors. The theory's flaw is that it presents only one perspective, i.e., the western employee perspective. It does not consider differences in cultural and demographic needs as Maslow's research was conducted on the United States University population (Hofstede, 1984, Tay and Diener, 2011). The theory has also been criticised that it does not have sufficient evidence in terms of empirical

validity; does not consider human needs at a specific time such as during an economic downturn and that there is little evidence of the hierarchical structure of the needs (Denning, 2012). The theory is further criticised by Bouzenita and Boulaanouar (2016) who state that the theory did not take into account all cultural backgrounds, for instance, the Far and Middle Eastern collectivistic culture which values the needs of the community rather than individual needs. This was not considered in Maslow's study. Yang (2002) also criticises Maslow's theory when he re-organised the ascending order of needs into a non-linear model and differentiated between collectivistic and individualistic needs. Therefore, based on the authors' criticisms, Maslow's findings cannot be generalised as his theory of needs cannot be applied to all cultures and demographics. In addition, employee needs cannot be accurately predicted based on the theory since there is a lack of empirical valid evidence on the needs' structure.

#### **2.4.2 Frederick Herzberg's two-factor theory**

Herzberg's Two Factor Theory (1959) illustrated in Figure 2.2 plays a vital role in explaining employee motivation and job satisfaction. This theory posits that humans have the ability to precisely report the situations that made them satisfied and dissatisfied with their work. It postulates there are two major groups of factors that impact the job satisfaction of an employee. One of the groups is the factors that are intrinsic to the work itself (intrinsic motivators) which are referred to as motivators. When these intrinsic factors such as achievement, recognition, advancement, responsibility, and the work itself are enhanced, they lead to increased satisfaction and performance (Rajkumar, 2014; Kovach, 2001). On the other hand, Hygiene factors (extrinsic motivators) which are the second set of factors identified as extrinsic to the job such as pay, job security, company policies, quality of supervision and the working environment do not motivate employees but lead to dissatisfaction when not provided (Armstrong, 2009; Kovach, 2001). Financial incentives are considered a Hygiene need as they attract and retain employees in the organisation but they do not motivate employees and do not have a lasting effect on job satisfaction (Jackson and Bak, 2006; Armstrong, 2009).



**Figure 2.2: Frederick Herzberg's two-factor theory: Source: Collins (2016: 334)**

Okello and Lamaro (2015) highlighted remuneration elements that are critical to avoid dissatisfaction and must be satisfactory to avoid turnover intentions. Herzberg (1959) suggests that both monetary and non-monetary rewards should be present to satisfy employee needs and affect job satisfaction. Nazir et al., (2014) agrees that organisations should utilize non-monetary rewards as they have been recognized as influential in attracting employees and keeping employees motivated. Thus, Nazi et al., (2014) found that non-financial compensation influenced performance as employees were motivated by doing what they love. Schuler and Jackson (2006) suggest that rewards and recognition should be utilized to encourage performance. Christofferson and King (2006) agree with this view that recognition, money and benefits are vital in order to reinforce and encourage better performance.

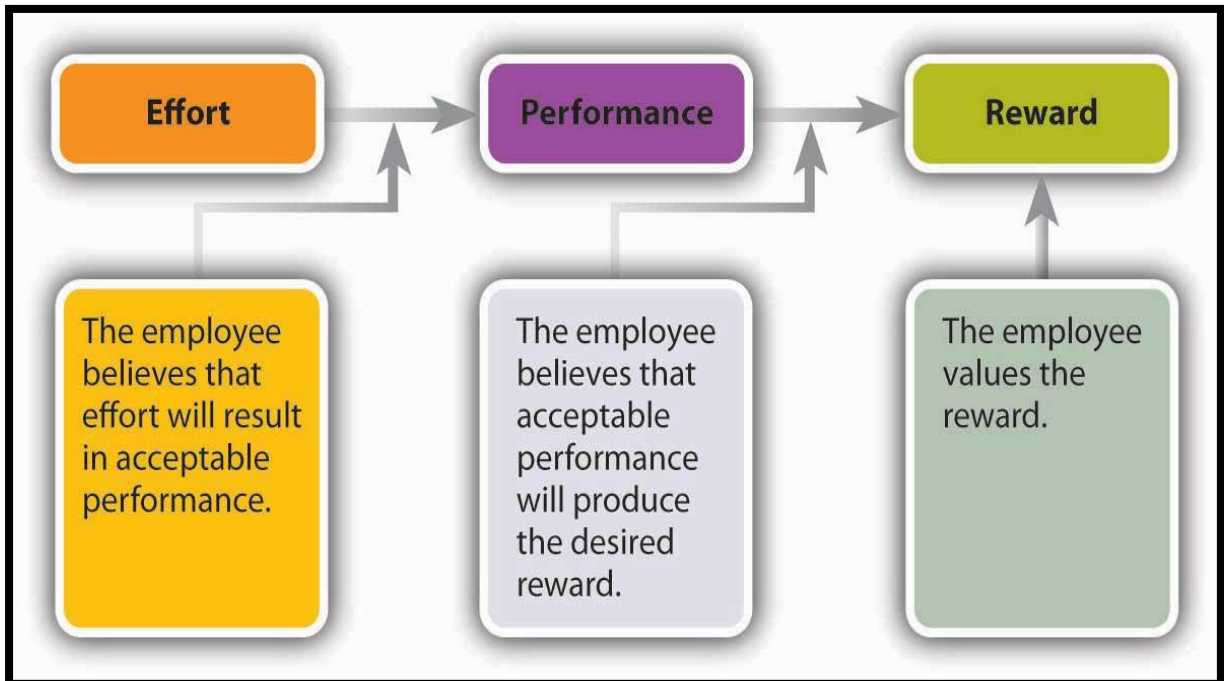
Axelsson and Bokedal (2009) found that Baby Boomers were motivated by open recognition and designations whereas Generation Y were found to be motivated by meaningful work and esteem but both generations were motivated by career growth. Yusoff and Kian (2013) found that different generations play a vital role in employee satisfaction and dissatisfaction as they found that younger generations (Generation X and Generation Y) were motivated by extrinsic

motivators and de-motivated by intrinsic motivators whereas older generations (Veterans and Baby boomers) were the opposite. However, Nichols (2011) found that all generations in the workplace are motivated by similar things as the participants indicated similar ratings of importance on each of the motivators. Based on the above discussion, since recognition, self-actualization and esteem are considered motivators by Herzberg, it can be concluded that different generations are motivated by different things.

Herzberg's theory has been criticised by researchers stating that the sample used to generalise the findings was inefficient and was based on accountants only and that there was no evidence shown on the link between satisfaction and performance (Baridam, 2001). Furthermore, Schroer's (2008) findings contradicts Herzberg's theory where job satisfaction was linked to age and level of education, and that stages of intrinsic and extrinsic motivation factors were different among the workforce. Herzberg's theory has been perceived as outdated and not appropriate to all individuals as it does not outline extrinsic motivators in a good manner. According to Yusoff and Kian (2013) Herzberg's theory is not very practical in nowadays workforce's motivation. His research findings indicated that extrinsic factors should either result in job dissatisfaction or neutral sentiments towards the job. He recommends that the theory should be revisited. However, despite the criticism of the theory, it is still popular and useful in assisting employers to understand what employees expect from their employers. It also assists in the employment of the correct approach when motivating employees in the workplace.



### 2.4.3 Vroom's Expectancy Theory



**Figure: 2.3: Vroom's expectancy theory: Source: Collins (2016: 336)**

Vroom's (1964) expectancy theory, illustrated in Figure 2.3, suggests that motivation is driven by the individual's cognitive expectations about their capability to execute work and obtain anticipated rewards. Motivation will be enhanced when people are aware of what they have to do to receive a reward. For example, if an employee believes that their effort will get them a valuable reward, then they will be driven to perform.

Therefore, if employees perceive that they are compensated meaningful rewards then they tend to work harder (Muiruri and Jasson, 2010). In addition, when employees are driven by achievable objectives and when the objectives are correlated with desired pay, then there will be a force encouraging them to work harder (Sturman and Ford, 2011).

Rajkumar (2014: 18) states that "a person is motivated to the degree that he or she believes that (a) effort will lead to acceptable performance (expectancy), (b) performance will be rewarded (instrumentality), and (c) the value of the rewards is highly positive (valence)". So employees are attracted to organisations because they have expectations about the needs, believe that if they do a task it will lead to being given valued rewards. This clarifies why extrinsic monetary

motivation such as bonuses are effective only when the correlation between effort and reward is clarified and the attractiveness of the reward is worth the energy exerted.

This theory has been criticised as it is grounded on a precise scientific equation and as in reality, people do not actually make mental calculations whenever a decision needs to be taken (Mitchell and Daniels, 2003) Surveying employees to discover what they value and crafting valued reward guarantees that the reward will be appreciated and employees will be encouraged to work for it (Daft, 2011) which is what this study intends to do. Therefore, this theory is relevant to my study because it assists managers to understand employees' behaviour and expectations that encourage employee motivation in the workplace.

#### **2.4.4 Adams equity theory**

The Equity theory (1965) posits that employees are motivated when they view their pay as fair and equitable to others doing similar tasks in other organisations and exerting the same efforts. People compare their salaries, wages and benefits, which are the main areas of judging fairness, to others doing the same work (Eshun and Duah, 2010). This suggests that if a person thinks that their pay is inequitable compared to others doing the same job, then that person may feel underpaid and de-motivated which may also result in reduced productivity, absenteeism and people looking for employment elsewhere. Shoaib, Noor, Tirmizi and Bashir (2009); Ng'ethe et al., (2012) attest that when employees leave their work it is usually an indication that there is a problem within the organisation. Furthermore, as the places of employment consist of different generations of employees who come with different generational expectations, perceptions and experiences, it is important to understand the different generation's internal motivation about their beliefs on fair treatment. According to Sturt (2017), due to the dubiousness and intense expectations of the new millennium, the workforce is sensitive to problems of fairness and how their managers treat them.

Author's criticise this theory as employees can be biased when comparing their contributions and outputs. Ramlall (2004:58) states that in order to retain employees, workers should be "treated and rewarded in a fair and equitable manner regardless of age, gender, ethnicity, disability, sexual orientation, geographic location, or other similarly defined categories". Therefore, equity theory assists employers to be aware of the reasons that influence employees to leave an organization. Organisations have a challenge to tailor total reward systems that are regarded as equitable and attractive to all employees, so that they do not leave the organisation.

## **2.5 Conclusion**

In summary, employers need to dedicate time to study the theory of motivation in order to successfully motivate their employees to perform efficiently (Morris and Maloney, 2005, Eshun and Duah, 2010). Theorists have made an effort to explain motivation from their different studies. Researchers differ on what drives employee motivation and they differ on the specific needs that a person is trying to satisfy, but most researchers would “agree that motivation requires a desire to act, an ability to act, and to have an objective” (Ramlall, 2004: 53). Based on the above discussion, it can be concluded that different generations are motivated by different needs. The motivation factors are split according to the different generations as some employees are motivated by financial rewards, others are motivated by growth and development which pushes them to work harder in order to move up the ladder, whereas others are motivated by flexible working hours. Therefore, it is important that managers understand what motivates each generation and what pushes them to work harder because employing one kind of motivation across all generations will not motivate all employees.

Vroom’s expectancy theory is classified as a process theory of motivation because it emphasizes individual perceptions of the work environment and subsequent interactions arising as a consequence of personal expectations (Redmond, 2013). The theory posits that individuals have different sets of goals and can be motivated if they believe that there is a positive correlation between efforts and performance. In addition, staff will be more motivated if performance results in a desirable reward. Knowing the perceptions of employees on rewards can reduce employee turnover, improve morale and provide higher productivity (Redmond, 2013). Vroom’s expectancy theory formed the basis of the theoretical framework used in this study. The next chapter evaluates in more detail the current literature on rewards, reward models and rewards preferences as these directly informed this study.

## **CHAPTER 3**

### **REWARDS AND REWARD PREFERENCES OF EMPLOYEES**

#### **3.1 Introduction**

In this chapter, rewards are defined and relevant theories on rewards are discussed. Reward models that informed the theoretical framework of this study are also identified. The demographic profile of employees often affects their reward preferences. This aspect is also discussed with the aim of identifying rewards that attract, motivate and retain employees in the workplace.

#### **3.2 Defining rewards**

Every employee in the workplace expects rewards for the work performed as this shows that they are appreciated by the employer for utilising their skills. It is vital for employers to offer rewards that motivate and show appreciation (Silbert, 2005). Rewards are acknowledgements the employer offers the employee for work performed. Rewards keep the employee motivated and working for the organisation. When employees are presented rewards that are important to them, they feel appreciated. Many authors have defined rewards as monetary and non-monetary payment to employees in exchange for their time, skills and efforts (Hulkko-Nyman et al., 2012; Nazir et al., 2014; Malhotra, 2010). Furthermore, rewards offered to employees in exchange for their services should be meaningful, valuable and be able to fulfil their needs (La Belle, 2005).

The objectives of rewards are to attract and retain employees. Offering suitable reward packages for workers in the work place is important as they have the capability to attract, retain, increase job satisfaction and commitment and also to sustain organisational effectiveness (Mujtaba and Shuaib, 2010). Nazir et al., (2014) confirm that organisations are enhancing their reward systems in order to hold on to their employees and to enhance their performance. Furthermore, the authors state that employers who offer better remuneration that is internationally competitive, who offer developmental opportunities and an innovative environment are able to attract, satisfy, motivate and hold on to extraordinary academics. Therefore, to support desired behaviours, employers should reward employees to encourage them for providing their services. In addition, rewards will encourages employees to stay with

the same employer in order to achieve organisational goals. Moreover, rewards are effective when employees are satisfied with what they earn, especially when they compare their pay to other employees that are internal or external to the organisation.

The difficulty with rewards is that employers need to be aware of what workers consider as fair and suitable and then propose rewards that are seen as equitable and appropriate (Sturman and Ford, 2011). However, in many HEIs in South Africa, UKZN included, there is a paucity of research that investigates the rewards preferences of academics. One can only conclude that the reward systems in many HEIs in South Africa can partly explain the reported high turnover rates in these institutions as they are not aligned with the rewards preferences of academics.

Armstrong (2009) notes that financial rewards buy only short-term motivation as they do not necessarily last. Shawn (2011), while studying pay satisfaction and benefits concluded that employees have a certain expectation on these and if these are not met, high turnover can result. The study also concluded that pay was more important for attracting employees while benefits were more important for retaining them (Carraner, 2011). According to Kohn (1993) research has found that employees who perform to receive a reward (extrinsically motivated) underperform and those who do not expect a reward (intrinsically motivated) excelled in the tasks that they were given. This proves that extrinsic rewards do not always motivate employees or have a lasting effect on employee motivation but they encourage employees to attain rewards. The importance of intrinsic and extrinsic rewards and how these relate to employee retention are discussed below.

### **3.3 Intrinsic and extrinsic rewards**

Intrinsic and extrinsic rewards are the two types of rewards that positively influence people's behaviour. Nazir et al., (2014) advocates that intrinsic and extrinsic rewards are similar and assist in psychological process by stimulating employees' desired behavior. However, intrinsic and extrinsic rewards are not similar as extrinsic rewards are likely to be the cause of dissatisfaction when not present (Herzberg, 1957). He further posits that intrinsic rewards are more influential than extrinsic rewards in workplace motivation. This suggests that financial rewards are not adequate enough to achieve motivation in workers.

Intrinsic rewards are non-monetary rewards such as personal fulfilment, quality work, the environment and work-life balance that an employee obtains from doing a task. Intrinsic rewards make employees feel valued and appreciated (World at Work, 2007). Intrinsic rewards

increase work engagement, increase intrinsic motivation and decrease intention to quit thereby reducing staff turnover (Snelgar et al., 2013). The authors further state that focusing on intrinsic rewards is the only way to engage with employees. Hulkko-Nyman et al., (2012), in their research found that intrinsic rewards were linked to motivation.

Extrinsic rewards come from somebody else and not from within a person. They are monetary rewards allocated by the manager to the employee. These financial rewards can motivate staff as most employees work to be paid but they also have the ability to de-motivate employees when they feel they are being underpaid for the work they do. For instance, a person extrinsically motivated will perform work duties that they do not want to do just because they are expecting to receive a monetary reward. The government sector staff rated extrinsic benefits and rewards not so significant (Nazir et al., 2014). However, Muiruri and Jasson (2016) found that extrinsic rewards were the most preferred rewards by the employee. Therefore, HEIs should not only identify extrinsic rewards but also intrinsic rewards in order to positively influence employees and encourage positive work behaviours. Academics often complain of extremely high workloads and may find benefits such as paid leaves, paid vacation leaves and sabbaticals as very motivating.

### **3.4 Rewards and employee satisfaction**

Satisfaction in the work place is a feeling that employees have about their work. According to Eshun and Duah (2010) employee's feelings of satisfaction and dissatisfaction arise when employees compare their contributions to the total rewards they are provided with by the employer in exchange for their contributions. Employee satisfaction or dissatisfaction is also triggered by the comparisons they make to other employees outside their organisations doing similar jobs. However, their comparisons are noted to be not always accurate as employees tend to exaggerate their contributions (Eshun and Duah, 2010). Therefore, supervisors and managers need to assure employees that they are properly paid for their contributions and their pay is equitable and market related.

Theron et al., (2017) found that 34% of academics are not satisfied with their remuneration. As a result, they consider looking for employment elsewhere. Morris and Maloney (2005) argue that when employees are offered almost exactly the rewards that competitors offer, then they will be satisfied and remain with the same employer. Employees stay within the same organisation because of the satisfaction of the market related rewards they receive and the

supportive environment. A supportive environment achieves a satisfactory work-life balance, healthy and safe working conditions, job security, and personal growth (Armstrong, 2009).

Employees are satisfied by achieving goals but they are more satisfied by being rewarded financial or non-financial rewards (Armstrong, 2009). Financial rewards do not result in satisfaction but can cause dissatisfaction when not present (Herzberg, 1959). However, employees have dissimilar wants and money is linked to the satisfaction of many needs. Purcell, Hutchinson, Kinnie, Rayton and Swart (2003) found that employee satisfaction was influenced by career opportunities, job influence, teamwork and job challenge.

Brayfield and Crockett (1955) posit that there was no proof of any relationship between employee satisfaction and performance. However, Vroom (1964) found that there was a noticeable relationship between satisfaction and performance. People enjoy learning (Lawler, 2003). Development and learning are satisfying and fulfilling and make a substantial contribution to intrinsic motivation. Therefore, the experience to learn, develop and grow is a rewarding factor that impacts on the satisfaction of employees. UKZN encourages academic staff members by offering sabbatical leave to conduct research, sharpen their skills, network with other academics world-wide, and conduct community work. Consequently improving their contribution to the achievement of organisational goals (UKZN- Conditions of Service, 2004). Furthermore, family responsibility leave, maternity leave and paternity leave is granted to support academics lives outside of work.

In a recent study, conducted by Okello and Lamaro (2015) to investigate academics perceptions on remuneration in Ugandan public universities, they found that academics were dissatisfied with the remuneration offered to them due to salaries not paid on time and due to salary scales that were not market related. The study also found that the academics were considering leaving their universities as well as changing professions to professions that remunerate them better. This proves that reward packages offered to employees are vital in ensuring employee satisfaction and retention. This also shows that if employees perceive that they are rewarded unfairly, then they will not be satisfied and leave the employer. If they perceive that they are rewarded fairly, then they will be more committed and satisfied with the employer (Price, 2001). Therefore, the rewards system needs to be fair and equitable.

In summary, rewards can therefore provide satisfaction in the right circumstances. On the other hand, badly tailored reward packages can de-motivate an employee and lead to dissatisfaction.

### 3.5 Total rewards model

Total rewards are a mixture of monetary and non-monetary rewards presented to employees in exchange for their services. Total rewards include “all types of rewards – indirect as well as direct, and intrinsic as well as extrinsic” (Manus and Graham, 2003:742). Total reward packages assist in meeting the workforce needs and encouraging high performance. Total reward packages aim to attract, retain and motivate employees. Nazir et al., (2014) affirms that total rewards, both intrinsic and extrinsic rewards, are useful in attracting, retaining and keeping employees engaged.

Rajkumar (2014:35) argues that “as there is no one perfect solution to design and implement total rewards, organisations should learn from each other and bear in mind that every organisation is unique and each should develop its own solution suited to its specific needs”. The World at Work introduced the Total Rewards Model (illustrated in Figure 2) in the year 2000 which they regarded as flexible to meet employee needs and able to express the organisation’s plan to attract, retain and motivate employees (World atWork, 2007). Matthee (2009) supports that total rewards address the workforces’ different needs and anticipations as they are flexible.

The World at Work’s total rewards model, as illustrated in Figure 1.1, includes the following:

- **Compensation** is any form of reward that includes basic pay, variable pay and incentives provided to employees. Compensation paid to employees should be market related in order to attract the necessary employees, retain best talent and keep employees engaged in their duties. Furthermore, compensation should be based on the abilities and knowledge required for the occupation (Mujtaba and Shuaib, 2010). For instance, scarce skilled employees (Statistics Professors) should be paid more than the administrators as they cannot be easily replaced.

According to a study by Snelgar et al., (2013) base pay was found to be the most effective reward that attracts, retains and motivates employees. Many people go to work to be compensated for their work. Base pay is one of the rewards associated with motivation. However, when the workforce feels that they are unfairly compensated compared to others doing similar work, or if they feel that their reward is too high in relation to the tasks they do, their compensation is seen to be a de-motivator (Eshun and Duah, 2010). Therefore, it is important to compensate employees fairly as it can influence them to join and stay within the same organisation.



- **Benefits** are offerings given in addition to the basic salary paid to employees. They include medical aid, pension schemes, housing subsidy, financial assistance and vacation leave. Benefits are major investment an organisation makes in its workforce (Kwon and Hein, 2013). The aim of offering benefits is to cater to personal needs of employees, enhance performance and provide employees with a total rewards package that is competitive and market related so that they do not look for higher reward packages elsewhere.

When benefits are designed to meet employee needs and presented as a differentiator, the institutions will have a greater impact on attraction, retention and engagement (Kwon and Hein (2013). According to Browne (1997) employees in the job market from different backgrounds, regardless of gender, were willing to join an organisation as long as they were offered benefits that fulfilled their individual needs. Chawla, Dokadia and Rai (2017) point out that benefits are a cause of conflict between different generations with regard to remuneration offered by the organisations as the different generations have different needs. Maslow's hierarchy of needs theory can be utilised to tailor benefit packages that cater to employees' needs and thus increase motivation as motivation requires more than just monetary payment (Sadri and Bowen, 2011). Failing to offer employees proper incentives can result in de-motivated employees and they might see it as punishment from the organisation (Nazir et al., 2014; Kohn, 1993).

- **Work-life** refers to the freedom due to the organisational structures and policies and procedures that allow employees to accomplish a satisfactory equilibrium between work and 'outside of work' activities as well as a positive work experience. Kodz, Harper and Dench (2002) as cited in Armstrong (2009:977) suggest that "there should be a balance between an individual's work and their life outside work, and that this balance should be healthy". Work-life allows employees to work flexible hours, go on vacation to recharge and go on sabbatical leave for conducting research or for attending conferences and workshops. This may result in improved output, improved engagement, reduced staff turnover, and reduced absenteeism. Research indicated that employees remained working for the same employer because of access to flexible working hours (Kodz et al., 2002). This proves that working flexible hours is the solution to creating an effective work-life balance and retaining employees.

- **Performance** clarifies employee expectations aligned to the organisation's objectives, measures performance and gives feedback to employees which enables employers to motivate workers and enhance performance (World at Work, 2010). An effective performance management system describes performance, how performance will be measured and it also gives feedback to the employees being rated (Rollo, 2001). Instant feedback is one of the best motivators. It is vital that the rewards offered for performance are seen as fair by those accepting them and that they are aligned to the organisation's objectives.

According to Mujtaba and Shuaib (2010:116) "fairness in pay and rewards appear to be the key factor in providing an environment that motivates people to believe in their superior's actions and policies". By offering workers the rewards they desire for performance, for instance, the performance bonus, results in workers going above and beyond the job requirements and in turn, the organisation will be able to achieve success. However, Nazir et al., (2014) notes that performance based rewards can be demotivating when leaders demonstrate nepotism and favouritism. In addition, Mujtaba and Shuaib (2010) argue that when high performers are not rewarded appropriately for their contribution, it results in them being de-motivated and they may just perform minimum work.

Therefore, from the above discussion, clear agreements and contracts must be set and agreed upon by both the manager and the employee, employee expectations should be clarified, performance must be assessed and rated correctly, and high performers should be rewarded fairly (Nazir et al., 2014).

- **Recognition** appreciates employee's extraordinary performance. Recognition encourages hard work through cash rewards or non-cash rewards. Bhengu and Bussin (2012), Mujtaba, and Shuaib (2010) and Nienaber et al.,(2011) state that cash rewards provide short-term fulfilment to employees and they are costly, while noncash rewards are effective for a longer period and should be offered instantly and frequently to encourage positive behaviour. Through recognising employees by non-financial rewards, such as long service awards and vouchers, to appreciate their hard work, enables employee motivation that cash rewards could never offer (Sturman and Ford, 2011). Therefore, if workers feel that their input matters and makes a difference and are appreciated, they will be encouraged to work even harder.

Employees are not motivated when managers offer the same recognition that does not address all employee needs as they all have different needs which influence motivation (Eshun and Duah, 2010). This means that it is vital that managers understand that recognition motivates the diverse workforce.

- **Development and Career Opportunities** provide human capital learning for employees to gain more knowledge, develop and sharpen their skills and career growth. For instance, employees could be offered opportunities to attend workshops and in-house training. Job rotation and promotion also assist employee development (Sturman and Ford, 2011).

Development and learning of employees contributes to the success of the organisation. The organisation invests in its greatest asset when developing its staff to achieve organisations goals. Workers desire to work and remain working in an organisation that offers a challenging job, encourage training and recognises its employees. This significantly contributes to the organisation's accomplishment of its goals, mission and vision (Jackson and Bak, 2006). This means that employees are attracted and retained by development and learning and recognition.

### **3.6 The use of rewards for attraction, motivation and retention**

Employees have to decide on whether to join an organisation, stay with the same organisation or remain committed in the same organisation which can be influenced by the total rewards offered to them. According to World at Work (2010) all the total rewards categories: remuneration, variable pay, benefits, performance recognition and career management, quality work environment and work/home integration have the ability to attract, retain and motivate employees. Organisations have utilised total rewards to attract, retain and motivate employees (Allen & Helms, 2001). Schlechter et al., (2014) suggests that institutions should reward employees with the rewards that suit their needs in order to attract and retain academic staff of best calibre

#### **3.6.1 Attraction**

There is a view that academic staff in South Africa are not paid well which makes the academic profession unattractive. Candidates are fascinated and want to be part of a popular and highly recommended organisation. Being aware of the rewards that are valued by the employees is

important for organisations in order to attract and keep the best talent. About 32% of South African employers do not investigate why employees look for other places of employment and only 46% of the employers investigate why employees leave (Erasmus et al., 2015).

Attraction is the ability of an organisation to evoke interest in the 'right' employees from outside the organisation. Attraction of appropriate employees is crucial for the organisation's continued existence and success (South African Rewards Association {SARA}, 2015). Also, to attract the best talent to the organisation, the employer needs to study the different generations of employees in order to provide the right kind of attractive rewards that attract different groups of desired candidates. One of the approaches an organisation may assume is to find out which elements of the total rewards package assist with attracting the right kind of talent and success to the organisation (SARA, 2015).

Studies have indicated that competitive compensation is vital in attracting employees. Sadri and Bowen (2011) state that compensation is the most important need for employees who enter the labour market. Close (2015) found that compensation and benefits had the highest impact on attraction for all employees. The Employee Benefit Research Institute {EBRI}, 2004) found that 92% of employer payments related to compensation and that the participants ranked salaries as the most vital item when job searching and choosing employment. According to Villasoto (2014), managers need to pay attention to base pay in order to make sure that it is attractive and market related since base pay is the most influential element for attracting employees. This suggests that competitive salaries are the reason individuals join an organisation as the higher the pay the more likely the organisation will attract best talent.

Moreover, to attract employees, employers should offer attractive benefits. This will give the employee a sense of financial security as employees are searching for more than monetary rewards. Competitive benefits tailored according to employees needs assists employers to attract potential employees as benefits help employees to balance family needs in and out of work. The employer needs to study the different generations of employees in order to provide the right kind of attractive rewards that attract different groups of desired candidates. Employers should "review and modify their benefits programme and perquisites plan to allow for more choices for the employees, such as providing a robust healthcare plan and flexible benefits programme to address the varying needs of your employees, owing to the changing demographic profile of their firm" (Villasoto, 2014:1). Furthermore, Knight (2014) suggests that employers study the demographics of their desired talent to find out what they need from

their jobs as they are different from generation to generation. Therefore, this suggests that base pay and benefits are influential elements when attracting employees. In addition, for employers to attract talent, they should study their potential talent's different needs.

However, not only rewards assist in attracting employees. When Payne, Cook, Horner, Shaub, Boswell and Ozias (2010) conducted research to test the five rewards elements on attraction, motivation and retention they found that development and career opportunities were the most important for attraction and compensation was found to be the least important during job searching. Matthee (2009) adds that organisations will face attraction and retention challenges if their attention is on compensation. Furthermore, employees look for a good reputable organisation to work for as it has proven practices that make them prosperous. A good organisational reputation assists employers to attract the employees they desire as it enables the employer to contend not only with remuneration but also with the organisation's brand (Villasoto, 2014). A well-built brand is vital because high remuneration is useful until competitors offer a higher salary. According to McGrath and Hammontree (2016) a strong organisation's brand that is consistently appealing attracts employees who are in the job market to apply as they want to be a part of the brand and align their needs with what the organisation has to offer as the employer of choice. Therefore, employees are not only attracted by pay but they are also attracted by other reward categories such as a flexible work environment, development and career opportunities as well a good organisational reputation.

### **3.6.2 Retention**

Retention provides clarification on why employees are tied to the employer. Ng'ethe et al., (2012) argues that personnel retention is one of the difficulties encountered by institutions as competition for high caliber academics has increased. Competition has increased the movement of highly skilled academics to competitors and the private sector which offer better salaries. Employees are likely to leave an employer and join another organisation when they have scarce skills. It is important to study what employee's value in order to offer them what they need to retain them. Therefore, retention of highly skilled academic staff will assist the institution to achieve their goals and objectives and not lose their excellent academics to competition.

High calibre employees are restless and mobile. According to a study by HESA (2011:7) "institutions in small towns or rural institutions experience challenges to attract and retain academics, and there is evidence of migration from these institutions, which pay relatively

lower salaries to urban and relatively higher-paying institutions”. Theron et al., (2014) posits that there is a high demand in the world for academic as most of them are reaching the retirement stage and as there is turnover and retention difficulties. Shoaib et al., (2009) state that attractive reward packages are one of the significant elements of retention as they satisfy the monetary and non-monetary needs of employees.

Employees do not stay long with an organisation unless they are satisfied. The employees that the organisations wishes to keep are the most likely to leave. Organisations must promote an atmosphere that makes critical employees want to stay and remain as devoted staff members of the organisation. Companies lose approximately a total of one year or two year’s employee salary when replacing an incumbent (Ramlall, 2004). Studies have shown that the cost of losing the best talented employees is extremely costly as it could be 30% of the yearly income of the valuable staff member (Dibble, 1999); or from 70% and 200% (Kaye & Jordan-Evans, 1999:29) or from 100% to 150% (Somaya & Williamson, 2008). Ng’ethe et al., (2012) states that the work environment is one of the factors that impacts workers decision on whether to leave or stay with the employer.

Basic salary has been established as one of the factors of retention (Ng’ethe et al., 2012). Tettey (2006:3) found that “dissatisfaction with salaries is a key factor undermining the commitment of academics to their institutions and careers, and consequently their decision or intention to leave”. Rajkumar (2014) agrees with this view by further stating that employees leave the current workplace early as a result of not being compensated preferentially. However, employees do not stay within the same organisation because of compensation only. Netswera et al.,(2005) state that high salaries and benefits offered by institutions are seen by management as the reason employees stay or leave the institution, however, the authors found that staff members do not necessarily stay with an institution because of the high salaries and benefits they receive but because of other conditions of service.. Smith (2011) states that more than 40% of participant’s indicated that they would leave an organisation with the same salary as long as it offered better career development and better challenges. Similarly, in a study conducted by Ahmad et al., (2013) it was found that employees would remain with the same employer because of leave, loan and retirement benefits as these benefits impact employee’s retention. The author found that leave was the leading factor that affects employee’s decisions to stay or leave an organisation. Poor management and dishonesty by managers was also found to be one of the reasons employee’s resigned (Lindzon, 2016). When staff members resign

from employment, it is often an indication that they are not satisfied with the job (Ng'ethe et al., 2012).

Employees were found to work harder and stay with the same employer because of work-life and performance and development offered by the employer to them (Payne et al., 2010). This suggests that work-life and performance and development increases determination and loyalty. When employees feel that their performance is assessed subjectively by the line manager, then they become de-motivated, which leads to an employee resigning from the organisation (Netswera et al., 2005). Bhengu and Bussin (2012) found that the quality of work environment and development was top rated when it came to retention and motivation.

Theron et al., (2014) investigated the factors that impact turnover and retention of academics to check the established talent retention diagnostic instrument for utilisation in South African HEIs. The authors found that 34% specified that they thought of leaving their employer because of discontent with their salaries whilst the majority (74.5%) are already job hunting. This shows that employees will look for employment opportunities elsewhere should they feel dissatisfied with their remuneration. Furthermore, the authors, Theron, et al., (2014), recommended that the government re-examine its budget allocation for academic salaries in order to avoid losing academics to competitors where they are paid higher salaries. Moreover, Bussin and Toerien (2015) found that a total rewards approach is essential in order to avoid staff turnover and job hopping and recommended that rewards should form part of the workforce relationship with the employer in order to attract, retain and motivate. Therefore, HEIs should aim to design attractive, fair and equitable remuneration packages to retain staff.

In addition, it is important to understand what each generation values in order to provide the proper remuneration packages that satisfy all generations. For instance, Generation Y are not afraid of leaving their current employer for a better salary elsewhere (Armour, 2005), whereas veterans are not afraid of leaving for better benefits, and Generation X are not afraid of leaving for new skills and development. Generation X and Generation Y value learning and development which impacts on how long they remain working for their current employer. Baby boomers and veterans are happy to work beyond retirement as long as they are doing the work that interests them (Kovary, 2013). Therefore, organisations should keep the baby boomers and veterans in jobs that interest them in order to retain them and also for baby boomers and veterans to transfer skills to the younger generations. This suggests that not all generations are motivated by rewards.

### **3.6.3 Motivation**

Motivation entails co-operation between the employee and the manager (Eshun and Duah (2010)). Managers can play a role in motivating employees by understanding what motivates employees. Bussin (2007) found that about 80% of employees are de-motivated to work and would rather be somewhere else and not at work (Bussin, 2007: 46). Total rewards system is one of the factors that can be utilised to motivate employees (Armstrong, 2009).

It cannot be assumed that money motivates everyone in the same way and to the same extent. Employees may feel good when they receive an increase (compensation) from the employer but recognition makes them feel valued and motivated. Kohn (2001) states that money was placed fifth or sixth when employees were asked what they mostly cared about. This shows that money is not the most important motivator and that workers must be asked about their preferences at work. Similarly, Bhengu and Bussin (2012) state that monetary rewards were rated third, when it came to attraction, retention and motivation. Shanks (2007:32) argues that financial rewards “motivate only to a point; that is, when compensation isn’t high enough or is considered to be inequitable, it’s a de-motivator”. Eshun and Duah (2010) also argue that even though workers work for money, there are many ways of motivating workers. In support of this argument, Sturman and Ford (2011) mention that employees are not only motivated by money but also by a sustainable environment where employees develop the drive to go an extra mile.

Employees are likely to be motivated by working in an environment where they feel valued and where their contributions are recognised. According to Bessell et al., (2002) if the manager appears to have a positive attitude at work, then that positive attitude rubs off on the employees thus generating a conducive and positive work environment. This means that motivation is also enhanced by the managers’ attitude which inspires achievement and support to employees in their determinations to accomplish objectives and improve their performance. Close (2015) found that performance recognition and career management had the highest impact on motivating generation X and Generation Y to remain with the same organisation. Opportunities for learning can motivate employees as it will enable them to develop themselves and gain more knowledge for personal growth and for their career advancement (Armstrong, 2009). Some of the total rewards can therefore be utilised to motivate employees. In other words, the rewards offered to employees should be clearly related to their needs and efforts and employees should not receive rewards less than they deserve compared to their colleagues.



### **3.7. The UKZN rewards policy versus the total reward model**

UKZN offers both monetary and non-monetary rewards to its staff to meet the staff's needs and in order to attract, retain and motivate employees. Similarly, the total rewards model is a mixture of financial and non-financial rewards aimed at attracting, motivating and retaining employees as well as meeting the workforce needs and encouraging high performance. UKZN's remuneration policy is designed to ensure that all staff members are paid fairly and equitably. The remuneration policy seeks to ensure internal equity by remunerating all staff members fairly. The policy meets employee's needs by remunerating market-related salaries and by offering sufficient and flexible rewards. UKZN offers remuneration that is performance driven through the performance system in order to encourage high performance (UKZN Remuneration Policy, 2011) .

UKZN offers medical aid, a retirement fund benefit, leave, travel benefit and housing allowance, which are some of the aspects of the total rewards model. This assists the University to attract and retain different generations as Generation X is said to value family time, Generation Y values development and veterans and baby boomers value security and stability (Smith, 2014) which encompasses medical aid and retirement fund benefits. The university differentiates itself from other institutions by offering one hundred percent tuition remission to academic staff, their registered domestic partners, dependent children and spouses as long as they study at UKZN. This assists in the staff's development and career development as it provides human capital learning for employees to gain more knowledge, develop their skills and provides career growth (World at Work, 2010). According to literature, this could also retain Generation X and Generation Y as they value learning and development which affects how long they remain working in the organisation.

UKZN recognises outstanding contribution by providing promotions to its academic staff members. Promotion is a process that is conducted annually to acknowledge and reward individual academic's performance through granting increased remuneration packages and higher level job titles (UKZN- Academic Promotion Policy, 2014). This process considers sustained and substantial high levels of research output (Productivity Units -PUs) in the past 3-5 years, since the employee's last promotion or appointment. For instance, an academic staff member in the position of lecturer has the opportunity to be promoted through the Senior Academic Promotions to the next career level, senior lecturer, when they perform well. UKZN also recognises excellent performance through the Extension Beyond Retirement Process where employees who are 60 years and older and are performing above the norm get an

opportunity to be extended beyond the UKZN retirement age of 60 years. This assists the University to retain baby boomers and veterans as some of them are interested to continue working past the retirement age as long as they enjoy the work. Retaining these academics will enable the baby boomers and veterans to transfer their skills and knowledge to the younger generation (Generation X and Generation Y) who value developmental opportunities.

UKZN recognise staff that have been with the University for fifteen years, twenty-five years and thirty-five years with 'Long Service Awards' to appreciate their loyalty which has a positive impact on retaining Generation X and Generation Y employees according to Close (2015) as these generations value recognition. Extension Beyond Retirement Process, Long Service Awards and the Senior Academic Promotions offered by UKZN to excelling academics assists the university to ensure proper motivation and retain their best academic talent. Recognition is also an aspect of the total rewards model that appreciates employees' extraordinary performance and encourages employee's hard work.

The shortcomings of the UKZN Remuneration Policy are that it relies heavily on benchmarking with industry and what the competition offers. This means that it somehow ignores internal individual employee perceptions on the rewards being offered which differs from the Total rewards model that stresses that it is important to understand individual's needs in order to offer rewards that meet their needs.

Based on the UKZN remuneration policy, the policy fulfills the highlighted aspects of the total rewards model which are compensation, benefits, work-life, performance, recognition and development. The University pays a market related compensation, offers benefits, offers work-life balance to academics, offers performance driven pay through the performance management system, recognizes academics through Long Service Awards and Extension Beyond Retirement Process as well development and career opportunities through sabbatical leave, conferences, workshops and performance development plans. This shows that the University has a variety of rewards which it offers to its academics of all generations. Therefore, each generation has something it values in the rewards offered by the institution to attract, retain and motivate them.

### **3.8 Conclusion**

Employees must be recognised and rewarded for their contributions. The institution should consider all generations when designing their rewards to attract, retain and motivate academics. Academics must be provided with a flexible work-environment, training and development,

market related salary and benefits, and recognition for their accomplishments. It is crucial to assess and provide well-designed rewards packages that employees value to attract, motivate and retain best talent. Ahmad et al., (2013:4) support this argument by stating that “the organisation should try to understand their employee’s needs to help top level management to provide well-designed benefit plans to fulfil their needs and retain them”. Cao, Chen and Song (2013) agree that suitable compensation can encourage employees to stay with the employer and can decrease the intention of employees looking for work elsewhere. The UKZN’s remuneration policy seems to rely largely on benchmarking with competitors in the industry and is not informed by reward preferences of its academics. This study sought to focus on this neglected research area by investigating reward preferences of academics at UKZN and how they can influence employee retention of different generations of academics. Reward preferences of employees are often influenced by their demographic characteristics. This aspect is further explored in the next chapter.

### **3.9 Reward preferences**

Offering desired rewards is one of the biggest investments an organisation can make to keep their best talent. It is important for organisations to understand and know which rewards are valued by their employees (Bussin and Toerien, 2015). Understanding and identifying preferred rewards will assist managers to tailor appropriate and desired rewards as employees are different and value different rewards. Musbach (2016) found that only one in five organisations utilise focus groups of employees in order to tailor make their reward packages. By identifying these similarities in employees’ preferences, it will assist employees to design appropriate rewards packages which will in turn, make employees feel valued by the organisation when their contributions are recognised. Several factors may influence the reward preferences of employees and these are discussed below.

#### **3.9.1 Demographic influences on reward preferences**

Studies have indicated demographic characteristics influence reward preferences of employees and employees presented with reward packages aligned to their individual preferences are most likely to remain within the organisation. Demographic factors play an important part in determining reward preferences of employees. Research has shown dissimilarities in reward preferences and demographic factors (Snelgar, et al., 2013; Bussin and Toerien, 2015, Moore and Bussin, 2012). Pregolato (2010) examined total rewards factors, mixture of rewards and

the significance of total rewards that retain employees from different demographic clusters. Data was collected through questionnaires supplied to all companies and to SARA members. The study found that total rewards composed of benefits, remuneration, performance incentives and recognition had a positive impact on retention. Therefore, demographic factors, such as race, number of children, age, educational qualifications, job level, years of service, marital status and gender play a role in reward preferences.

Rajkumar (2014) found that individual's reward preferences are influenced by their demographic characteristics such as age, gender and job level but found that rewards are not influenced by dependents, income, qualification tenure and industry. Nienaber et al., (2011:13) also agree with this view that "reward preferences differ in terms of certain demographic factors such as race, number of children, age, educational qualifications, job level, years of service, marital status and gender". Thus, he found that females value the basic salary and quality work environment. It was established that not all employees prefer financial rewards. Kovach (2001) found that industrial employees preferred 'interesting work' over compensation although their managers had assumed that employees preferred decent compensation. Murphy (2007) confirms that employees also desire family time and flexible hours.

Nienaber et al., (2011) established that older respondents had a lower preference for a conducive working environment, pay and benefits. On the other hand Rajkumar (2014) and Nienaber et al., (2011) found that older respondents had a higher preference for benefits and as employees get older their preference for base pay decreases. Snelgar et al., (2013) agrees that older employees prefer flexibility, training and growth. However, Cennamo and Gardner (2008) found that older workers value pay and benefits more. Lawton and Chernshenko (2008) found that young workers value training and development whilst Nienaber et al., (2011) concluded that reward pay and benefits and a conducive working environment are more important to the younger employees. These authors have found different views on the different demographic preferences. Based on these studies, different demographics are influenced by different rewards. It is clear that money is not preferred by all demographics and benefits seem to have a high preference in all employees. Also, rewards had an influence in keeping different employees within the organisation.

UKZN has a diverse workforce in respect of demographics such as age, gender, race and job level. The University has an aging workforce that it seeks to retain by extending their service beyond retirement due to their excellent contribution to the University and to facilitate transfer

of skills to the younger generation. UKZN has also attracted the younger generation through a developmental programme where these young academics are encouraged to obtain PhD's in order to be promoted into the next level. Based on the above research findings, it is extremely important to investigate the reward preferences of the diverse workforce as they value different rewards because of their demographics. The UKZN Remuneration policy offers diverse and flexible rewards that are offered in the market but it is vital to investigate what the internal UKZN academic staff member values in order to offer the rewards that fulfill individual staff needs and that are able to attract, motivate and retain staff.

### **3.9.2 Gender and race influences of rewards preferences**

Women's participation at work is increasing and equality between the men and women is beginning to transpire. According to Associates (2014:1) "...women now outnumber men in tertiary education by a ratio of 108 to 100, female participation in the workplace is also becoming more highly skilled". Elias (1997) notes that extremely qualified males and females are not compensated equally as males are paid higher than females doing similar jobs. Also, black females are offered less salaries and opportunities compared to whites, whether male or female (Reynolds, 1997).

Nienaber et al., (2011) found that women and black respondents had a high preference for a conducive working environment with good remuneration and benefits. Women value compensation and benefits as well as quality work environment and being proficient in their work. In support of this Kovach (2001) and Konrad, Ritchie, Lieb and Corrigan (2000) revealed that women valued extrinsic factors such as flexible working hours, relationships and safety than men who favored intrinsic factors such as titles and money. Rajkumar (2014) found that females value quality work environment while males indicated that extrinsic rewards such as base pay and variable pay were more important to them. Other studies disagree, for instance, Fisher and Yuan (1998) and Browne (1997) found no dissimilarities in reward preferences between men and women. Based on these studies, it is clear that male and females value dissimilar rewards. A good salary is mostly valued by male employees and quality work environment and flexible hours is considered to be valued by female employees. Therefore, as literature has shown that different genders and races have different research preferences, it is important for the University to investigate the rewards that its staff members value in terms of race and gender.

### **3.9.3 Job level influence on rewards preferences**

Nienaber et al., (2011) found that the higher the qualification the lower the preference for remuneration and benefits, as the lower level jobs respondents indicated higher preferences for remuneration and benefits. Respondents with 0-2 years' service had a higher preference than those with 3-6 years' service for a conducive working environment. The more senior the job level, the lower the preference for remuneration and benefits. This shows that staff rewards offered have an influence on the staff member's job level.

A study conducted by HESA (2014) to compare 22 of 23 South African Universities' 2012 academic staff's remuneration packages against public and private sector's remuneration packages found that academic staff in higher levels were rewarded higher than staff members in the public and private sectors, however, young academics, such as graduates who hold Masters and Doctoral qualifications, were not paid well. This hinders young academics from joining academia but assists with the maintenance of senior academics (HESA, 2014). Therefore, UKZN has to consider the academic's job level as a Professor might not value what a developmental Lecturer, who has recently joined the University, values.

### **3.9.4 Generational influences on rewards**

A generation is defined as a collection of individuals who share common experiences, birth years and events within a particular time in history (Dencker, Joshi and Martocchio, 2007, Murphy, 2007, Snelgar et al., 2013, Kupperschmidt, 2000). According SARA (2016) it is vital to have a reward specialist that will assist with managing the rewards and to also recognize and understand what each generation values in terms of being rewarded as the generational needs are different. Moore and Bussin (2012) recommended that it is more suitable to study individual preferences than generations to come up with meaningful rewards packages. Kovach (2001) and Wiley (1997) argue that employee's reward preferences change over time. For example, in 1946, a study revealed that employees preferred, 'full appreciation of work performed' which is an intrinsic reward (Kovach, 2001). Then in 1981, the same study was repeated and 'interesting work' was rated the most desired reward. In addition, Wiley (1997) compared 4 different studies that were conducted in 1946, 1980, 1986 and 1992 on employee reward preferences and found that employee's preferences changed over time as the 1992 survey results showed employees preferred financial rewards whilst the 1946, 1980 and 1986 survey results showed that employees preferred non-financial rewards. A recent study conducted by Snelgar et al., (2013) showed that base pay, which is an extrinsic reward, is the most preferred

reward. This proves that the workers preferences change with time and generations have different preferences.

Dissimilar generations expect reward packages offered by their employers to meet their different requirements (Dencker et al., 2007). There are four different generations working together; World War II Generation (before 1946); Baby Boom Generation (1946 – 1964); Generation X (1965 – 1980); Millennial or Generation Y (1980 – 2000) (Murphy (2007); Reynolds (2005); Lester, Standifer, Schultz and Windsor (2012); Dwyer, 2009). Reynolds (2005) recommends that managers be familiar with what the ‘diverse generations’ value in order to attract and motivate them.

However, Moore and Bussin (2012) found that different age groups show similar reward preferences. Reynolds (2005:15) states “studies show that veterans value flexible working hours, part-time work, flexible retirement planning, sabbaticals and temporary employment”. He further states that most of these employees have been pensioned off. The Baby Boomers prefer personal appreciation, promotion and recognition, responsibility and respect (Murphy, 2007; Schweyer, 2015) and they also value monetary rewards and promotion (Crumpacker and Crumpacker, 2007).

Murphy (2007) found that Generation X values time off work, growth and credentials to improve their Curriculum Vitae. Similarly, Reynolds (2005:15) found that “generation X place skill development at the top of their list of valued rewards. Following this they rate real-time performance feed-back, immediate, tangible recognition rewards, and flexible work arrangements and positive work environments as important”. Furthermore, Schweyer (2015) found that Generation X values career development and opportunities for growth.

Moore and Bussin (2012) did not find significant generational reward preference differences. Kovach (2001) researched what different age groups of workers preferred, he found that the under 30’s preferred a good salary, job security and growth, whilst the older employees preferred good working conditions, assistance with personal problems and loyalty.

In a study conducted by Mahamad, Annuar and Ghani (2015) they found that Generation X preferred monetary rewards whilst Generation Y preferred non-monetary rewards from the employer. Similarly, Close (2015) found Generation Y had a high preference for non-monetary rewards such as flexible working hours, education and growth. Chawla et al., (2017) also reported that Generation Y prefers non-monetary rewards such as recognition. Schweyer (2015: 28) stated in a study conducted by HBR researchers in 2009, “47 percent of Generation

Y/ Millennial's say that it is important that the company they work for offer sabbatical leave – that such perks boost commitment and performance.” This differs from Reynold's (2005) and Lester et al., (2012) findings which states all generations value intangible rewards over monetary rewards. Above all, Close (2015) found that monetary rewards were the most preferred by all generations. In summary, institutions should be conscious of the dissimilar employee reward preferences amongst the different generations. As discussed above, authors have found that different generations play an important role in rewards preferences. For UKZN to attract and retain different generations that can contribute to the achievement of organisational goals, the University needs to offer rewards that are preferred by the different generations. This means that it is important to investigate the rewards preferred by the different generations of academics as they do not all value the same rewards.

### **3.10 Conclusion**

It can be concluded that with an understanding of what employee's value, and being cognisant of demographics and generational differences, HEIs can be assisted to offer the academic staff meaningful and motivational rewards. The one size fits all approach is no longer effective and rewards need to be flexible to retain employees. It is also vital to note that not all employees are motivated by the same rewards as people are different with different cultural and educational backgrounds (Eshun and Duah, 2010). Close (2015) and SABPP (2012) recommend that organisations should implement a flexible method that will cater to employee's needs and individual preferences when it comes to rewards. In addition, when employees are offered what they value, they will not be lured away to other industries that offer higher remuneration as studies have shown that academics are considering resigning from their current employment due to not being content with their compensation (Theron et al., 2014, Okello and Lamaro, 2015, HESA, 2014). This study is therefore appropriate as it investigated a research area where only a few studies have been conducted on academic staff preferences, attraction, retention and motivation of academics in HEIs. The next chapter describes the methodology that was followed in collected and analysing data for this research.



## **CHAPTER 4**

### **RESEARCH METHODOLOGY**

#### **4.1 Introduction**

The aim of this research was to investigate the reward preferences of the UKZN academics as well as the rewards that are likely to attract, motivate and retain academics at UKZN. In this chapter the research methodology and the data collection techniques that are employed in this research are discussed. This research employed a quantitative research approach. A structured questionnaire was used to collect data from UKZN academics. Validity and reliability of the measuring instrument and the data analysis techniques are also discussed in this chapter. This chapter concludes by discussing ethical considerations and the limitations of this research.

#### **4.2 Research methodology**

Creswell (2012) posits that there are three kinds of research methodologies; qualitative, quantitative and mixed methods. Quantitative research involves numbered data and relies on statistical analysis. Creswell (2012) and Welman, Kruger and Mitchell (2007) asserts that quantitative research evaluates objective data, tests relationships amongst variables whose data can be measured and analysed statistically..

The quantitative research approach was the appropriate approach for this study and is utilised to achieve the aims and objectives of the study. It facilitated the collection of numeric primary data from a large quantity of people using a survey. Creswell (2012:145) asserts that “a survey design provides a quantitative or numeric description of trends, attitudes, or opinions of a population by studying a sample of that population. From sample results, the researcher generalizes or makes claims about the population”. He further mentions that the larger the number of respondents, the valid the results which can be generalized to the population.

#### **4.3 Target population and sampling**

A target population is a group of individuals/items that are chosen to be studied. The target population enables the researcher to obtain data required to discover answers for the research questions or gain an understanding of the population (Kumar, 2011). The target population of

this study constituted 660 academic staff at UKZN based at Westville Campus, Howard College Campus and Medical School Campus.

#### **4.4 Sample frame**

A list of the UKZN academics at Westville campus, Howard College campus and Medical School campus was used in this study to select the sample. Academics from Edgewood campus and Pietermaritzburg campus could not be included in the study as the researcher experienced time and financial constraints since the campuses are far away from each other. A sample is a selection of a small group of people chosen for data collection of a population that is being studied. A sample is used to get information that can be used to draw conclusions about the population under study. Creswell (2012) state that the greater the sample representing the study population, the more inclusive of the individuals with different backgrounds and the more precise the estimates. For this study, the population was 660 academics from three UKZN campuses and the sample consisted of 140 UKZN academic staff based at Westville campus, Howard College Campus and Medical School Campuses. A sample is a subset representing the study population consisted of permanent academics (Developmental Lecturers (currently known as Accelerated Academic Development Programme Lecturers, Lecturers, Senior Lecturers, Associate Professors, and Professors). The advantage of using a sample to draw information from the population is that it saves time and resources while gaining knowledge about the population (Kumar, 2011). However, the information collected from the sample can only be utilised to estimate or make a prediction about the population being studied if proper sampling methods were used to achieve a representative sample.

##### **4.4.1 Sample size**

Sample size represents the number of individuals drawn from the population under study for data collection. “The sample size is an important feature of any study or investigation in which the aim is to make inferences about the population from a sample” (Singh and Masuku, 2014: 6). It is extremely vital to establish an adequate sample size before collecting data in order to be able to draw conclusions and generalise the findings. Saunders et al., (2009) and Kumar (2011) suggests that a bigger sample is desirable to guarantee a diverse representation of the population as well as a precise estimation. However, Willis (2004) argues that a bigger sample may be unrealistic and too expensive to do research, whilst a very small sample size may not be analysable, unreliable and may fail to identify the differences being investigated and could result in erroneous conclusions. Therefore, an appropriate sample size is extremely important.

Sample sizes depend on the design of the study and there are different ways of calculating the sample size (Charan and Biswas, 2013).

The sample size formulae used for this study is given:

$$n = \frac{Z_{1-\alpha/2}^2 p(1-p)}{d^2}$$

Source: Charan and Biswas (2013:122)

Where:

$Z_{1-\alpha/2}$  is the standard normal variate (at 5% type 1 error, it is equal to 1.96)

$p$  is the expected proportion based on similar previous studies or pilot studies.

$d$  is the absolute error or precision - decided by the researcher.

According to literature on South African employees (Snelgar et al., 2013) the proportion of employees who view rewards as important may not be greater than 10%. This study expected proportion ( $p$ ) to be 10% with a precision error of 5% and 5% level of significance to define the sample size.

$$\text{Sample size} = \frac{1.96^2 \times 0.10(1-0.10)}{0.05^2} = 138 \text{ (Rounded up to 140)}$$

Therefore, in this research, a sample size of 140 UKZN academics were systematically selected from the three campuses.

#### **4.4.2 Sampling procedure**

For this study, a systematic sampling procedure was employed to gather the data from the population. The systematic sampling technique is a mixture of random and non-random sampling which can be generalised to the larger population under study. In random sampling each member has an equal chance of being chosen for the sample and the choices are not influenced by personal biases, whilst in non-random sampling the participants are chosen to be a part of the sample (Willis, 2004; Creswell, 2009, Kumar, 2011).

Steps for systematic sampling procedure for this study are as follows:

1. Every member of UKZN academic staff on the list was assigned a number from 1 to 660.
2. The population was then divided by the sample size.

3. The first respondent was randomly selected and then every 5<sup>TH</sup> person on the list was selected.

Table 4.1 shows the numbers of UKZN academics selected from each campus. The academics were systematically selected from the three campuses using a list of all academics at each campus.

**Table 4.1: Selection of appropriate sample size**

Campus	Total number of academics	Number of academics systematically selected per campus	Received questionnaires per campus
Westville	274	58	45
Howard College	325	69	58
Medical School	61	13	8
	660	140	111

#### **4.5 Data collection method**

Data can be collected through interviews, questionnaires and observations and many other ways. According to Gwimbi and Dirwai (2003) there are two data collection methods which are the primary data method and the secondary data method. Primary data method refers to the collection of original data and the secondary data collection method refers to collection of data through sources such as databases and archives. This study employed the primary data method as it was the appropriate method for collecting data firsthand in a survey research using a questionnaire as the data collection instrument.

#### **4.6 Research instrument**

A questionnaire was the research instrument used to collect data. Questionnaires are composed of a list of questions and are utilised in survey designs for participants to fill in and submit to the researcher. The advantage of a questionnaire was that it enabled the researcher to gather extensive data faster due to the use of internet and emails, cost effective way of collecting data and provides greater anonymity (Creswell, 2012, Kumar, 2011). However, this was not the case for this study as the questionnaires were hand delivered to the respondents since the Gatekeeper's letter received from UKZN stated that the researcher is not authorised to contact staff members utilising the 'Microsoft Outlook' address. Therefore, it took longer to collect

data and it was expensive as the researcher had to travel from campus to campus. In addition, Kumar (2011) states that the researcher should consider himself/herself lucky to receive “a 50 per cent response rate and sometimes it may be as low as 20 per cent” (Kumar, 2011: 149). He further states that the low response rate is one of the disadvantages of a questionnaire as not all the people will be interested in the topic. Also, the questionnaire might be too long which could result in the low response rate as not all the respondents will have time to complete the questionnaire. In addition, the content of the covering letter might not properly define the aim of the research as well as the methodology used which might disinterest the respondents.

For this study, data was collected by using a structured questionnaire which also included a few open-ended questions. This structured questionnaire, adopted from Nienaber et.al, (2011), and modified by Snelgar et al., (2013), Reward Preferences Questionnaire (RPQ), was utilized to collect data within 3 months from the respondents. The questionnaire measures the ‘reward preferences’, ‘employee’s satisfaction of the rewards’ as well as the ‘rewards impact on employee attraction, motivation and satisfaction’. Furthermore, the RPQ measures the ability of the total rewards offered by UKZN to attract, retain and motivate academics. The demographic section of the questionnaire was amended for respondents to indicate their Conditions of Services, their Pension/Provident Fund and their Medical Aid. Furthermore, an open-ended question was added for respondents to indicate and express their opinions on whether they view the implementation of the rewards offered to be fair and consistent or not.

#### **4.6.1 Pilot testing**

The questionnaire was pre-tested to check if the respondents understood all of the questions and to identify if there were any problems in the questionnaire. In addition it was pre-tested to check if the questions were answered the way they were supposed to be answered and to check how long it took to complete the questionnaire. Kirchhoff (1999) states that pilot testing a research instrument is imperative and if the research instrument is not tested, then the instrument should not be utilised. Kumar (2011) states that the aim of pre-testing the questionnaire is to check if there are any problems in the way the questions are worded, their appropriateness in terms of the meaning they communicate, reliability and to check if the respondents interpret the questions the same way as the researcher interprets it (Kumar, 2011). The questionnaire was randomly piloted to a similar group to the study population. 10 academics at UKZN were asked to complete the questionnaire in order to test whether the questions were clearly and easily understood and then they were excluded from the major

study. From the pilot study, the questionnaire was found to be reliable and valid, thus no improvement was done on the adopted questionnaire.

#### **4.6.2 Description of questionnaire**

The final questionnaire to be administered included the following sections:

**Section A:** Demographic information

**Section B:** Reward preferences and satisfaction

**Section C:** The impact of total rewards on employees in terms of attraction, retention and motivation.

**Section D:** Three open-ended questions for the participants to provide answers.

**Section A** of the RPQ asked the respondents about their demographic information. The respondents were asked to choose what best symbolised their demographic profiles. The demographic variables developed for the study were gender, age, racial group, marital status, level of education, household members, household income per month, job level, conditions of service, pension/provident fund, years of service with current employer and medical aid.

**Section B** of the RPQ questionnaire encompassed a five-point Likert scale which was used to measure both reward preferences and satisfaction. For the Reward Preferences, the five-point Likert scale ranges were as follows:

- 1 = not important at all
- 2 = unimportant
- 3 = neutral
- 4 = important
- 5 = extremely important.

For the Reward Satisfaction, the five-point Likert scale ranges were as follows:

- 1 = very dissatisfied/ not a reward
- 2 = dissatisfied
- 3 = neutral
- 4 = satisfied
- 5 = very satisfied

**SECTION C** of the RPQ questionnaire aimed to investigate the total rewards that would attract, retain and motivate UKZN academic staff. The five-point Likert scale was used for

academics to rate the six reward types: basics pay, variable pay, benefits, performance recognition and career management, quality work environment and work/home integration, that they felt would impact on the institution's ability to attract, retain and motivate academics.

The five-point Likert rating scale was as follows:

1 = strongly agree

2 = agree

3 = neutral

4 = disagree

5 = strongly disagree.

**SECTION D** of the RPQ Questionnaire entailed open-ended questions. The first part of section D required respondents to state and rank two rewards in order of importance, not offered at their institution but would include in the total remuneration package. In the second part of section D, respondents were also asked to state the two important factors that affect their reward choices. The third part of section D required respondents to indicate their views on the fairness and consistency of the implementation of the rewards offered at UKZN and to explain and provide reasons for their choices. This enabled respondents to express their views freely resulting in the researcher gaining more understanding about the target group.

Creswell (2012) suggests that open-ended questions are useful when a researcher wants to find out alternatives. Bhattacharjee (2012:41) agrees with Creswell (2012) as he suggests that "regardless of the specific research design chosen, the researcher should strive to collect quantitative and qualitative data using a combination of techniques such as questionnaires, interviews, observations, documents or secondary data". Therefore, for this study, data was collected through a survey as this study intended to collect quantitative data with a few open-ended questions for respondents to express their views on the rewards.

A covering letter that accompanied the questionnaire and the consent form explained the purpose of the study and assured respondents of confidentiality and anonymity; indicated completion time and highlighted that participation is voluntary. Participants were informed that they could decline to participate or withdraw at any point.

## **4.7 Methods of ensuring validity and reliability**

The validity and reliability of the measuring instrument was tested to check for the appropriateness, accuracy, consistency of results and to assess whether the measurement tool measured what it set out to measure.

### **4.7.1 Validity**

Validity is an attempt to check whether the instrument measures what it was intended to measure (Bui, 2014; Vithal and Jansen, 2012). For this research, validity was established through factor analysis to check if the questionnaire employed measures that it had set out to measure. The following types of validity were taken into consideration when judging validity:

- Face and content validity were attained by the consideration of whether the measurement instrument measured what it was intended to measure in terms of the link between the questions and objectives of the research. Face validity checked if the instrument was usable. The content validity was checked through a pilot study which was tested by experts in the field to assess if the questions characterised the problems they intended to measure. Both the statistician and the research supervisor ratified the questionnaire.
- Construct validity was judged based on the questionnaire being replicated which was created based on a “theory pertaining to the total rewards model, which ensured that the items in the questionnaire were linked with literature pertaining to rewards” (Snelgar et al., 2013: 9).
- External validity was taken into consideration. For instance, to judge content validity, a pilot test of the questionnaire was conducted on 10 participants of the targeted population to check the user-friendliness, flaws and suitability of the data gathering procedures and instruments. Bhattacharjee (2012:23) claims that “pilot testing is an often overlooked but extremely important part of the research process” as it allows the researcher to not return to the respondent to ask for more information. The 10 participants in the pilot test were also asked to give their views on any issues that they encountered in terms of misunderstandings or misinterpretations and or questionnaire design issues. The data collection proceeded when the pilot testing conducted was successful.



#### 4.7.2 Reliability

“The concept of reliability in relation to a research instrument has a similar meaning: if the research tool is consistent and stable, hence predictable and accurate, it is said to be reliable” (Kumar, 2011: 181). For this reason, the following types of reliability were taken into consideration when judging reliability to determine the accuracy and consistency of the questionnaire:

- Internal reliability of the factors was established through the calculation of the Cronbach Alpha coefficient. Cronbach Alpha assesses the internal consistency of the measuring instrument. According to Sekaran (2003) “Cronbach’s Alpha is a reliability coefficient that indicates how well the items in a set are positively correlated to one another. Cronbach’s Alpha is computed according to the average inter-correlations among the items measuring the concept. The closer Cronbach's Alpha is to 1, the higher the internal consistency reliability” Sekaran (2003: 307). A Cronbach Alpha of 0.6 is considered very low, 0.7 is adequate and 0.8 is considered as good (Sekaran and Bougie, 2010). The reliability and validity of the structured questionnaire that was employed in this study had been previously tested by Nienaber et al., (2011) and Snelgar et al., (2013). The study produced a reliable score of Cronbach Alpha of 0.84 which is more than 0.60 which is an adequate value (Nienaber et al., 2011).
- Test/retest reliability approach is a method that offers an indication of stability of the measuring instrument over time. The measuring instrument is administered to the pilot sample (respondents) first time and then re-administered to the same sample for several times under the same conditions. If the measuring instrument gives similar results, then it can be regarded as reliable (Bolarinwa, 2015). This reliability test enables the researcher to compare the measuring instrument against itself, thus, also avoiding the challenges that could come up with the use of another survey measuring instrument. The main disadvantage of this approach is that respondents may remember the responses they provided in the initial test, which may result in negatively affecting the reliability of the instrument. Because of the disadvantages, the method is not used in this study.
- Parallel forms of the same test refers to the construction of two or more measuring instruments worded differently and intended to measure similar or dissimilar populations of respondents. If the result’s obtained from one of the questionnaires is similar to the results obtained from the other questionnaire, then the measuring

instrument is regarded as reliable (Kumar, 2011). The main advantage of this approach is that it does not suffer from the problem of respondents remembering their earlier responses to the measuring instrument as might be the case with the test/retest procedure. The main disadvantage of this method is that the researcher needs to come up with two measuring instruments instead of one. Furthermore, it is extremely difficult to come up with two instruments that are comparable in their measurement of a construct. Considering these disadvantages, the approach of checking for reliability using parallel forms is not used in this research.

Therefore, the measuring instrument was appropriate to use in this research as it was reliable and had internal consistency.

#### **4.8. Training of research assistants**

Since the response was extremely low during data collection in the beginning and questionnaires had to be hand delivered to the respondents and manually collected from the different campuses, UKZN Masters students from Westville Campus, Howard College and Medical School were asked to assist the researcher with the collection of data since the researcher did not have enough time and enough resources to move from campus to campus. The research assistants were trained and the questionnaire was explained to them during training. They were also trained on how to complete the questionnaire. As a result of the training, the research assistants were confident that they fully understood the questionnaire and what was expected of them. In addition, this assisted in improving the response rate.

#### **4.9 Data analysis**

The data collected from the questionnaires was coded (e.g. 1=Male and 2=Female) and captured on a Microsoft Excel spreadsheet. According to Kumar (2011) quantitative information has to be coded in order for the data collected to be effortlessly analysed by computers or by hand. Data was analysed using the statistical analysis on the software package called Statistical Package for Social Sciences (SPSS 24) statistical system. The SPSS statistical system which is known as a user friendly system enabled the researchers to analyse data (Zikmund, Babin, Carr and Griffin, 2013).

#### **4.10 Descriptive and inferential statistics**

Descriptive statistics and inferential statistics were utilized to analyse the respondent's responses and presented in the form of tables. Both the descriptive and inferential statistics were analysed utilising SPSS24 as well as Microsoft Excel. Descriptive statistics is the data analysis procedure that assists the researcher to analyse the information collected in order to interpret information about the sample and present it in measures of frequency, central tendency and dispersion (Johnson, 2013, Fraenkel and Wallen, 2009, Ho, 2013).

##### **4.10.1 Descriptive statistics**

Descriptive statistics allows the researcher to describe data and present findings in an understandable manner such as in percentages, mean and standard deviation. Thabane and Akhtar-Danesh (2008) suggest that descriptive statistics should be shown clearly and reported utilizing the mean, standard deviation, median and percentages. In this study, descriptive statistics are generated to report the demographic variables and results indicated in percentages. Furthermore, descriptive statistics are used to generate the mean in order to show the relative effect of the impact of rewards categories on the institution's ability to attract, retain and motivate academics.

It was vital to investigate the impact of the rewards categories to help the institution understand the impact of rewards that they offer to their academics in terms of attraction, retention and motivation. The order of results were ranked according to the mean, from highest to lowest for attraction, retention and motivation. This helped to do comparisons to come up with possible differences in the preferences of rewards. Descriptive statistics (mean and standard deviation) are also used to generate the reward category summated scores for importance, satisfaction and attraction, retention and motivation

The scores were ranked from highest to lowest according to the mean. Determination of the mean scores in terms of the range assisted in finding out which rewards the respondent viewed as important, which satisfied and attracted them and which retained and motivated them. Descriptive statistics (mean and standard deviation) were used to distinguish factors related to demographic variables on importance, satisfaction and attraction, retention and motivation. The results were ranked from highest to lowest according to the mean scores in order to find relative associations of importance, satisfaction and attraction, retention and motivation. Inferential statistics were also used to analyse data.

#### **4.10.2 Inferential statistics**

Inferential statistics involve the use of information found from the descriptive statistics to make inferences about a population based on the sample's findings. Fraenkel and Wallen (2009:5) define inferential statistics as “data analysis techniques for determining how likely it is that results based on a sample or samples are similar to results that would have been obtained for an entire population”. The authors further stated that the sampling error which is the sample and the population needs to be considered. Inferential statistical is used to arrive at a conclusion about the population under study. Inferential statistics assist in distinguishing relationships, similarities and differences between variables which can be used to reach a conclusion and generalize the findings to the population under study (Sekaran, 2006). Wald (1950) utilised inferential analyses to reach his conclusion for his study. According to Ho (2013) the objective of inferential statistics is utilize “sample scores to test hypothesis testing” (Ho, 2013: 2). For this study, inferential statistics were used to test the reliability, level of significance and the null hypothesis.

#### **4.11 Comparing two means from the same population**

In this study, we are also interested in determining the demographic variables that influence rewards factors the most. In order to achieve this, the mean scores for each demographic variable was calculated and the *t*-test was used to compare whether the means were statistically different. There are two kinds of *t*-test which are the independent *t*-test which is utilised when the two means that are being compared are independent of each other and another for dependent variables (matched pair), (Kim, 2011). The *t*-test (independent) is the most appropriate test for this study. Furthermore, the *t*-test enabled the researcher to conduct the independent *t*-test to find the *t*-value, degrees of freedom (*df*), *p*-value and the 95% confidence interval (Faud Faud et al., 2015). Associated with the *t*-test is the Cohen's *d* statistic which measures the distance between the two means.

The Cohen's *d* statistic was used to indicate the standardized differences between two means. The Cohen's *d* statistic is used to indicate the standardised difference between two means and it is very simple to interpret (Kolenko. Hari, Pamic, Pazek,Prisenk, Majkovic, Rozman, Turk, 2011). Furthermore, Cohen's *d* and effect size offer effective ways of indicating statistical significance (Heijungs, Henriksson and Guinee, 2016; Li, 2015; Peng and Chen, 2014). In this present study, Cohen's *d* will be calculated and used to complement reporting of the *t*-test and

ANOVA results. Cohen (1977) posits that a big effect can be seen if there is a difference between two distributions which is “visible to the naked eye” (Cohen, 1997, 40). The author further states that the standardised mean difference is small when Cohen’s  $d$  statistic falls in the interval  $0.20 < |d| < 0.50$ , moderate when Cohen’s  $d$  statistic falls in the interval  $0.50 < |d| < 0.80$  and very large when Cohen’s  $d$  statistic falls in the interval  $0.80 < |d| < 1.30$  as shown in Table 6.2.

**Table 4.2: Threshold for interpreting Cohen’s  $d$  statistic**

Test	Effect threshold			
	Small	Medium	Large	Very large
Standardised difference	0.2	0.5	0.8	1.3

Source: Ellis: 2009: 2014

For this study, the Cohen’s  $d$  threshold for interpreting effect size was utilised. Literature shows that many researchers have used content analysis to describe a situation to make a decision based on the data collected (Karasar, 2012). According to Sekaran (2006) content analysis refers to the “quantification of the qualitative information obtained through a systematic analysis of the relevant information, thus providing a means for submitting it for statistical analysis” (Sekaran, 2006: 410). Fraenkel and Wallen (2009) and McKibben and Umstead (2016) define content analysis as a method that allows the researcher to explore human behavior in an indirect way by coding information and identifying them from the collected information into categories as they emerge. Valid and reliable interpretations can then be made. Furthermore, Yildirim and Simsek (2011: 227) state that “content analysis brings together similar data in context of certain concepts and themes while describing and organizing them in a way that readers can understand”. The present study employed content analysis for the last section of the questionnaire (Section D) in order to come up with categories and themes and to also obtain information on their views of the rewards. Furthermore, respondents were asked to indicate their views on the fairness and consistency of the implementation of the rewards offered to them by UKZN. The responses were coded, for example (1 = fair and 2 = unfair), and analysed on the SPSS24 system.

#### **4.12 Missing values**

The third part of section D required respondents to indicate whether they view the rewards offered at UKZN to be fair and consistent or unfair and inconsistent when implemented. This enabled the researcher to find out the respondents' views on the implementation of the rewards offered by the institution. However, there was an expectation that some of the respondents would not indicate their views which would result in missing values. Missing values are a usual issue in numerous research studies. Kang (2013) stated that missing data arises in many studies even when the studies are very well controlled and designed. The author further stated that missing data can result in inaccurate and biased findings. According to Gashler, Smith and Morris (2016) in the real world data frequently contains missing values which is often due to respondents' impatience, "human error during data entry, data loss, faulty sensory equipment, changes in data collection methods, inability to decipher handwriting, privacy issues, legal requirements, and a variety of other practical factors (Gashler et al., 2016). There are many ways of dealing with missing data and one of the ways is to utilize the variable's mean and not discard them (Toka and Cetin, 2016). Therefore, this study employed the average approach in order to prevent inaccuracies should there be any missing values.

In addition, the respondents were asked to provide reasons for their choices on why they perceive the rewards offered to be fair and consistent or unfair and inconsistent when offered. This question allowed the respondents to express their views. The responses were analysed and grouped into themes that emerged and presented into a table. Themes are defined as the "emergent groups of the most highly connected concepts" (Lamprell and Braithwaite, 2017: 3).

#### **4.13 Factor analysis**

This research aims to identify the main drivers of attraction, retention and motivation of academic staff at UKZN. The questionnaire contains many variables which aim to address the main aim of this research. In order to adequately identify and infer on the reward factors, we reduce the number of factors by grouping factors that have common characteristics. In this research, factor analysis technique is used to reduce the number of factors. The technique identifies correlated variables which are then grouped to come up with a single variable which we rename. Actually, Snelgar et al., (2013:7) used the same technique using principal component analysis, a series factor extraction technique for each set of items corresponding to

a particular summated score individually to come up with reduced factors. Bo, Yu and Ning Dong (2017) assert that factor analysis is the most effective statistical technique for data reduction and improving data quality. Gorsuch (1983) as cited in Pett, Lackey and Sullivan (2003:3) state that the “ultimate goal in using the methods of factor analysis is to arrive at a parsimonious or reduced set of factors that summarise and describe the structural interrelationships among the items in a concise and understandable manner. For detailed explanation of Principal component analysis, see SPSS 24 manual.

#### **4.14 Multivariate analysis of variance and univariate analysis of variance**

The Multivariate analysis of variance (MANOVA) and Univariate analysis of variance (ANOVA) was conducted to determine the influence of the independent variables on the dependent variables (Keller, 2009). In this study, the demographic variables are used as the independent variables whilst the factors are the dependent variables. The focus is to determine significant demographic variables that influence the reward categories at UKZN.

In this research, we are also interested in investigating the relationship between the extracted factors (dependent variable) and the demographic variables (independent variable). We check for linear relationship between the extracted factors and the demographic variables using multivariate analysis. According to Liu, Parelius and Singh (1999) multivariate analysis is vital in statistics as many statistical investigations are multivariate by origin and many studies apply multivariate. The null hypothesis is  $\beta = \mathbf{0}$  i.e., all the parameters are not significantly different from zero. This entails, that the independent variables are equal to zero. To check whether the estimated parameters are significantly different from zero i.e., the demographic is significant, the Wilk’s lambda statistic is used. The Wilk’s lambda statistic follows an  $F$ -distribution with  $pj$  and  $k - r$  degrees of freedom. Higher values of the  $F$ -statistic leads to rejection of the null hypothesis. The multivariate analysis enables us to identify the significant demographic variables. After identifying, the significant variables, we try to identify the single extracted factor (univariate) influenced by the significant demographic variables. Therefore, we run a simple linear regression model (univariate) of each extracted factor as the dependent variable i.e., reward category against each significant demographic variable as the independent variable. The null hypothesis for the univariate analysis is  $\beta_i = 0$  i.e., the demographic variable under investigation does not influence the reward category.

We use the  $F$ -statistic to test the null hypothesis. The null hypothesis is rejected if  $F\text{-statistic} > F_{\alpha, k-1, n-k}$ , where  $\alpha, k-1, n-k$  are the level of significance, degrees of freedom of the numerator and degrees of freedom of the denominator of the  $F$ -statistic.  $k$  is the number of the parameters in the univariate model and  $n$  is the sample size.

In order to check for model adequacy, the coefficient of determination ( $R^2$ ) will be used to measure the proportion of the variation in the dependent variable (extracted factor) that can be described by the variation in the independent variable (demographic variable under investigation). According to Keller (2009), the coefficient of determination measures the strength of the linear relationship when the researcher wants to compare different models.

#### **4.15 Ethical considerations**

The research was conducted ethically and the respondents were treated with utmost respect and their workplaces were treated with respect and not disrupted. Creswell (2012) suggests that data gathering should be ethical and participants must be respected as well as their spaces. During the data collection for this study, respondents wishes were respected as some declined to participate in the study and some declined to sign the consent forms even though they participated in the study. Participants were assured that they would be protected from harm and they would remain anonymous. In addition, they were informed that they may discontinue or withdraw from participating in the study whenever they felt like it.

Ethical clearance for this study was received from the University Research office through Humanities and Social Sciences Research Ethics Committee (Reference number HSS/0855/016M), (Appendix B). The informed consent form (Appendix C) together with the Gatekeeper's letter (Appendix D) was provided to the respondents explaining that the research was permitted at UKZN and that participants were protected from harm, their anonymity and confidentiality was assured and that the respondents should feel free to express their views and opinions and that they may decline to participate or withdraw at any point.

#### **4.16 Study limitations**

The study utilised acceptable quantitative methods. However, there were limitations. Saunders, Lewis and Thornhill (2009) state that limitations include methodological shortcomings that the researcher is not able to overcome because of lack of resources and insufficient time. One limitation of this study was that data collection was not from all UKZN campuses (Howard



College, Edgewood, Medical School, Westville and Pietermaritzburg) because of limited time and resources. On the three campuses (Howard College, Medical School and Westville) that were used for this research, there were some academics who did not want to participate in the study, therefore, not all targeted respondents responded as they were reluctant to participate, hence, the less than expected response rate. This study relied on willing participants who were geographically dispersed as the UKZN campuses are distant from each other. Because of this, there was difficulty experienced due to time constraints and lack of financial resources to continuously move back-and forth between the targeted campuses.

It was very difficult to collect data from the academics due to academics being afraid to participate as some stated that the questionnaire was too sensitive as it included views on their remuneration provided by the university. Some respondents mentioned that the questionnaire was too long. Some respondents did not respond to the open-ended questions and left the open-ended questions blank which resulted in insufficient data. Including the UKZN support staff in this study would have been useful but there was not enough time to include support staff.

Some academics were not willing to participate in the questionnaire as they were concerned about their anonymity even though they were assured that they would be protected from harm and that their confidentiality was assured. Some academics even suggested putting the responses in a box without anyone watching them. Some questioned why they were picked to participate in the study. This shows that employees are nervous to comment or voice their views and opinions on their pay at UKZN. Some even mentioned that they were scared of participating as it might lead to them being investigated.

#### **4.17 Conclusion**

In summary, in this chapter the research methodology and the data collection techniques that are employed in this research were discussed. The questionnaire used to collect data from the UKZN academics was described. Validity and reliability of the measuring instrument and the data analysis techniques were also discussed. The chapter concludes by discussing ethical considerations and limitations of the study. The next chapter presents results and data analysis.

## CHAPTER 5

### PRESENTATION OF RESULTS AND DATA ANALYSIS

#### 5.1 Introduction

The previous chapter discussed the research methodology and the data collection technique used. The ethical considerations, challenges faced during the research as well as the validity and reliability were also discussed in the previous chapter. This chapter presents the findings of this study and discusses the results. The null hypotheses developed for five of the research objectives were tested and the results are presented in this chapter. Descriptive and inferential statistics were used to analyse and summarise the data collected from the respondents. They were also used to distinguish relationships among variables.

#### 5.2 Response rate

The UKZN's academic list was used as a sampling frame for the research. This list holds the personal records of all the permanent academic staff from all the 5 campuses. The research focused on academics from Westville, Howard College and Medical School campuses. Profiles of academics from Pietermaritzburg and Edgewood campuses were removed from the list. The total number of the academics was 660.

The response rate in a questionnaire is significant and critical in judging the value of research results as it provides awareness into the precision of the data collected. According to Kumar (2011) the researcher should consider themselves fortunate to receive a 50% response rate as it may be as low as 20%. Creswell (2012) also asserts that a typical adequate response rate is over 50%.

According to Fluid University (2017) the response rate is the total number of questionnaires completed divided by the total sample as indicated below:

$$\text{Response rate} = \frac{\text{Total number of completed questionnaires}}{\text{Total number of distributed questionnaires (sample)}}$$

$$\text{Response rate} = \frac{111}{140} = 79.28\%$$

In this study, as indicated in the above equation, a total of 140 questionnaires were administered and 111 respondents completed the questionnaire which resulted in a high and adequate response rate (79.28%) as confirmed by Kumar (2011) and Creswell (2012). About 10 questionnaires were incomplete and discarded from the analysis to remove any bias that they might bring into the analysis. The 111 questionnaires were fully completed on the structured questions section but with a few missing answers on the open-ended questions section.

### **5.3 Instrument development**

The instrument used to collect data in this study was a structured questionnaire. The steps used in this research for the instrument development are discussed below:

#### **5.3.1 Validity of the data**

Both the Kaiser-Meyer-Olkin (KMO) and Barlett's statistic of sphericity were conducted to ensure that the sample is suitable for factor analysis. A KMO statistic  $> 0.60$  indicates that the data is suitable for factor analysis (Faiser, 1974; Williams, Onsman and Brown, 2010: 5). Results show that the  $p$ -value of KMO statistic is 0.626 and this greater than 0.06 which suggests that the data is suitable for factor analysis. This is also confirmed by  $p$ -value of Barlett's statistic =  $0.00 < 0.05$ , which indicates that the data collected is valid for factor analysis.

#### **5.3.2 Measure of sampling adequacy**

Factor analysis was conducted in order to identify and infer on the reward factors. In this research, factor analysis was used to reduce the number of factors. Snelgar et al., (2013:7) used the same technique using principal component analysis, a series factor extraction technique for each set of items corresponding to a particular summated score individually to come up with reduced factors. The measure of sampling adequacy is an experiment to calculate the strength of the relationship among the variables and the suitability of factor analysis. The measure of sampling adequacy can be evaluated using the following criteria (Kaiser, 1974:35; Taherdoost, Sahibuddin and Jalaliyoon, 2014):

- Above 0.90 (marvellous)

- In the 0.80 (meritorious)
- In the 0.70s (middling)
- 0.50 and above (miserable)
- Less than 0.60 (unacceptable)

Hair et al., (2010) argues that a researcher can only proceed with factor analysis if the MSA is above 0.50. In this study, a low loading variable factor reduction process using varimax rotation method was used to reduce the number of variables in order to come up with a more stable factor structure. The questionnaire had 38 items which were loaded, 10 items had MSA greater than 0.50. Therefore, we proceeded with factor analysis.

The reduction procedure resulted in four distinguishable factors with values greater than 1 (Benefits- 2.233; Performance recognition and career management – 1.936; base pay- 1.401; quality work environment- 1.295) as shown in Table 5.1. Table 5.1 shows the overall results of the principal component analysis.

**Table 5.1: Rotated factor loading matrix**

Variable description	F1	F2	F3	F4	Item-total correlation	Cronbach Alpha if item deleted	Mean Rank
A performance contract with agreed objectives	0.867	0.000	0.000	0.000	0.668	0.609	9
Bursaries/funding for tertiary qualifications	0.780	-0.122	0.000	0.000	0.575	0.718	4
Study leave for further studies	0.779	0.120	0.123	0.000	0.570	0.730	5
Formal recognition for a job well done	0.000	0.869	0.183	0.000	0.618	0.472	6
Informal recognition for a job well done	0.000	0.756	0.000	0.116	0.504	0.622	7
Total control over work methods without a manager’s interference	0.000	0.694	-0.146	0.166	0.432	0.704	10
Salary/wages	0.000	0.000	0.850	0.298	0.388	0.725	1
Annual performance bonus or incentives	0.373	0.102	0.759	-0.247	0.388	0.725	3
A comfortable work environment	0.000	0.163	0.134	0.853	0.265	0.731	2
Re-structuring your remuneration according to your own needs	0.325	0.230	0.000	0.597	0.265	0.731	8
Eigen values	2.233	1.936	1.401	1.295	Overall Cronbach Alpha = 0.824		
% of variance explained	22.335	19.361	14.009	12.947			
Cumulative % of variance	22.335	41.696	55.705	68.652			
Loadings above 0.50 were considered significant loadings with no cross loadings. Rotation method: varimax Rotation: Principal factor analysis							

The factors that loaded were grouped into benefits, performance recognition and career management, base pay and quality work environment as indicated in Table 5.1. The overall internal consistency of the extracted factors was confirmed by the calculation of Cronbach Alpha as shown in Table 5.1. The extracted factors were confirmed reliable as the overall Cronbach Alpha coefficient score (0.824) is greater than 0.8 which is good according to Sekaran (2003).

The factors that were extracted were grouped and labelled benefits, performance recognition and career management, base pay and quality work environment with their variable descriptions as indicated in Table 5.2.

**Table 5.2: Extracted factors and their questionnaire items**

Factor	Description	Item number and Variable description
1	Benefits	1.6 Study leave for further studies 1.16 Bursaries/funding for tertiary qualifications 1.15 A performance contract with agreed objectives
2	Performance recognition and career management	1.14 Formal recognition for a job well done 1.13 Informal recognition for a job well done 1.31 Total control over work methods without a manager's interference
3	Base pay	1.1 Salary/wages 1.2 Annual performance bonus or incentives
4	Quality work environment	1.18 A comfortable work environment 1.27 Re-structuring your remuneration according to your own needs

Furthermore, to check for validity and reliability of the extracted factors, the Cronbach Alpha for each factor was calculated. Table 5.3 shows the Cronbach Alpha for each reward factor.

**Table 5.3: Internal consistency statistics for reward categories summated scores**

Internal consistency statistics for reward categories' summated scores.			
Reward	Cronbach's Alpha coefficient		
	Importance	Satisfaction	Attract, retain and motivate
Benefits	0.77	0.62	0.84
Performance recognition and career management	0.70	0.71	0.88
Base pay	0.50	0.52	0.84
Quality work environment	0.37	0.47	0.84

According to Neuman (2014) the Cronbach Alpha of above 0.7 is considered acceptable, 0.50 and 0.60 is considered as significant and 0.50 and below is considered unacceptable. The recorded Cronbach Alpha coefficients are generally acceptable. Benefits for importance and

performance recognition and career management for importance have an adequate internal consistency since their Cronbach Alpha coefficient are 0.77 and 0.70, respectively, which is regarded as acceptable. For satisfaction, the Cronbach Alpha coefficient for performance recognition and career management (0.71), and for benefits (0.62) are acceptable, and significant (0.52) for base pay. However, the Cronbach Alpha on Satisfaction for quality work environment (0.47) is unacceptable as it is below 0.50. All the reward items (benefits, performance recognition and career management, base pay and quality work environment) for attraction, retention and motivation are all above 0.8 which is considered a good summated score (Sekaran and Bougie, 2010). Even though the Cronbach Alpha coefficients for base pay and quality work environment for importance and satisfaction have Cronbach Alpha coefficients less than the recommended minimum value, we still retain them in the calculations for summated scores. According to Sekaran and Bougie (2010) if the majority of the factors have Cronbach Alpha coefficients which are good, including weaker factors will not jeopardise internal validity and reliability of the factors.

#### **5. 4 Results of descriptive statistics**

Descriptive statistics were used to analyse and describe data collected in order to present findings in an understandable manner such as in percentages, mean and standard deviation. Furthermore, descriptive statistics were used to generate the mean in order to show the relative effect of the impact of rewards categories on the institution's ability to attract, retain and motivate academics. Table 5.4 shows descriptive statistics generated to report the biographic/demographic variables and results in percentages.

##### **5.4.1 Biographical/demographic profile of the respondents**

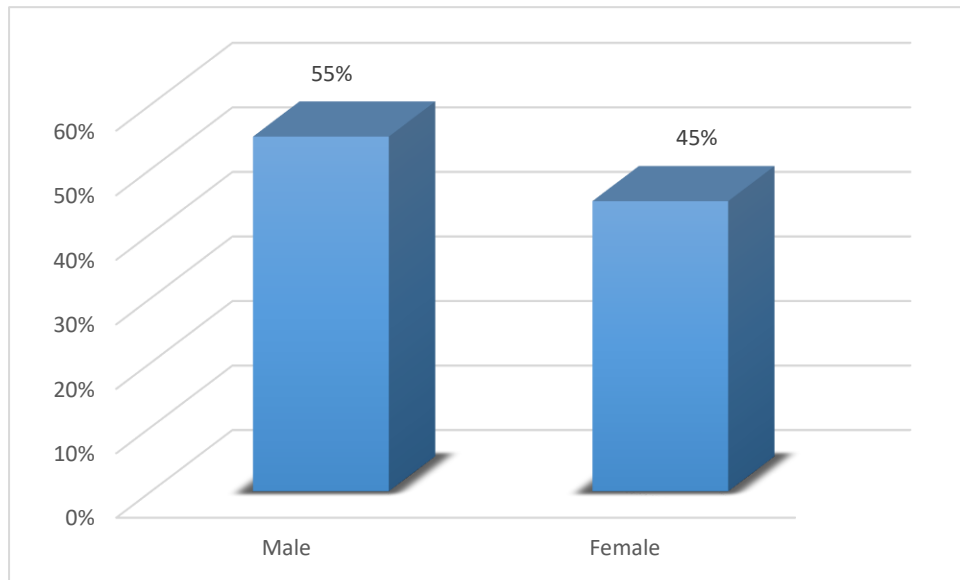
A summary of the respondents' biographical/demographic elements, which includes gender, age, race, marital status, education level, number of household members, household monthly income, job level, Conditions of service (CoS), pension/provident fund, years of service in current employment and medical aid is indicated in Table 5.4

**Table 5.4: Summary of biographical/demographic profile of the respondents**

Biographic/Demographic variable	Sub-category	Total	
		N	%
<b>Gender</b>	Male	61	55
	Female	50	45
<b>Age (years)</b>	18-28	20	18
	29-38	20	18
	39-48	34	30.6
	49-59	31	27.9
	60+	6	5.4
<b>Race</b>	White	22	19.8
	Black	65	58.6
	Indian	23	20.7
	Coloured	1	0.9
<b>Marital Status</b>	Married/living together	57	51.4
	Single	39	35.1
	Divorced	8	7.2
	Separated	2	1.8
	Widowed	5	4.5
<b>Highest education level</b>	Bachelor's Degree	1	0.9
	Post-graduate	6	5.4
	Masters	43	38.7
	PhD	61	55
<b>Household members</b>	One	12	10.8
	Two	22	19.8
	Three	28	25.2
	Four	49	44.1
<b>Household monthly income</b>	R12000-R19999	15	13.5
	R20000+	96	86.5
<b>Job level</b>	Developmental Lecturer	25	22.5
	Lecturer	47	42.3
	Senior Lecturer	19	17.1
	Associate Professor	9	8.1
	Professor	11	9.9
<b>Conditions of Service</b>	January 2012	70	63.1
	February 2006	14	12.6
	January 2004	24	21.6
	July 2004	3	2.7
<b>Pension/Provident Fund</b>	UNRF	91	82.9
	ABSA	16	14.4
	GEPF	3	2.7
<b>Years of service in current employment</b>	0-2 Years	23	20.7
	3-4 years	28	25.2
	5-10 years	29	26.1
	10 years+	31	27.9
<b>Medical aid</b>	UKZNMS	86	77.5
	BONITAS	25	22.5
<b>n, number of respondent per sub-category</b>			
<b>n=111</b>			

#### 5.4.1.1 Gender

Figure 5.1, shows that 55% of the respondents were males and 45% were females. This implies that there is an equitable split between gender in the sample and findings can be generalized across gender.

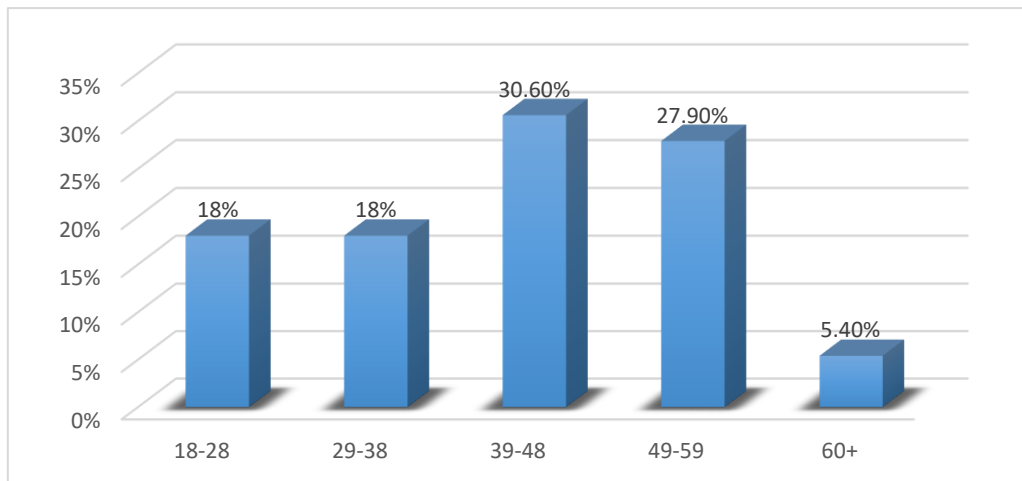


**Figure 5.1: Gender**

#### 5.4.1.2 Age

Figure 5.2 shows that the largest age group of respondents was between 39 years and 48 years (30.6%), followed by the age group 49 years to 59 years (27.9%), this was followed by the respondents between ages 18 years and 28 years (18%), furthermore followed by the group 29 years to 38 years (18%). The oldest respondents 60 years and above (5.4%) made up the smallest grouping of respondents.

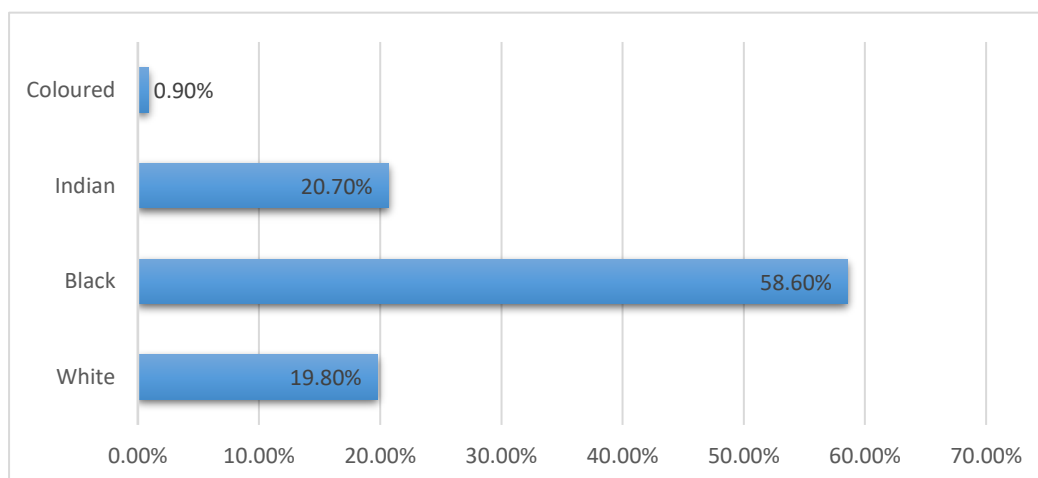




**Figure 5.2: Age**

#### 5.4.1.3 Race

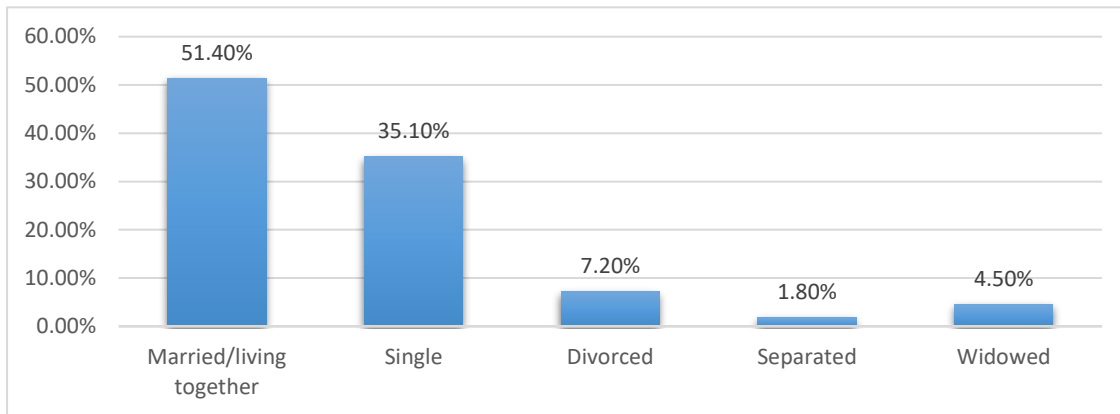
In terms of race, African academics made up the majority of the sample (58.6%). Whereas only 0.9% of respondents were Coloureds. Indians made up 20.70% and Whites made up 19.80%.



**Figure 5.3: Race**

#### 5.4.1.4 Marital Status

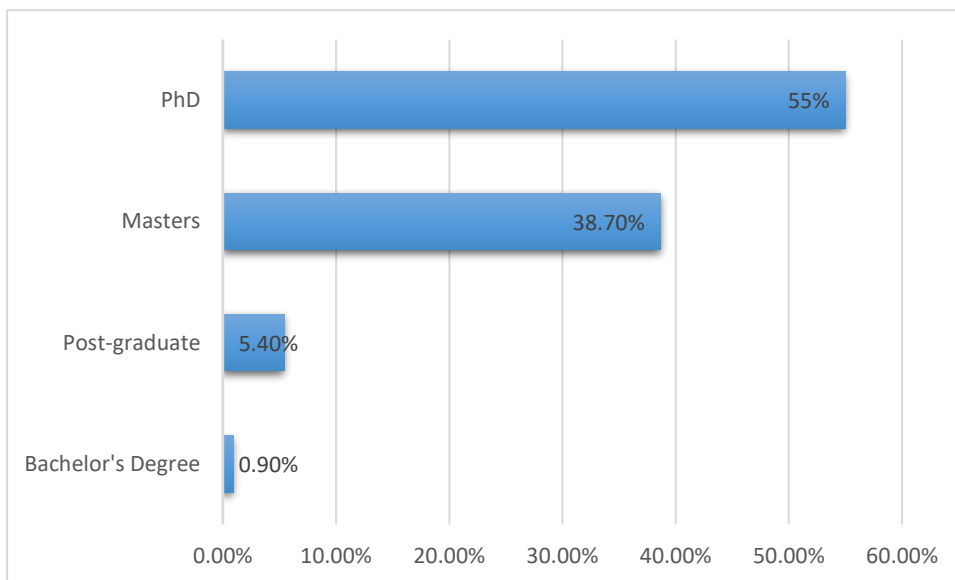
The largest group of respondents (51.4%) were married or living together with their partners. The second largest group (35.1%) identified themselves as single, 7.2% are divorced, 4.5% are widowed and only 1.8% of the respondents which were the least were still legally married but not living together.



**Figure 5.4: Marital status**

#### 5.4.1.5 Highest educational level

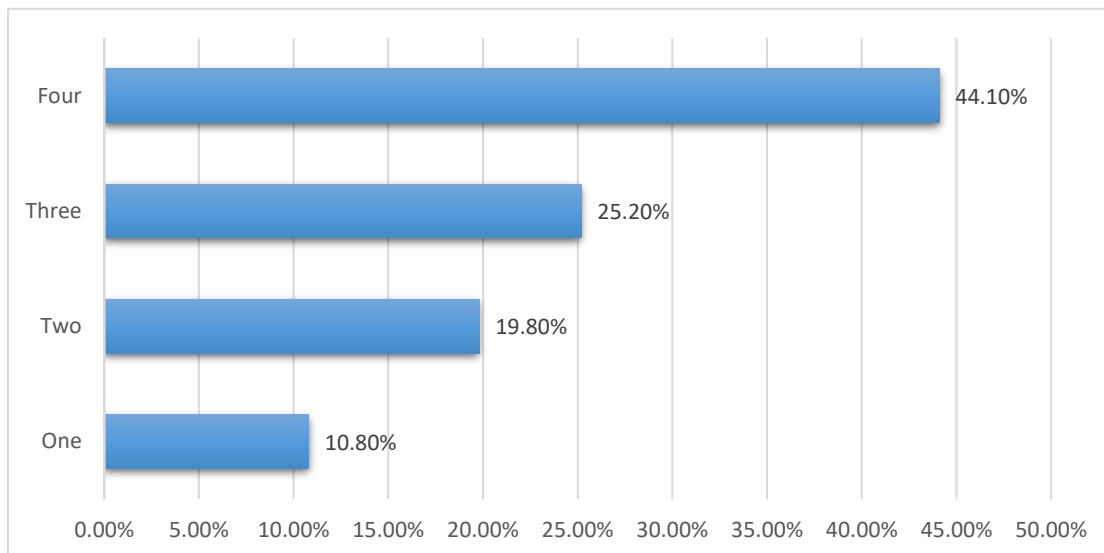
In terms of the academic qualification of the respondents, the majority of the respondents (55%) were highly qualified as they indicated that they have PhD's, 38.7% indicated they had Masters, 5.4% had Post-graduate degrees and only 0.9% had a Bachelors' degree as shown in Figure 5.5.



**Figure 5.5: Highest educational level**

#### 5.4.1.6 Household members

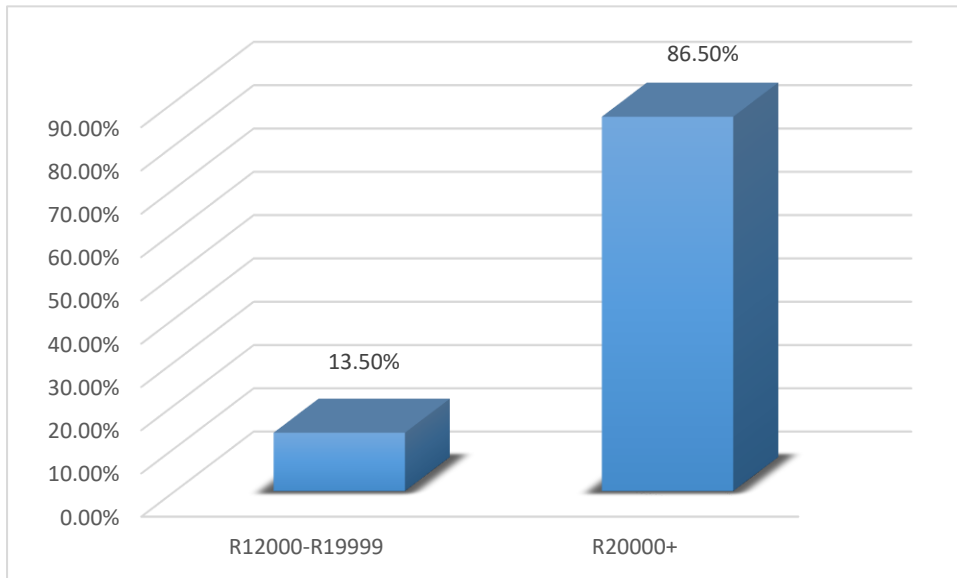
Figure 5.6 shows that about 44.1% of the respondents indicated that they had four household members, 55.8% of the respondents had three or less household members.



**Figure 5.6: Household members**

#### 5.4.1.7 Household monthly income

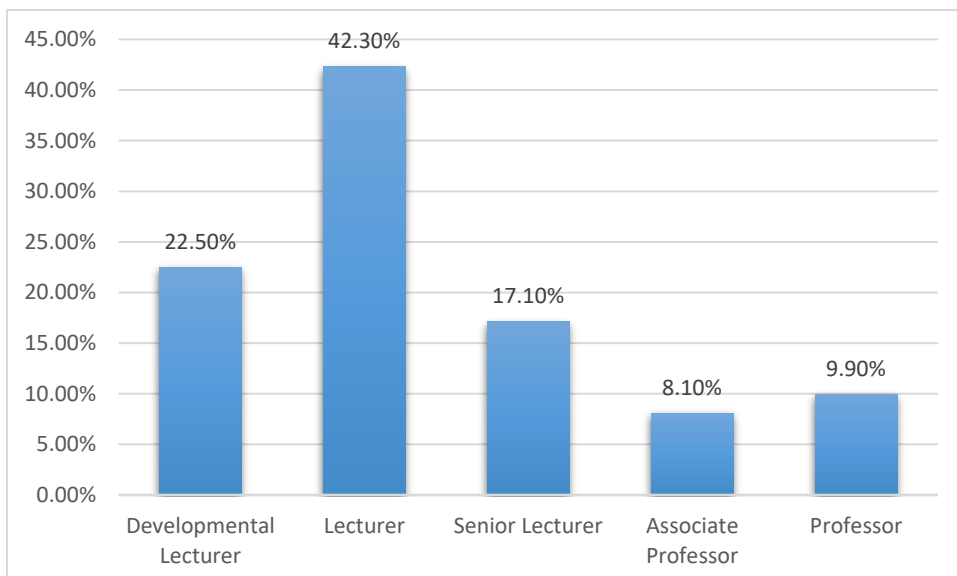
Figure 5.7 shows that the majority (86.5%) of the respondents indicated that they earned R20,000 and more whilst 13% of the respondents indicated that they earned lower than R20,000 which is not surprising as the majority of respondents indicated that they are Lecturers.



**Figure 5.7: Household monthly income**

#### 5.4.1.8 Job level

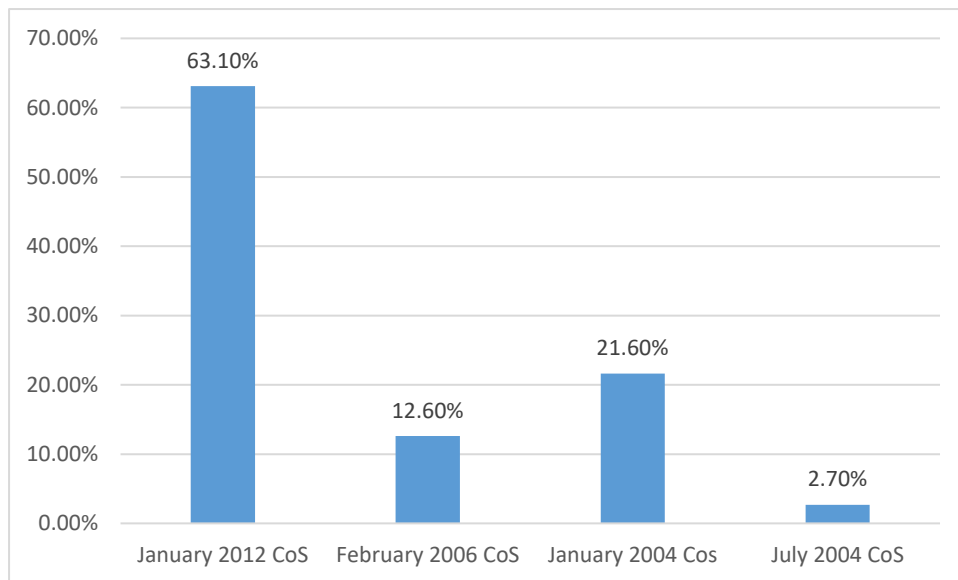
Figure 5.8 shows that the largest group (42.3%) of the respondents indicated that they were Lecturers, 22.5% indicated that they were Developmental Lecturers, 17.1% indicated that they were Senior Lecturers, 9.9% indicated that they were Professors and the least group 8.1% indicated that they were Associate Professors.



**Figure 5.8: Job level**

#### 5.4.1.9 Conditions of service

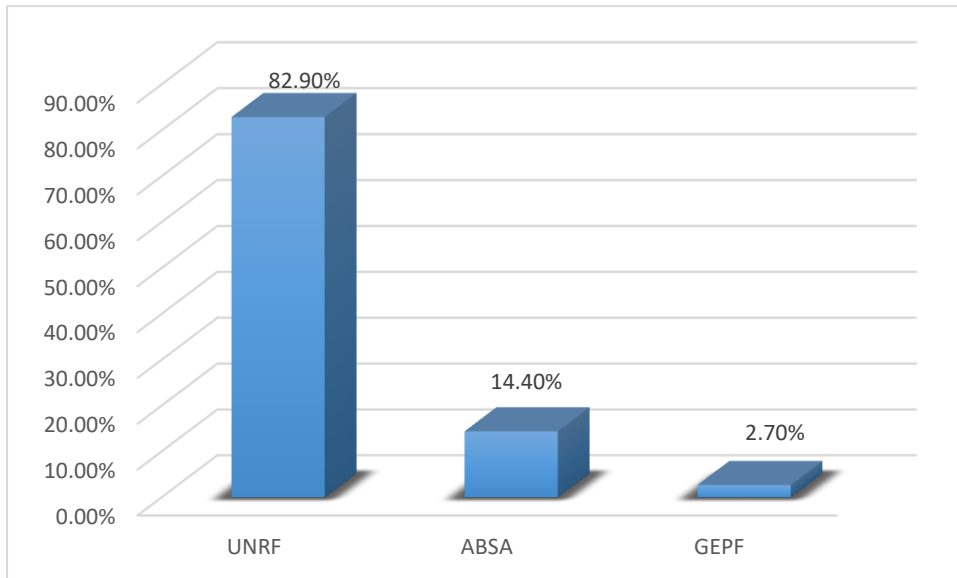
Figure 5.9 shows that the majority of the respondents (63.1%) indicated that they were under the 2012, CoS which are regarded as the new CoS as they were implemented in 2012 and the least respondents (2.7%) indicated that they were under the July 2004, CoS which are regarded as the old CoS as they were implemented in 2004.



**Figure 5.9: Conditions of service**

#### 5.4.1.10 Pension/Provident Fund

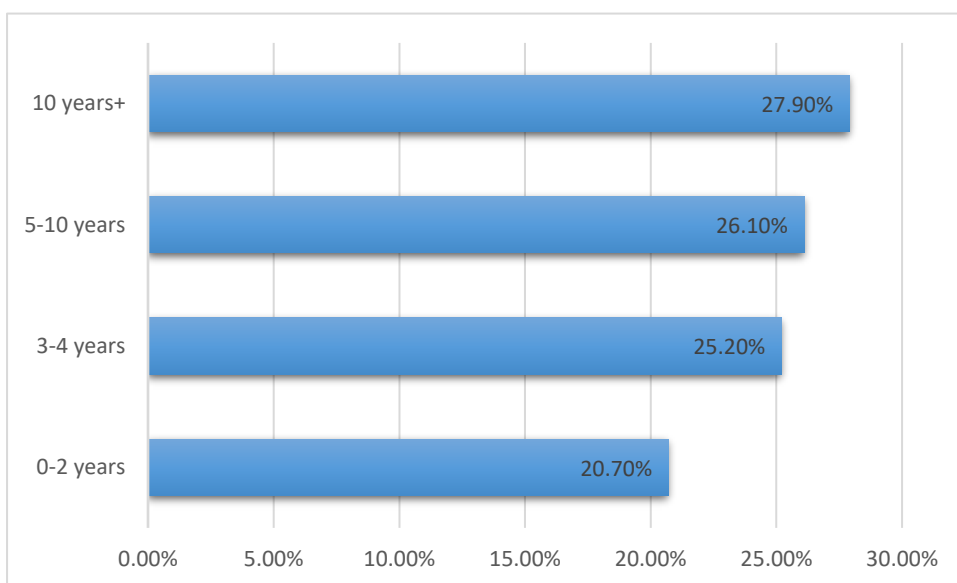
When asked for the pension and provident fund information, the majority of the respondents (82.9%) indicated that they were under the University Retirement Fund (UNRF), 14.4% indicated that they were under ABSA, while 2.7% indicated that they were under the Government Employees Pension Fund (GEPF).



**Figure 5.10: Pension/Provident fund**

#### **5.4.1.11 Years of service**

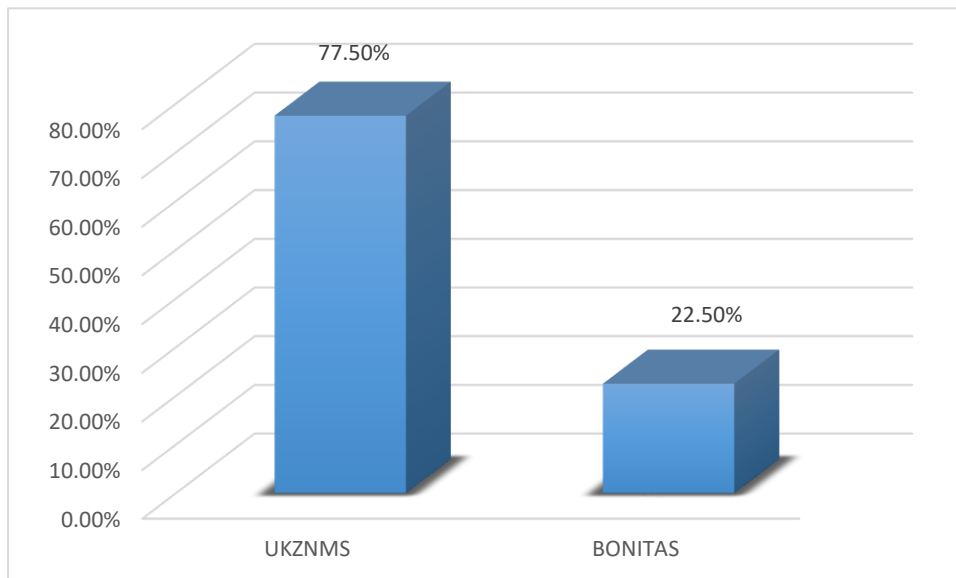
Figure 5.11 shows that the majority of the respondents, about 31 of the respondents (27.9%), indicated that they have been working at the University for 10 years and longer, 29 of the respondents (26.1%) indicated that they have been working at the University for 5 to 10 years, 28 of the respondents (25.5%) indicated that they have been working for 3 to 5 years and 23 of the respondents (20.7) indicated that they have been working at the University for 2 years and less.



**Figure 5.11: Years of service in current employment**

#### 5.4.1.12 Medical aid

Figure 5.12 shows that the majority of the respondents (77.5%) indicated that they were under the UKZN Medical Scheme and 22.5% indicated that they were under Bonitas Medical Scheme.



**Figure 5.12: Years of service in current employment**

### 5.5 Rewards and attraction, retention and motivation

In order to investigate the impact of the factors on the institutions ability to attract, retain and motivate academics at UKZN, the respondents were asked to indicate which of the reward categories attract, retain and motivate them. The reward factors are ranked in terms of the highest mean scores on importance. The responses were categorised using the Likert scale 1-5, corresponding to the Likert scale used in the questionnaire, where 1 = Not important at all and 5 = Extremely important. They were then standardised so that strongly agree and agree summated scores are combined, neutral is reported alone and disagree and strongly disagree summated scores are also combined. This provides an answer to the study's question on the extent in which reward categories offered by UKZN have the ability to attract, retain and motivate academics. The following tables indicates how each of the 4 distinguished reward factors (performance recognition and career management, quality work environment, base pay and benefits) impact on the institution's ability to attract (Table 5.5), retain (Table 5.6) and motivate (Table 5.7) academics.

### 5.5.1 Rewards and attraction

In terms of the impact of the reward categories on the institution's ability to attract academics, Table 5.5 shows that 91% of respondents strongly agree that benefits impact on the institution's ability to attract academics, 78% of respondents strongly agree that quality work environment and base pay impact on the institution's ability to attract academics and 61% of respondents strongly agree that performance recognition and career management impact on the institution's ability to attract academics. On the other hand, some of the respondents indicated that they strongly disagreed that performance recognition and career management (28%), base pay (23%) and quality work environments (18%) impact on the institution's ability to attract academics. Furthermore, a few of the respondents are neutral that performance recognition and career management (22%), quality work environment (15%), base pay (10%) and benefits (12%) have an impact on the institution's ability to attract academics. It can be concluded that benefits, base pay, quality work environment and performance recognition, and career management have an impact on UKZN's ability to attract academics.

**Table 5.5: Reward factors on the institution's ability to attract academics to UKZN**

Area of impact	Factor	Strongly agree or agree (%)	Neutral (%)	Disagree or strongly disagree (%)	Mean
<b>Attract</b>	Performance recognition and career management	61	22	28	2.42
	Quality work environment	78	15	18	2.18
	Base pay	78	10	23	2.12
	Benefits	91	12	8	1.90

### 5.5.2 Rewards and retention

Table 5.6 shows that the majority of the respondents strongly agree that benefits (84%), quality work environment (77%), base pay (65%) and performance recognition and career management (60%) impact on the institution's ability to retain academics with benefits being the most rated reward category. On the contrary, the respondents strongly disagree that performance recognition and career management (26%), base pay (18%) and quality work environments (18%) and benefits (6%) impact on the institution's ability to retain academics.



The respondents indicated that they are neutral that performance recognition and career management (25%), quality work environment (16%) and base pay (28%) and benefits (21%) impact on the institutions ability to retain academics. It can be concluded that benefits, base pay, quality work environment and performance recognition, and career management have an impact on UKZN's ability to retain academics.

**Table 5.6: Reward factors on the institution's ability to retain academics at UKZN**

Area of impact	Factor	Strongly agree or agree (%)	Neutral (%)	Disagree or strongly disagree (%)	Mean
<b>Retain</b>	Performance recognition and career management	60	25	26	2.41
	Base pay	65	28	18	2.28
	Quality work environment	77	16	18	2.28
	Benefits	84	21	6	1.96

### 5.5.3 Rewards and motivation

Table 5.7 shows that the majority of respondents indicated that benefits (80%) and quality work environment (78%), are the most highly valued reward categories to impact on the institution's ability to motivate employees.

**Table 5.7: Reward factors on the institution's ability to motivate academics at UKZN**

Area of impact	Factor	Strongly agree or agree (%)	Neutral (%)	Disagree or strongly disagree (%)	Mean
<b>Motivate</b>	Performance recognition and career management	67	22	22	2.31
	Base pay	73	15	23	2.26
	Quality work environment	78	13	20	2.26
	Benefits	80	20	11	2.14

Furthermore, the 4 rewards categories as indicated in Table 5.5, Table 5.6 and Table 5.7 were ordered from highest to lowest based on the mean scores reflecting the order of effectiveness in attracting, retaining and motivating academics at UKZN. From Table 5.5, performance

recognition and career management has the highest mean for attraction (mean=2.42), retention (mean=2.41) and motivation (mean=2.31) respectively which suggests that performance recognition and career management strongly attract, retain and motivates academics at UKZN. Base pay has a high impact on retention (mean = 2.28) and motivation (mean = 2.26) of academics whereas benefits have the lowest impact on attraction (1.90), retention (1.96) and motivation (mean = 2.14) of academics. Furthermore, quality work environment has a high impact on retaining (2.28) and a low impact on motivating (mean = 2.26) academics. It should be noted that the majority of respondents rated performance recognition and career management as the highest reward that impacts on the institution's ability to attract (mean = 2.42), retain (mean = 2.41) and motivate (mean = 2.31) academics.

## **5.6 Rewards and importance, satisfaction and attraction, retention and motivation**

In order to investigate the importance of rewards, how satisfied the academics are with the rewards offered to them by UKZN and their effect on attraction, retention and motivation of academics at UKZN, the respondents were requested to indicate which of the rewards were important to them, which of the rewards satisfied them and which of the rewards attract, retain and motivate them.

### **5.6.1 Rewards and importance**

In order to investigate the importance of rewards offered by UKZN, the respondents were asked to indicate which of the rewards were important to them. To achieve this, the responses were categorised using the Likert scale 1-5, corresponding to the Likert scale used in the questionnaire, where 1 = Not important at all and 5 = Extremely important. The results were standardised to present the extremely important/important (high scores) as positive. The response 'not important/unimportant' were combined and presented as negative. The neutral responses were retained as neutral. Table 5.8 indicates the descriptive statistics for the reward category summated scores and provides an answer to the study's question on which rewards the respondents find important to them.

**Table 5.8: The influence of reward categories on importance**

Impact of rewards	Factor	Mean	Standard deviation	Positive (%)	Neutral (%)	Negative (%)
<b>Importance</b>	Base pay	4.57	0.60	0	5.4	94.6
	Quality work environment	4.38	0.73	0.9	11.7	87.4
	Benefits	3.95	0.97	9.0	17.1	73.9
	Performance recognition and career management	3.82	0.93	6.3	23.4	70.3

As shown in Table 5.8, all reward categories are rated by the respondents as not important to them because the majority (between 70% and 95%) of the respondents rated the reward categories negatively as being important to them. Base pay (94.6%) is the least important reward category, followed by quality work-environment (87.4%), benefits (73.9%) and performance recognition and career management (70.3%). Furthermore, the reward factors are ranked in terms of the highest mean scores on importance and all the factors have mean score range of 3.5 – 5 indicating that the respondents strongly disagree that benefits (mean = 3.95), performance recognition and career management (mean = 3.82), base pay (mean = 4.57) and quality work environment (mean = 4.38) are important to them.

### 5.6.2 Rewards and satisfaction

In order to investigate how satisfied the academics at UKZN are with the rewards offered to them by UKZN, the respondents were asked to indicate which of the rewards satisfied them. To achieve this, the reward factors are ranked in terms of the highest mean scores on satisfaction. The responses were categorised using the Likert scale 1-5, corresponding to the Likert scale used in the questionnaire, where 1 = Very satisfied and 5 = Very dissatisfied. The results were standardised to present satisfied/very satisfied (higher scores) as positive. The response dissatisfied/very dissatisfied (lower scores) were combined and presented as negative. The neutral responses were retained as neutral. Table 5.9 indicates the descriptive statistics for the reward category summated scores and provide an answer to the study's question on which rewards offered by UKZN satisfy the respondents.

**Table 5.9: The influence of reward categories on satisfaction**

Impact of rewards	Factor	Mean	Standard deviation	Positive (%)	Neutral (%)	Negative (%)
<b>Satisfaction</b>	Quality work environment	3.48	0.81	9	39.6	51.4
	Benefits	3.39	0.70	9.1	46.8	44.1
	Performance recognition and career management	3.14	0.69	16.2	53.2	30.6
	Base pay	3.04	0.84	24.4	43.2	32.4

As shown in Table 5.9, the majority of the respondents are not satisfied with quality work environment because they rated it negatively as compared to satisfaction (51.4%). Whereas, the majority of the respondents are neither satisfied nor dissatisfied with performance recognition and career management, benefits and base pay. Furthermore, all the factors, quality work environment (mean = 3.38), benefits (mean = 3.39), performance recognition and career management (mean = 3.14) and base pay (mean = 3.04) indicated a mean score range of 3.04 – 3.48 which shows that the respondents strongly disagree that the reward category satisfies them.

### **5.6.3 Rewards and attraction, retention and motivation**

In order to investigate the impact of rewards offered by UKZN to attract, retain and motivate academics, the respondents were asked to indicate the rewards that attract, retain and motivate them. To achieve this, the reward factors were ranked in terms of the highest mean scores on attract, retain and motivate. The responses were categorised using the Likert scale used in the questionnaire, where 1 = Strongly agree and 5 = Strongly disagree. The results were standardised to represent strongly agree and agree as positive and strongly disagree and disagree as negative. Table 5.10 indicates the descriptive statistics for the reward category summated scores and provides an answer to the study's question on which rewards attract, retain and motivates academics at UKZN.

**Table 5.10: The influence of reward categories on attraction, retention and motivation**

Impact of rewards	Factor	Mean	Standard deviation	Positive (%)	Neutral (%)	Negative (%)
<b>Attract, retain and Motivate</b>	Performance recognition and career management	2.35	1.08	58.6	22.5	18.9
	Base pay	2.23	1.04	67.6	17.1	15.3
	Quality work environment	2.22	0.97	71.2	16.2	12.6
	Benefits	1.99	0.85	80.2	13.5	6.3

Table 5.10 shows that the mean scores of benefits, performance recognition and career management, base pay and the quality of work environment are in the same range and there is no significant difference between the scores. Thus, the mean scores show that there is no major difference amongst benefits (mean = 1.99), performance recognition and career management (mean = 2.35), base pay (mean = 2.23) and the quality of work environment (mean = 2.22) in attracting, retaining and motivating the respondents. But generally they perceive all the factors as essential in attracting, retaining and motivating them since 58% or more of respondents rated positive to the factors. Furthermore, the factors have a mean score range between 1.99 – 2.35 indicating that the respondents strongly agree that the respondents are attracted, retained and motivated by the reward categories.

### **5.7 Results of Findings: Inferential Statistics**

In order to easily identify the relationship between the demographic variables and the rewards categories, a Multivariate ANOVA analysis was conducted. This allowed the identification of the demographic variables that were related to importance, satisfaction and attraction, retention and motivation of the rewards. Table 5.11 shows the results of the multivariate analyses for the importance of reward categories as the dependent variables and demographic variables as the independent variables.

**Table 5.11: Results of relationships between demographic variables and importance**

Biographical variable	Importance		
	<i>F</i>	<i>df</i> =4	<i>p value</i>
		Error	
Gender	0.55	95.00	0.70
Age	5.72	95.00	0.00***
Racial group	1.31	95.00	0.27
Marital status	0.31	95.00	0.80
Level of education	3.09	95.00	0.02***
Household members	1.22	95.00	0.31
Household income per month	1.43	95.00	0.23
Job level	4.69	95.00	0.00***
Conditions of Service	4.19	95.00	0.00***
Pension/Provident Fund	0.61	95.00	0.66
Years of service	0.21	95.00	0.94
Medical aid	0.86	95.00	0.49

Note: \*\*\* and \*\* indicate significant at 5% and 10% levels of significance respectively.

The first multivariate ANOVA (MANOVA) iteration was on *importance*. From Table 5.11, it can be seen that the effect age ( $p$ -value = 0.00), level of education ( $p$ -value = 0.02), job level ( $p$ -value = 0.00) and CoS ( $p$ -value = 0.00) are statistically significant at 5% level of significance with importance since the  $p$ -values <0.05. The effect of the other remaining demographic variables were not significant at 5% level of significance.

The second MANOVA iteration was on *satisfaction* as shown in Table 5.12. It can be noted that the effect level of education ( $p$ -value = 0.03), household income per month ( $p$ -value = 0.01) and CoS ( $p$ -value = 0.03) are statistically significant at 5% level of significance with satisfaction since the  $p$ -values <0.05. The effect of the other remaining demographic variables were insignificant at 5% level of significance.

**Table 5.12 Results of relationships between demographic variables and satisfaction**

Biographical variable	Satisfaction		
	<i>F</i>	<i>df</i> =4	<i>p value</i>
		Error	
<b>Gender</b>	2.19	95.00	0.76
<b>Age</b>	0.55	95.00	0.70
<b>Racial group</b>	1.41	95.00	0.24
<b>Marital status</b>	0.88	95.00	0.48
<b>Level of education</b>	2.76	95.00	0.03***
<b>Household members</b>	1.10	95.00	0.37
<b>Household income per month</b>	3.45	95.00	0.01***
<b>Job level</b>	0.19	95.00	0.95
<b>Conditions of Service</b>	2.92	95.00	0.03***
<b>Pension/Provident Fund</b>	1.23	95.00	0.31
<b>Years of service</b>	1.02	95.00	0.40
<b>Medical aid</b>	0.64	95.00	0.64

Note: \*\*\* and \*\* indicate significant at 5% and 10% levels of significance respectively.

The third MANOVA iteration was on *attraction, retention and motivation*. From Table 5.13, it can be seen that job level ( $p$ -value = 0.01) is statistically significant at 5% level of significance with since its  $p$ -value <0.05. It must be noted that it is the only statistical significant biographic/demographic variable. The effect of the other remaining demographic variables were insignificant at 5% level of significance.

**Table 5.13: Results of relationships between demographic variables and attraction, retention and motivation**

Biographical variable	Attract, retain, motivate		
	<i>F</i>	<i>df</i> =4 Error	<i>p value</i>
Gender	0.92	95.00	0.46
Age	2.08	95.00	0.09**
Racial group	1.61	95.00	0.18
Marital status	0.54	95.00	0.71
Level of education	0.86	95.00	0.49
Household members	1.84	95.00	0.13
Household income per month	0.70	95.00	0.59
Job level	3.41	95.00	0.01***
Conditions of Service	1.13	95.00	0.35
Pension/Provident Fund	1.56	95.00	0.19
Years of service	1.09	95.00	0.36
Medical aid	0.78	95.00	0.54

Note: \*\*\* and \*\* indicate significant at 5% and 10% levels of significance respectively.

In summary, age ( $p$ -value = 0.00) is statistically related to importance. Level of education is statistically related to importance ( $p$ -value = 0.02) and satisfaction ( $p$ -value = 0.03). Household income per month ( $p$ -value = 0.01) is statistically related to satisfaction. Job level is statistically related to importance ( $p$ -value = 0.00) and attraction, retention and motivation ( $p$ -value = 0.01). Lastly, CoS are statistically related to importance ( $p$ -value = 0.00) and satisfaction ( $p$ -value = 0.03).

Having identified the demographic variables that are likely related to the reward categories; we investigated the presence of linear relationship between each significant demographic variable and the corresponding reward variable using the univariate analyses technique. That is, for each statistically significant demographic variable, we investigated its linear relationship with the reward categories. The  $p$ -value of the F-statistic was used to determine whether to reject the null hypothesis of presence of a linear relationship.

The model's adequacy, using the coefficient of determination ( $R^2$ ) was also checked. The coefficient of determination ( $R^2$ ) measures the proportion of the variation in the dependent variable (extracted factor) that can be described by the variation in the independent variable (demographic variable under investigation). According to Keller (2009), the coefficient of determination measures the strength of the linear relationship when the researcher wants to



compare different models. Usually an  $R^2 > 0.60$  indicates that the model is good (Asuero, Sayago and Gonzalez, 2006). Table 5.11 indicates the univariate analysis of variance results on importance with the coefficient of determination ( $R^2$ ) in brackets.

**Table 5.14: Base pay and the significant demographical variables on importance**

Reward	Age		Level of Education		Job level		Conditions of Service	
	<i>F</i>	<i>p-value</i>	<i>F</i>	<i>p-value</i>	<i>F</i>	<i>p-value</i>	<i>F</i>	<i>p-value</i>
<b>Base pay</b>	13.12 (0.61)	0.00***	5.25 (0.54)	0.02***	1.44 (0.39)	0.23	0.05 (0.20)	0.82

Note: \*\*\* and \*\* indicate significant at 5% and 10% levels of significance respectively.

From Table 5.14, results indicate that base pay is linearly related to age of the respondents with  $p$ -value of the F-Statistic =  $0.00 < 0.05$ . The univariate model has  $R^2 = 0.61 > 0.60$ , this indicates that age explains 61% of the variations in response variable base pay. Therefore, the model can be regarded to be good since  $R^2 = 0.64 > 0.60$ . Results show that level of education is linearly related to base pay of the respondents with  $p$ -value of the F-Statistic =  $0.02 < 0.05$ . This is confirmed by  $R^2 = 0.54$ . The model explains that 54% of the variations in response variable base pay which is fairly good. We also observe that job level and CoS are not linearly related to base pay with  $p$ -value of the F-Statistic =  $0.23 > 0.05$  and the  $p$ -value of the F-Statistic =  $0.82 > 0.05$  for CoS. This is confirmed by the  $R^2 = 0.39$ , and  $R^2 = 0.20$ , this indicates that job level and CoS explain 39% and 20% of the variations in response variable base pay and CoS respectively. Therefore, the model can be regarded to be not good since  $R^2$  is  $<$  than 0.60 for both job level and CoS.

**Table 5.15: Benefits and the significant demographical variables on importance**

Reward	Age		Level of Education		Job level		Conditions of Service	
	<i>F</i>	<i>p-value</i>	<i>F</i>	<i>p-value</i>	<i>F</i>	<i>p-value</i>	<i>F</i>	<i>p-value</i>
<b>Benefits</b>	18.54 (0.68)	0.00***	13.90 (0.62)	0.00***	5.60 (0.59)	0.02***	11.55 (0.60)	0.00***

Note: \*\*\* and \*\* indicate significant at 5% and 10% levels of significance respectively.

The results in Table 5.15 show that age is linearly related to benefits of the respondents with  $p$ -value of the F-Statistic =  $0.00 < 0.05$ . The univariate model has  $R^2 = 0.68 > 0.60$ . This indicates that age explains 68% of the variations in response variable benefits. Therefore, the model can be regarded to be good since  $R^2 > 0.60$ . The results show that level of education is

linearly related to benefits of the respondents with  $p$ -value of the F-Statistic =  $0.00 < 0.05$ . The univariate model has  $R^2 = 0.62 > 0.60$ , this indicates that level of education explains 62% of the variations in response variable benefits. Therefore, the model can be regarded to be good since  $R^2 > 0.60$ . The results show that job level of is linearly related to benefits of the respondents with  $p$ -value of the F-Statistic =  $0.02 < 0.05$ . The univariate model has  $R^2 = 0.59$ . The model explains that 59% of the variations in response variable benefits. Therefore, the model can be regarded to be generally good since  $R^2 > 0.60$ . The results show that CoS is linearly related to benefits of the respondents with  $p$ -value of the F-Statistic =  $0.00 < 0.05$ . The univariate model has  $R^2 = 0.60 = 0.60$ , this indicates that age explains 60% of the variations in response variable benefits. Therefore, the model can be regarded to be good since  $R^2 = 0.60$ .

**Table 5.16: Performance recognition and career management and the significant demographical variables on importance**

Reward	Age		Level of Education		Job level		Conditions of Service	
	<i>F</i>	<i>p</i> -value	<i>F</i>	<i>p</i> -value	<i>F</i>	<i>p</i> -value	<i>F</i>	<i>p</i> -value
Performance recognition and career management	0.07 (0.35)	0.80	5.55 (0.58)	0.02***	3.51 (0.49)	0.06**	2.99 (0.45)	0.09**

Note: \*\*\* and \*\* indicate significant at 5% and 10% levels of significance respectively.

The results showed that level of education is linearly related to performance recognition and career management of the respondents with  $p$ -value of the F-Statistic =  $0.02 < 0.05$ . The univariate model has  $R^2 = 0.58$ , this indicates that level of education explains 58% of the variations in response variable performance recognition and career management which is regarded to be fairly good since  $R^2$  is close to 0.60. The results showed that job level was not linearly related to performance recognition and career management of the respondents with  $p$ -value of the F-Statistic =  $0.06 > 0.05$ . The univariate model has  $R^2 = 0.49 < 0.60$ , this indicates that job level explains 49% of the variations in response variable performance recognition and career management. Therefore, the model could be regarded as not good at  $p$ -value = 0.05 since  $R^2$  is  $< 0.60$ . Furthermore, age and CoS are not linearly related to performance recognition and career management with  $p$ -values of the F-Statistic all  $> 0.05$ . The univariate model for age and CoS has  $R^2 < 0.60$ , this indicated that age explained 35% of the variations in response variable performance recognition and career management and CoS explains 45%

of the variations in response variable performance recognition and career management. Therefore, the model could be regarded as not good at  $p$ -value = 0.05 and since  $R^2$  is < 0.60.

**Table 5.17: Quality work environment and the significant demographical variables on importance**

Reward	Age		Level of Education		Job level		Conditions of Service	
	<i>F</i>	<i>p</i> -value	<i>F</i>	<i>p</i> -value	<i>F</i>	<i>p</i> -value	<i>F</i>	<i>p</i> -value
<b>Quality work environment</b>	3.49 (0.49)	0.07**	1.06 (0.35)	0.31	15.15 (0.64)	0.00***	15.67 (0.66)	0.00***

Note: \*\*\* and \*\* indicate significant at 5% and 10% levels of significance respectively.

The results from Table 5.17 show that job level is linearly related to quality work environment of the respondents with  $p$ -value of the F-Statistic = 0.00 < 0.05. The univariate model has  $R^2 = 0.64 > 0.60$ , this indicates that job level explains 64% of the variations in response variable quality work environment. Therefore, the model can be regarded to be good since  $R^2 > 0.60$ . The results also indicate that age and level of education is not linearly related with  $p$ -value of the F-Statistic > 0.05. The univariate model has  $R^2 < 0.60$ , this indicates that age explains 49% and level of education explains 35% and CoS explains of the variations in response variable quality work environment. Therefore, the model can be regarded as not good at  $p$ -value = 0.05 since  $R^2 < 0.60$ .

In summary, age has a statistically significant relationship with base pay ( $p$ -value = 0.00) and benefits ( $p$ -value = 0.00) on importance because their  $p$ -values < 0.05. Level of education has a statistically significant relationship with base pay ( $p$ -value = 0.02), benefits ( $p$ -value = 0.00) and performance recognition and career management ( $p$ -value = 0.02) on importance because their  $p$ -values < 0.05. Job level has a statistically significant relationship with benefits ( $p$ -value = 0.02) and quality work environment ( $p$ -value = 0.00) on importance because their  $p$ -values < 0.05. Lastly, CoS have a statistically significant relationship with benefits ( $p$ -value = 0.00) and quality work environment ( $p$ -value = 0.00) on importance because their  $p$ -values < 0.05.

The presence of linear relationship between each significant demographic variable and the corresponding reward variable using the univariate analyses technique for satisfaction was investigated. Table 5.18 indicates the univariate analysis of variance results on satisfaction with the coefficient of determination ( $R^2$ ) in brackets. The  $p$ -value of the F-statistic was used to determine whether to reject the null hypothesis of presence of a linear relationship.

**Table 5.18: Rewards and the significant demographical variables on satisfaction**

Reward	Level of education		Household income per month		Conditions of Service	
	<i>F</i>	<i>p</i> -value	<i>F</i>	<i>p</i> -value	<i>F</i>	<i>p</i> -value
<b>Base pay</b>	0.26 (0.32)	0.61	6.50 (0.64)	0.01***	0.85 (0.42)	0.34
<b>Benefits</b>	0.01 (0.15)	0.92	1.24 (0.41)	0.27	0.27 (0.32)	0.61
<b>Performance recognition and career management</b>	1.74 (0.39)	0.19	2.63 (0.43)	0.11	4.19 (0.51)	0.04***
<b>Quality work environment</b>	3.65 (0.58)	0.06**	1.19 (0.40)	0.28	1.65 (0.39)	0.20

Note: \*\*\* and \*\* indicate significant at 5% and 10% levels of significance respectively.

The univariate ANOVA results for the significant demographical variables (age, level of education, job level and CoS) on satisfaction iteration are shown in Table 5.18.

From Table 5.18, results indicate that household income is linearly related to base pay of the respondents with  $p$ -value of the F-Statistic =  $0.01 < 0.05$ . The univariate model has  $R^2 = 0.64 > 0.60$ , this indicates that household income explains 64% of the variations in response variable base pay. Therefore, the model can be regarded to be good since  $R^2 > 0.60$ . On the other hand, the results indicate that level of education and Cos are not linearly related with  $p$ -value of the F-Statistic  $> 0.05$ . The univariate model has  $R^2 < 0.60$ , this indicates that level of education explains 32% and CoS explains 42% of the variations in response variable base pay. Therefore, the model can be regarded as not good at  $p$ -value = 0.05 since  $R^2 < 0.60$ .

The results indicate that level of education, household income per month and CoS are not linearly related with  $p$ -value of the F-Statistic  $> 0.05$ . The univariate model has  $R^2 < 0.60$ , this indicates that level of education explains 15%, household income per month explains 41% and CoS explains 32% of the variations in response variable benefits. Therefore, the model can be regarded as not good at  $p$ -value = 0.05 since  $R^2 < 0.60$ .

The results indicate that CoS income are linearly related to performance recognition and career management of the respondents with  $p$ -value of the F-Statistic =  $0.04 < 0.05$ . The univariate model has  $R^2 = 0.51 > 0.60$ , this indicates that CoS income explains 51% of the variations in response variable performance recognition and career management. Therefore, the model can be regarded to be good since  $R^2 > 0.60$ . The results indicate that level of education and household income per month is not linearly related with  $p$ -value of the F-Statistic  $> 0.05$ . The

univariate model has  $R^2 < 0.60$ , this indicates that level of education explains 39% and household income per month explains 43% of the variations in response variable performance recognition and career management. Therefore, the model can be regarded as not good at  $p$ -value = 0.05 since  $R^2 < 0.60$ .

The results indicates that level of education, household income per month and CoS are not linearly related with  $p$ -value of the F-Statistic  $> 0.05$ . The univariate model has  $R^2 < 0.60$ , le this indicates that level of education explains 39%, household income per month explains 43% and CoS explains 51% of the variations in response variable quality work environment. Therefore, the model can be regarded as not good at  $p$ -value = 0.05 since  $R^2 < 0.60$ .

In summary, household income per month has a statistically significant relationship with base pay ( $p$ -value = 0.01) and CoS ( $p$ -value = 0.04) have a statistically significant relationship with performance recognition and career management with satisfaction because their  $p$ -values  $< 0.05$ .

We also investigated the presence of a linear relationship between each significant demographic variable and the corresponding reward variable using the univariate analyses technique for attract, retain and motivate. Table 5.19 indicates the univariate analysis of variance results on satisfaction with the coefficient of determination ( $R^2$ ) in brackets. The  $p$ -value of the F-statistic was used to determine whether to reject the null hypothesis of presence of a linear relationship.

**Table 5.19: Rewards and the significant demographical variables on attraction, retention and motivation.**

Reward	Job level	
	$F$	$p$ -value
Base pay	6.83 (0.62)	0.01***
Benefits	7.2 (0.60)	0.01***
Performance recognition and career management	0.17 (0.39)	0.69
Quality work environment	0.12 (0.35)	0.73

Note: \*\*\* and \*\* indicate significant at 5% and 10% levels of significance respectively.

Table 5.19 results indicate that job level is linearly related to base pay and benefits with  $p$ -values of the F-Statistic = 0.01  $< 0.05$  for both base pay and benefits. The univariate model has  $R^2 = 0.62 > 0.60$ , this indicates that job level explains 62% of the variations in response variable base pay. Also, the univariate model has  $R^2 = 0.60 = 0.60$ , this indicates that job level

explains 60% of the variations in response variable benefits. Therefore, the model can be regarded to be good since  $R^2 > 0.60$ .

On the other hand, the results indicate that job level is not linearly related with  $p$ -value of the F-Statistic  $> 0.05$ . The univariate model has  $R^2 < 0.60$ , this indicates that job level explains 39% and 35% of the variations in response variable base pay and benefits respectively. Therefore, the model can be regarded as not good at  $p$ -value = 0.05 since  $R^2 < 0.60$ .

In summary, job level has a statistically significant relationship with base pay ( $p$ -value = 0.01) and benefits ( $p$ -value = 0.01) on attract, retain and motivate because their  $p$ -values  $< 0.05$ .

Cohen's  $d$  statistic was used to accompany reporting of the  $t$ -test and ANOVA results. The Cohen's  $d$  statistic was used to indicate the standardised differences between two means as the Cohen's  $d$  statistic offers an effective way of indicating statistical significance (Peng and Chen, 2014).

A small practically significant difference can be seen when Cohen's  $d$  statistic falls in the interval  $0.20 < |d| < 0.50$  and a moderate practically significant difference is found when Cohen's  $d$  statistic falls in the interval  $0.50 < |d| < 0.80$ . While a very large significant difference is found when Cohen's  $d$  statistic falls in the interval  $0.80 < |d| < 1.30$ . Table 5.20 shows statistics for rewards (base pay) related to demographic variable (age) on importance.

**Table 5.20: Base pay related to age**

Reward category by demographic variable	Sub-category	$n$	Mean	$sd$	Mean differences (above diagonal) and Cohen's $d$ values				
Base pay by age					1	2	3	4	5
	18-28	20	4.85	0.366		0.25	0.64	0.73	1.82
	29-38	20	4.75	0.444	0.25		0.42	0.55	1.34
	39-48	34	4.53	0.563	0.71	0.45		0.21	0.66
	49-59	31	4.39	0.761	0.84	0.62	0.21		0.30
	60+	6	4.17	0.408	1.71	1.40	0.83	0.46	

Table 5.20 shows that academics in the age group 18-28 perceive base pay as less important (Cohen's  $d$ -value = 0.25) than age group 29-38 since the Cohen's  $d$ -value for age group 18-28 is in the range  $0.20 < |d| < 0.50$ . The age group 18-28 perceive base pay as more important (Cohen's  $d$ -value = 0.64) than the age group 39-48 and 49-59 since the Cohen's  $d$ -value lies within the range  $0.50 < |d| < 0.80$ . Also, the age group 18-28 perceive base pay as extremely

important (Cohen's  $d$ -value = 1.82) than the age group 60+ since the Cohen's  $d$ -value  $|d| > 1.30$ . Therefore, the younger the academics (18-28) the more important is base pay compared to ages 39-48, 49-59 and 60+. Table 5.21 shows statistics for rewards (benefits) related to demographic variable (age) on importance

**Table 5.21: Benefits related to age**

Reward category by demographic variable	Sub-category	$n$	Mean	$sd$	Mean differences (above diagonal) and Cohen's $d$ values				
Benefits by age					1	2	3	4	5
	18-28	20	4.50	0.688		0.14	0.94	1.10	0.52
	29-38	20	4.40	0.754	0.14		0.76	0.99	0.33
	39-48	34	3.88	0.640	0.92	0.73		0.57	0.46
	49-59	31	3.32	1.249	1.24	1.10	0.56		0.72
	60+	6	4.17	0.408	0.68	0.46	0.63	1.35	

Table 5.21 shows that academics in the age group 18-28 perceive benefits as less important (Cohen's  $d$ -value = 0.14) than age group 29-38 since the Cohen's  $d$ -value for age group 18-28 is in the range  $0.20 > |d|$ . Academics in the age group 18-28 perceive benefits as very important (Cohen's  $d$ -value = 0.94) than age group 39-48 since the Cohen's  $d$ -value for age group 18-28 lies in the range  $0.80 < |d| < 1.30$ . The age group 18-28 perceive benefits as very important (Cohen's  $d$ -value = 1.10) than age group 49-59 since the Cohen's  $d$ -value for age group 18-28 is in the range  $0.80 < |d| < 1.30$ . Also, academics in the age group 18-28 perceive benefits as moderately important (Cohen's  $d$ -value = 0.52) than the age group 60+ since the Cohen's  $d$ -values for age group 18-28 lies in the range  $(0.50 < |d| < 0.80)$ . Therefore, age group 18-28 perceive benefits as more important than the age groups 39-48, 49-59 and 60+ which suggests that younger age groups (18-28) perceive benefits as more important than the older age groups (39-48, 49-59 and 60+). Table 5.22 shows statistics for rewards (base pay) related to demographic variable (level of education) on importance.

**Table 5.22: Base pay related to level of education**

Reward category by demographic variable	Sub-category	<i>n</i>	Mean	<i>sd</i>	Mean differences (above diagonal) and Cohen's <i>d</i> values				
Base pay by level of education					1	2	3	4	5
	Bachelor's degree	1	5.00	0.00		0.41	0.62	0.84	
	Post Graduate	6	4.83	0.408			0.31	0.59	
	Masters	43	4.67	0.522		0.37		0.36	
	PhD	61	4.46	0.647		0.86	0.37		

Table 5.22 shows that academics with Bachelor's degree perceive base pay as less important (Cohen's *d*-value = 0.41) than academics with Post Graduate degree since the Cohen's *d*-value for academics with Bachelor's degrees is in the range  $0.20 < |d| < 0.50$ . Academics with Bachelor's degrees perceive base pay as more important (Cohen's *d*-value = 0.62) than the academics with Masters' degree since the Cohen's *d*-value for academics with Bachelor's degrees is in the range  $0.50 < |d| < 0.80$ . Academics with Bachelor's degrees perceive base pay as very important (Cohen's *d*-value = 0.84) than the academics with PhD's since the Cohen's *d*-value for academics with Bachelor's degrees is in the range  $0.80 < |d| < 1.30$ . Therefore, academics with Bachelor's degrees perceive base pay as very important as academics with Masters and PhD's, which suggest that the lower the level of education, the more important is base pay. Table 5.23 shows statistics for rewards (benefits) related to demographic variable (level of education) on importance

**Table 5.23: Benefits related to level of education**

Reward category by demographic variable	Sub-category	<i>n</i>	Mean	<i>sd</i>	Mean differences (above diagonal) and Cohen's <i>d</i> values				
Benefits by level of education					1	2	3	4	5
	Bachelor's degree	1	3.00	0.000		2.74	2.24	0.56	
	Post Graduate	6	4.50	0.548			0.17	0.89	
	Masters	43	4.40	0.623		0.19		0.89	
	PhD	61	3.59	1.055		1.49	0.97		

Table 5.23 shows that academics with Bachelor's degrees perceive benefits as extremely important (Cohen's *d*-value = 2.74) than academics with Post-graduate degrees since the



Cohen's  $d$ -value for academics with Bachelor's degrees is greater than  $|d|>1.30$ . Similarly, Academics with Bachelor's degrees perceive benefits as extremely important (Cohen's  $d$ -value = 2.24) than academics with Masters Degrees since the Cohen's  $d$ -value for academics with Bachelor's degrees is greater than  $|d|>1.30$ . Furthermore, Academics with Bachelor's degrees perceive as more important (Cohen's  $d$ -value =0.56) than academics with PhD's since the Cohen's  $d$ -value for academics with Bachelor's degrees is in the range  $0.50<|d|>1.30$ . Therefore, academics with Bachelor's degrees perceive benefits as more important than academics with Post Graduate degrees, Masters degrees and PhD's which suggests that the lower the level of education the more important are benefits. Table 5.24 shows statistics for rewards (performance recognition and career management) related to demographic variable (level of education) on importance

**Table 5.24: Performance recognition and career management related to level of education**

Reward category by demographic variable	Sub-category	$n$	Mean	$sd$	Mean differences (above diagonal) and Cohen's $d$ values				
Performance recognition and career management by level of education					1	2	3	4	5
	Bachelor's degree	1	4.00	0.000		0.64	0.00	0.38	
	Post Graduate	6	4.33	0.516			0.38	0.75	
	Masters	43	4.00	0.900		0.58		0.39	
	PhD	61	3.64	0.949		1.22	0.39		

Table 5.24 shows that academics with Bachelor's degrees perceive performance recognition and career management as more important (Cohen's  $d$ -value = 0.64) than the academics with Post-graduate degrees since the Cohen's  $d$ -value is in the range  $0.50<|d|< 0.80$ . Academics with Bachelor's degrees perceive performance recognition and career management as extremely less important (Cohen's  $d$ -value = 0.00) than the academics with Masters Degrees since the Cohen's  $d$ -value is  $|d|<0.20$ . Similarly, Academics with Bachelor's degrees perceive performance recognition and career management as less important (Cohen's  $d$ -value = 0.38) than the academics with PhD's since the Cohen's  $d$ -value is in the range  $0.20<|d|<0.50$ . Therefore, academics with Bachelor's degrees perceive performance recognition and career management as less important than academics with Masters and PhD's which suggests that the higher the qualification, the more important is performance recognition and career management. Table 5.25 shows statistics for rewards (benefits) related to demographic variable (job level) on importance

**Table 5.25: Benefits related to job level**

Reward category by demographic variable	Sub-category	<i>n</i>	Mean	<i>sd</i>	Mean differences (above diagonal) and Cohen's <i>d</i> values				
<b>Benefits by job level</b>					<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	Developmental Lecturer	25	4.40	0.707		0.55	0.95	0.57	0.86
	Lecturer	47	3.98	0.794	0.57		0.57	0.03	0.39
	Senior Lecturer	19	3.42	1.346	0.88	0.46		0.49	0.17
	Associate Professor	9	4.00	0.707	0.57	0.03	0.60		0.36
	Professor	11	3.64	1.206	0.71	0.30	0.17	0.38	

Table 5.25 indicates that Developmental Lecturers perceive benefits as more important than Lecturers (Cohen's *d*-value = 0.55) and Associate Professors (Cohen's *d*-value = 0.57) since the Cohen's *d*-values are in the range  $0.50 < |d| < 0.80$ . Also, Developmental Lecturers perceive benefits very important than Senior Lectures (Cohen's *d*-value = 0.95) and Professors (Cohen's *d*-value = 0.86) since the Cohen's *d*-value for Developmental Lecturers is in the range  $0.80 < |d| < 1.31$ . Therefore, Developmental Lecturers find benefits as more important than Lecturers, Senior Lecturers, Associate Professors and Professors which indicates that the lower the job level the more important are benefits. Table 5.26 shows statistics for rewards (quality work environment) related to demographic variable (job level) on importance

**Table 5.26: Quality work environment related to job level**

Reward category by demographic variable	Sub-category	<i>n</i>	Mean	<i>sd</i>	Mean differences (above diagonal) and Cohen's <i>d</i> values				
<b>Quality work environment by job level</b>					<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	Developmental Lecturer	24	4.44	0.768		0.25	0.17	0.41	1.03
	Lecturer	47	4.60	0.538	0.22		0.48	0.79	1.61
	Senior Lecturer	19	3.32	0.671	0.17	0.44		0.27	0.94
	Associate Professor	9	4.11	0.928	0.37	0.55	0.24		0.55
	Professor	11	3.64	0.809	1.01	1.25	0.89	0.54	

Table 5.26 Developmental Lecturers perceive quality work environment as less important (Cohen's *d*-value = 0.25) than Lecturers since the Cohen's *d*-value is in the range  $0.20 < |d| < 0.50$ . Developmental Lectures perceive quality work environment as extremely less important (Cohen's *d*-value = 0.17) than Senior Lecturers since the Cohen's *d*-value  $0.20 < |d| < 0.50$ .

Developmental Lecturers perceive quality work environment as less important (Cohen's  $d$ -value = 0.25) than Lecturers since the Cohen's  $d$ -value is in the range  $0.20 < |d| < 0.50$ . Developmental Lecturers perceive quality work environment as less important (Cohen's  $d$ -value = 0.41) than Associate Professors since the Cohen's  $d$ -value is in the range  $0.20 < |d| < 0.50$ . On the other hand, Developmental Lecturers perceive quality work environment as very important (Cohen's  $d$ -value = 1.03) than Professors since the Cohen's  $d$ -value is in the range  $0.80 < |d| < 1.30$ . Therefore, Developmental Lecturers perceive quality work environment as less important than Lecturers, Senior Lecturers and Associate Professors which suggests that the lower the job level, the less important is quality of work environment. Table 5.27 shows statistics for rewards (benefits) related to demographic variable (conditions of service) on importance

**Table 5.27: Benefits related to conditions of service**

Reward category by demographic variable	Sub-category	$n$	Mean	$sd$	Mean differences (above diagonal) and Cohen's $d$ values				
Benefits by conditions of service					1	2	3	4	5
	January 2012	70	4.13	0.850		0.15	0.63	1.70	
	February 2006	14	4.00	0.877	0.15		0.44	1.45	
	January 2004	24	3.54	1.141	0.55	0.47		0.77	
	July 2004	3	2.67	1.155	1.28	1.20	0.76		

Table 5.27 shows that academics on the January 2012, CoS (Cohen's  $d$ -value = 0.15) perceive benefits as less important than academics on the February 2006, CoS since the Cohen's  $d$ -value is  $|d| < 0.20$ . Academics on the January 2012, CoS perceive benefits as more important (Cohen's  $d$ -value = 0.63) than academics on the January 2004, CoS since the Cohen's  $d$ -value is in the range  $0.50 < |d| < 0.80$ . Academics on the January 2012, CoS perceive benefits as extremely important (Cohen's  $d$ -value = 1.70) than academics on the July 2004, CoS since the Cohen's  $d$ -value is  $|d| > 1.30$ . Therefore, academics on the January 2012, CoS perceive benefits as more important than the academics on the January 2004 and July 2004, CoS. Table 5.28 shows statistics for rewards related to demographical variables for satisfaction.

**Table 5.28: Statistics for rewards related to demographical variables on satisfaction**

Reward category by demographic variable	Sub-category	<i>n</i>	Mean	<i>sd</i>	Mean differences (above diagonal) and Cohen's <i>d</i> values				
					1	2	3	4	5
Base pay by household income	R12 000-R19 999	15	4.53	0.640					0.07
	R20000+	96	4.57	0.594				0.06	
Performance recognition and career management by Conditions of service	January 2012	70	4.13	0.850		0.15	0.63	1.70	
	February 2006	14	4.00	0.877	0.15		0.44	1.45	
	January 2004	24	3.54	1.141	0.55	0.47		0.77	
	July 2004	3	2.67	1.155	1.28	1.20	0.76		

From Table 5.28, the following observations can be made about the rewards related to demographical variables on satisfaction. The table is significant because it shows the demographic variables that influence rewards in terms of satisfaction.

- Academics with a household income of R12,000 - R19,999 perceive base pay as very less satisfying (Cohen's *d*-value = 0.07) than academics with a household income of R20,000 and above since the Cohen's *d*-value is  $|d| < 0.20$ .
- Academics on the January 2012, CoS perceive performance recognition and career management to less satisfy them (Cohen's *d*-value = 0.15) than academics on the February 2006 since the Cohen's *d*-value is  $|d| < 0.20$ . Academics on the January 2012, CoS perceive performance recognition and career management to moderately satisfy them (Cohen's *d*-value = 0.63) than academics on the January 2004 since the Cohen's *d*-value is in the range  $0.50 < |d| < 0.80$ . Academics on the January 2012, CoS perceive performance recognition and career management to extremely satisfy them (Cohen's *d*-value = 1.70) than academics on the July 2004 since the Cohen's *d*-value is  $|d| > 1.30$ . Therefore, academics on the January 2012, CoS are more satisfied by performance recognition and career management than academics on the January 2004 and July 2004, CoS. We further investigate the rewards related to demographic variables that attract, retain and motivate academics. The following tables, Table 5.29 and Table 5.30 are significant because they show the demographic variables that influence rewards in terms of attraction, retention and motivation.

**Table 5.29: Base pay related to job level on attraction, retention and motivation**

Reward category by demographic variable	Sub-category	<i>n</i>	Mean	<i>sd</i>	Mean differences (above diagonal) and Cohen's <i>d</i> values				
Base pay by job level					1	2	3	4	5
	Developmental Lecturer	25	4.72	0.458		0.25	0.62	0.11	0.55
	Lecturer	47	4.57	0.651	0.27		0.19	0.31	0.15
	Senior Lecturer	19	4.37	0.684	0.59	0.31		0.47	0.14
	Associate Professor	9	4.67	0.500	0.11	0.17	0.53		0.41
	Professor	11	4.45	0.522	0.53	0.22	0.15	0.42	

Table 5.29 shows that Developmental Lecturers perceive base pay as less effective (Cohen's  $d$ -value = 0.25) to attract, retain and motivate academics than Lecturers since the Cohen's  $d$ -value is in the range  $0.20 < |d| < 0.50$ . Developmental Lecturers perceive base pay as more effective (Cohen's  $d$ -value = 0.62) to attract, retain and motivate academics than Senior Lecturers since the Cohen's  $d$ -value is in the range  $0.50 < |d| < 0.80$ . Developmental Lecturers perceive base pay as very less effective (Cohen's  $d$ -value = 0.11) to attract, retain and motivate academics than Associate Professors since the Cohen's  $d$ -value is  $|d| < 0.20$ . Developmental Lecturers perceive base pay as moderately effective (Cohen's  $d$ -value = 0.55) to attract, retain and motivate academics than Professor since the Cohen's  $d$ -value is in the range  $0.20 < |d| < 0.50$ . Therefore, Developmental Lecturers perceive base pay as more effective to attract, retain and motivate academics than Lecturers and Associate Professors and as less effective to attract, retain and motivate academics than Senior Lecturers and Professors. Table 5.30 shows the demographic variables that influence rewards in terms of attraction, retention and motivation.

**Table 5.30: Benefits related to job level on attraction, retention and motivation**

Reward category by demographic variable	Sub-category	<i>n</i>	Mean	<i>sd</i>	Mean differences (above diagonal) and Cohen's <i>d</i> values				
Benefits by job level					1	2	3	4	5
	Developmental Lecturer	25	4.40	0.707		0.55	0.95	0.57	0.86
	Lecturer	47	3.98	0.794	0.57		0.57	0.03	0.39
	Senior Lecturer	19	3.42	1.346	0.88	0.46		0.49	0.17
	Associate Professor	9	4.00	0.707	0.57	0.03	0.60		0.36
	Professor	11	3.64	1.206	0.71	0.30	0.17	0.38	

It can be seen from Table 5.30 that Developmental Lecturers perceive benefits as more effective (Cohen's *d*-value = 0.55) in attracting, retaining and motivating academics than Lecturers since the Cohen's *d*-value is in the range  $0.50 < |d| < 0.80$ . Similarly, Developmental Lecturers perceive benefits as very effective (Cohen's *d*-value = 0.95) in attracting, retaining and motivating academics than Senior Lecturers since the Cohen's *d*-value is in the range  $0.80 < |d| < 1.30$ . Developmental Lecturers perceive benefits as more effective (Cohen's *d*-value = 0.57) in attracting, retaining and motivating academics than Associate Professors since the Cohen's *d*-value is in the range  $0.50 < |d| < 0.80$ . Developmental Lectures perceive benefits as very effective (Cohen's *d*-value = 0.86) in attracting, retaining and motivating academics than Professors since the Cohen's *d*-value is in the range  $0.50 < |d| < 0.80$ . Therefore, Developmental Lecturers perceive benefits as more effective in attracting, retaining and motivating academics which suggests that the lower the job level (Developmental Lecturers), the more they are attracted, retained and motivated by benefits.

## 5.8 Thematic content analysis

In the next section the respondents were requested to answer two open-ended questions. They were asked to list the two most important rewards, not offered at UKZN but would include in their remuneration package, in the order of importance. Table 5.31 indicates the results of the content analysis based on the importance of rewards in the total reward package. Content analysis allows the researcher to put together similar data in a context of certain perceptions

and patterns and report them to the readers in a way that they can understand (Yildirim and Simsek (2011)).

**Table 5.31: Importance of rewards in total reward package**

Reward	1st preference		2nd preference		Not mentioned	
	<i>n</i>	%	<i>n</i>	%	<i>n</i>	%
Benefits	30	27	13	12%	68	61
Variable pay	26	23	11	10%	74	67
Work-home integration	8	7	3	3	100	90
Performance recognition and career management	6	5	4	4	101	91
Quality work environment	5	5	6	5	100	90

Table 5.31 indicates the respondent's preferences rated using their first preference. The respondent's rated benefits the highest (27%) most preferred reward that is important in the total reward package, other respondents rated benefits (12%) as their second preferred important reward in the total reward package and the majority (61%) of the respondents did not answer which makes it difficult to generalise the respondents' views. Variable pay (23%) was rated as the second most preferred important reward in the total reward package, 10% of the respondents rated variable pay as their second preferred important reward in the total reward category and the majority (67%) did not respond which makes it hard to generalise the findings. A high quality work environment was rated the least preferred important reward (5%) in the total reward package as it was rated the second least preferred reward. Based on these responses, it is evident that the respondent's value benefits the most. The respondents were further asked to indicate the important factors that they perceive affect their reward choices. Table 5.32 indicates the results of the factors affecting reward choices.

**Table 5.32: Importance of factors affecting academic's reward choices**

Factor	1st preference		2nd preference		Not mentioned	
	<i>n</i>	%	<i>n</i>	%	<i>n</i>	%
Economic situation	32	29	12	11	67	60
Family needs	20	18	11	10	81	73
Age	13	12	9	8	89	80
Lifestyle	5	5	10	9	95	86
Financial security	2	1.8	0	0	109	98
Career ambitions	1	0.9	7	6	103	93

The respondent's importance of factors affecting academic reward choices were rated using their first preferences. Table 5.32 indicates that 29% of the respondents rated the economic

situation as their first preferred important factor affecting academic reward choices, 11% rated the economic situation as their second preferred important factor affecting their reward choices and the majority (60%) did not respond which makes it difficult to generalise their views. Family needs were rated as the second first preferred (18%) important factor affecting their reward choices, 10% rated family needs as the second preferred important factor affecting their reward choices and the majority (73%) did not respond which makes it difficult to generalise the findings. The respondents rated career ambitions and financial security very low which means these factors less affect their reward choices than the other factors. The least important factors (0.9%) affecting the reward choices were career ambitions and 93% of the respondents did not answer the question which also makes it difficult to generalise. Therefore, the economic situation and family needs were rated the highest which suggests that the economic situation and family needs impact on their decision on selecting a reward choice. The respondents were further requested to indicate their views on the fairness and consistency of the implementation of the rewards offered at UKZN as shown in Table 5.33.

**Table 5.33: Results of academics views on the rewards offered at UKZN**

Total number of respondents ( <i>n</i> )	Fair and consistent		Unfair and inconsistent	
	<i>n</i>	%	<i>n</i>	%
111	34	31	77	69

Table 5.33 indicates that out of a total of 111 respondents, 31% of the respondents perceive the rewards offered at UKZN to be fair and consistent whereas the majority (77%) of the respondents view rewards offered at UKZN as unfair and inconsistent when implemented. In addition, respondents were asked to provide their reasons for their choice which will be presented next section.

Thematic analysis was used to report on the respondents results on the last open-ended question in Section D of the questionnaire. The respondents were given an opportunity to express their views in a way that they chose. The responses were analysed and grouped into themes that emerged as shown in Table 5.34.



**Table 5.34: Academic views on the fairness and consistency of rewards implementation**

THEMES	Frequency
Unfair performance management ratings	14
Differences in conditions of service	12
Fair and consistently implemented	11
Confusing rewards	11
Unfair implementation of academic promotion	10
Unfair and inconsistently implementation of sabbatical leave.	7

Out of the 111 respondents, 45 provided reasons which correspond to 59% of the respondents. It must be noted that not so many respondents answered the open-ended question on fairness and consistency. Therefore, 59% seems to be acceptable and their responses can be generalised. The respondents had differing views on the implementation of the rewards offered at UKZN as some of the respondents were of the view that the rewards offered at UKZN are implemented fairly and consistently whereas most of the respondents were of the view that the rewards were implemented unfairly and inconsistently. As shown in Table 5.34, the main themes that emerged were: unfair performance management ratings, differences in CoS, unfair implementation of academic promotion, confusing rewards and unfair and inconsistently implementation of sabbatical leave.

### **5.9 Performance management bonus**

As indicated in Table 5.34, the most frequently reported theme is unfair performance management. The majority of the respondents (14 respondents), as shown in Table 5.34, pointed out that they perceived that the performance management is unfairly implemented. Respondent 8 stated, *“The performance management system has requirements that are impossible to meet so one can never do well, and when one does well, we are not paid bonuses”*. Respondent 5 pointed out that the performance management system is *“designed to make it impossible for most employees to achieve the generic ratings and makes the whole exercise of performance ratings meaningless”*. They pointed out that the way that the ratings are measured does not enable the academics to meet the performance management ratings requirements which results in academics not receiving performance bonuses. Other respondents were of the view that the performance management system is subjective and biased. The way the productivity units (PUs) were measured was one of the issues that made academics feel that the implementation of rewards was biased, unfair and inconsistent. Respondent 13 explained,

*“Biased performance management ratings do not take into consideration all the outputs – PU Management”*. Furthermore, the respondents expressed that they were not satisfied about how their PUs were measured and thought it would be fair to separate the teaching ratings from the research ratings and suggested that there ought to be rewards for all employees and thereafter there should be rewards for PUs.

On the other hand, it should be noted that 11 of the respondents expressed that the rewards offered are given out fairly to all staff members. The participants were of the view that they have not seen any unfairness and all employees are treated consistently and fairly. Furthermore, they expressed that UKZN has a fair reward programme but hard working academics should be rewarded better than they are being rewarded presently. Other respondents expressed that the four different sets of CoS cause unfair and inconsistent implementation of rewards.

#### **5.10 Conditions of service**

About 12 respondents indicated that they were not happy with the different CoS. The respondents were of the view that they were not happy with four sets of CoS. Respondent 4 stated, *“The difference between 2012. CoS and the older CoS was unfair”*. Most respondents argued that the performance management rating is disadvantageous as only the academics on the 2012, CoS receive performance bonuses which is viewed as manipulating rewards and discriminatory to staff members that are not on the New CoS (2012). Respondent 17 explained, *“Only employees on the 2012 CoS receive a pm bonus which indicates that the rewards are manipulated”*. Other respondents viewed the performance management system rating as not a true reflection of what they do as they are not rated accurately. The respondents expressed that there was unfair implementation of academic promotions.

#### **5.11 Academic promotions**

The respondent's (10) indicated that the way the academic promotions are implemented is unfair and inconsistent. The reason was because of the way in which promotions are undertaken and because the promotion criteria is subjective, too rigid and impossible to meet the ratings for other academics. Respondent 9 explained, *“The manner in which promotions are undertaken is unfair. Seems no fairness at times one has to take into account the honesty of those working at the institution. Often this is lacking”*. Rewards offered by UKZN were also perceived as unfair and inconsistently implemented and very confusing to some respondents.

### 5.12 Rewards

11 of the respondent's mentioned that they do not even understand the rewards that are offered to them by UKZN as they are never explained to them. The respondents mentioned that they do not receive a market related salary and that implementation of salaries when a staff member is offered a job is unfair and inconsistent as it depends on the person doing the recruitment process. Respondent 7 stated, *"I have been asking for a salary review for 18 months now. It still hasn't happened. I do not earn a market-related salary at all. In fact, newly appointed lecturers earn more than I do. The fact that performance bonuses are not paid to folks on the old CoS is a disgrace"*. 7 respondent's indicated that what they earn does not cover their expenses as they cannot afford to buy houses in the suburbs. Others mentioned that they were not attracted by the rewards offered to work at UKZN but they were attracted by the UKZN brand. They mentioned that since the University is well known as a top institution of higher learning in Africa. Some of the respondents indicated that they care more about the joy they receive from engaging with communities than the rewards they receive from UKZN.

### 5.13 Sabbatical leave

Sabbatical leave was also one of the rewards that respondents argued were unfairly and inconsistently implemented. The respondents (11%) indicated that approval of the sabbatical leave was subjective as some academics were granted sabbatical regularly when others are denied permission to go on sabbatical leave. Respondent 17 stated, *"Some people get sabbatical regularly, others don't..."* Another Respondent 5 stated that *"A real sabbatical - currently is a joke, since we are required to continue supervision (and levels of supervision are increasingly high), and to make 'alternative' arrangements for our teaching (so most of us end up 'paying' for own sabbatical)"*. Therefore, sabbatical leave was indicated as being unfairly and inconsistently implemented as the respondent's indicated that some staff members were granted sabbatical leave by their line managers whilst others were denied sabbatical leave by their line managers.

### 5.14 Conclusion

This section has provided findings on the views of the academic staff at UKZN on the rewards offered by their employer. It can be concluded that most academic staff view rewards offered at UKZN as unfairly and inconsistently implemented. Performance Management ratings and

different CoS were the themes that were viewed as highly unfairly and inconsistently implemented. These findings should help the institution to identify the challenges faced by the academics in order for the institution to come up with solutions that can resolve academic issues and be able to attract, retain and motivate academics. The next chapter presents discussion of results.

## **CHAPTER 6**

### **DISCUSSION OF RESULTS**

#### **6.1 Introduction**

This study's objectives were to identify the categories of rewards that UKZN academics value and prefer as well as assess how satisfied these academics are with the rewards offered to them by the university. In addition, the study's objectives were to investigate the ability of the rewards offered by the institution to attract, motivate and retain employees together with the influence of demographic variables on reward preferences.

#### **6.2 Discussion of results**

The following hypotheses were generated in order to achieve the objectives of the study:

- H1: University of KwaZulu-Natal academics perceive basic pay as an important reward category.

The findings report that base pay is the least important (94.6%) reward factor for academics at UKZN as shown in Table 5.8. Hedge, Borman & Lammlein (2006) as well as Fisher and Yuan (1998) support these results as they found that older employees value flexible working hours and career management more than monetary rewards. However, these results are different to other studies as they suggest that base pay is the reason all employees go to work and compensation is one of the most important rewards (Price, 2011, Bunton and Brewer, 2012 and Moore and Bussin, 2012). Similarly to other studies, Snelgar et al., (2013) found base pay to be the most preferred reward.

Therefore, the main findings of this study are that UKZN academics perceive base pay as the least important reward category. This study also aimed to investigate if UKZN academics were satisfied by the base pay, variable pay, benefits, performance recognition, career management, and quality work environment offered to them by the institution (Hypothesis 2). The main findings are discussed below.

- H2: University of KwaZulu-Natal academics are satisfied by base pay, variable pay, benefits, performance recognition and career management, and quality work environment offered to them by the institution.

This study found that academics at UKZN are least satisfied by quality work environment (51.4%). Moreover, the study found that academics at UKZN are neither satisfied nor dissatisfied with base pay (43.2%), benefits (46.8%) and performance recognition and career management (53.2%). However, Snelgar et al., (2013) found that employees were most dissatisfied with variable pay (43%). According to the Hudson Valley Business Journal (2001) conducted by Discovery, most employees were the tie between their compensation and their performance.

With regard to household income per month, this study found that none of the respondents have a household income of less than R12,000/month. All respondents with an income of R12,000 and above indicated that they perceive base pay as less satisfying (Cohen's  $d$ -value is  $|d| < 0.20$ ) as shown in Table 5.28. This suggests that respondents are less satisfied with compensation offered to them by the institution. Herzberg's two-factor theory (1959) posits that compensation is one of the factors that should be present in order to create high organisational satisfaction as its absence would result in dissatisfaction.

Table 5.27 also reveals that academics on the January 2012, CoS are more satisfied (Cohen's  $d$ -value = 0.63) by performance recognition and career management than academics on the January 2004, CoS. Similarly, academics on the January 2012, CoS are more satisfied (Cohen's  $d$ -value = 1.70) by performance recognition and career management than academics on the July 2004, CoS. This shows that the academics who have been at the University for fewer years of service (January 2012, CoS) are satisfied with performance recognition and career management.

Level of education, household income per month and CoS were found to have an impact on the academic's satisfaction. That is, the level of education ( $p$ -value = 0.03), household income per month ( $p$ -value = 0.01) and condition of service ( $p$ -value = 0.03) were found to have a statistically significant relationship with satisfaction since their  $p$ -values  $< 0.05$  as reported in Table 5.28. Furthermore, statistically significant relationships on satisfaction were found between household income per month ( $p$ -value  $< 0.05$ ) and base pay, and CoS ( $p$ -value  $< 0.04$ ) and performance recognition and career management because their  $p$ -values  $< 0.05$ .

Therefore, the main findings of this study is that UKZN academics are least satisfied by quality work environment and base pay. However, it should be noted that academics on the January 2012, CoS are satisfied with performance recognition and career management. Also, demographic variables such as level of education, household income per month and CoS were found to have an impact on employee satisfaction. This study also aimed in Hypothesis 3 to investigate the demographic variable's influence on reward preferences. The findings of the demographic variable's influence on reward preferences are discussed next.

- H3: Demographic variable's (age, job level, gender, marital status, number of dependents and educational qualifications) influence reward preferences.

Nienaber et al., (2011) found that demographic variables such as gender, number of children, race, age, job level, educational qualifications, marital status, and years of service have an impact on reward preferences. Chiang and Birtch (2006) found that gender influences reward preferences. Similarly, Rajkumar (2014) found that reward preferences were influenced by demographic characteristics such as age and job level. This study supported previous research, and revealed that age, level of education, household income per month, job level and CoS influence reward preferences. Age ( $p$ -value = 0.00), level of education ( $p$ -value = 0.02), job level ( $p$ -value = 0.00) and condition of service ( $p$ -value = 0.00) were found to have statistically significant relationship with importance because their  $p$ -values < 0.05 as indicated in Table 5.14. This suggests that age, level of education, household income per month, job level and CoS have an influence on reward preferences.

Furthermore, as shown in Table 5.14, this study found age ( $p$ -value < 0.05) to have a statistically significant relationship with base pay and benefits. Level of education ( $p$ -value < 0.05) was found to have a statistically significant relationship with base pay, benefits and performance recognition and career management. Job level ( $p$ -value < 0.05) was found to have a statistically significant relationship with benefits and quality work environment. CoS ( $p$ -value < 0.05) were found to have a statistically significant relationship with benefits and quality work environment. Therefore, age has a statistically significant relationship with base pay, benefits and quality work environment. Level of education has a statistically significant relationship with base pay, benefits and performance recognition and career management. Job level has a statistically significant relationship with benefits, performance recognition and career

management and quality work environment. Lastly, CoS have a statistically significant relationship with benefits and quality work environment. These main findings suggests that demographic variables such as age, level of education, job level and CoS are statistically related to importance and influence reward preferences.

This study found that Generation Y (18-29) perceive base pay as more important than Generation X (39-48), Baby boomers (49-59) and Veterans (60+). Age group 18-29 perceive base pay as more important than the older groups (39-48; 49-59 and 60+) since the Cohen's  $d$ -values fall in the range  $0.50 < |d| < 0.80$ ;  $|d| = 1.82$  ; and  $|d| > 1.30$  respectively. These results were expected as authors have pointed out that as employees get older their value of base pay declines (Nienaber et al., 2011). For instance, base pay was found to be mostly preferred by the younger generation (Bunton and Brewer, 2012, Moore and Bussin, 2012, Crumpacker and Crumpacker, 2007 and Mahamad et al., 2015). However, these findings are in contrast to Snelgar's et al., (2013) findings as the authors found that the younger (18 -29) the employee, the less important is base pay (Cohen's  $d$ -value = 0.025). These findings are also in line with Cennamo and Gardner's (2008) findings who pointed out that older employees' value base pay because they could be at a stage where they earn very high salaries and perceive basic pay very important as a reward category. Therefore, this study's results suggest that the younger the academics, the more important is base pay.

The age group 18-29 (Generation Y) perceives benefits as more important than the older age groups (39-48; 49-59 and 60+) since the Cohen's  $d$ -value falls in the range  $0.80 < |d| < 1.30$ ;  $< |d| < 1.30$ ; and falls in the range  $0.80 < |d| < 1.30$  respectively. These results suggests that the younger the academics, the more important are benefits which was unexpected because, in general, the older the employee the more they require benefits because they have dependents who need medical aid and tuition remission. It could also be that as they are getting older, the more medical attention they require and the more they value their retirement investments. In line with these findings, Nienaber et al., (2011) found that benefits are preferred by younger employees than the older employees. In contrasts to these findings, Cennamo and Garner (2008) state that older employees had a higher preference for benefits than younger employees. Furthermore, in contrasts to these results, Reynolds (2005) revealed that older generations value flexible working hours, sabbaticals and part-time work which is regarded as benefits.



This study's findings show that the lower the level of education, the more important is base pay. Academics with Bachelor's degrees perceive base pay as more important (Cohen's  $d$ -value = 0.62) than the academics with Master's Degrees. Academics with Bachelor's degrees perceive base pay as very important (Cohen's  $d$ -value = 0.84) than the academics with PhD's. Therefore, academics with Bachelor's degrees perceive base pay as more important than academics with Master's and PhD's which suggest that the lower the level of education, the more important is base pay.

Academics with Bachelor's degrees perceive benefits as extremely important (Cohen's  $d$ -value = 2.74) than academics with Post-graduate degrees. Similarly, Academics with Bachelor's degrees perceive benefits as extremely important (Cohen's  $d$ -value = 2.24) than academics with Master's Degrees. Furthermore, Academics with Bachelor's degrees perceive benefits as more important (Cohen's  $d$ -value = 0.56) than academics with PhD's. Therefore, academics with Bachelor's degrees perceive benefits as more important than academics with Post graduate degrees, Master's degrees and PhD's which suggests that the lower the level of education the more important are benefits. These findings are in support of Nienaber et al., (2011) findings who found that the higher the qualification the lower the preference for benefits as the lower level jobs respondents indicated higher preferences for remuneration and benefits.

Furthermore, academics with Bachelor's degrees perceive performance recognition and career management as more important (Cohen's  $d$ -value = 0.64) than the academics with Post-Graduate degrees. Academics with Bachelor's degrees perceive performance recognition and career management as extremely less important (Cohen's  $d$ -value = 0.00) than the academics with Master's Degrees. Similarly, Academics with Bachelor's degrees perceive performance recognition and career management as less important (Cohen's  $d$ -value = 0.38) than the academics with PhD's since the Cohen's  $d$ -value is in the range  $0.20 < |d| < 0.50$ . Therefore, academics with Bachelor's degrees perceive performance recognition and career management as less important than academics with Master's and PhD's which suggests that the higher the qualification, the more important is performance recognition and career management. Therefore, it can be concluded from these findings that the level of qualification has an influence on the reward preferences as this study reported that academics without Master's and PhD's perceive performance recognition and career management as less important which suggests that

the lower the qualification, the less important is performance recognition and career management. However, the findings of this study contradict Snelgar et al., (2013) who found that the level of education did not have an influence on the rewards preferences.

Results show that Developmental Lecturers perceive benefits as more important than Lecturers (Cohen's  $d$ -value = 0.55), Associate Professors (Cohen's  $d$ -value = 0.57) and Professors (Cohen's  $d$ -value = 0.86). Therefore, based on these results it can be concluded that Developmental Lecturers find benefits as more important than Lecturers, Senior Lecturers, Associate Professors and Professors which indicate that the lower the job level the more important are benefits. It should also be noted that this study found that the lower the level of education, the more important are benefits. This means that the lower the job level and the lower the level of education and the younger the academic the more important are benefits.

This study found that Developmental Lecturers perceive quality work environment as less important (Cohen's  $d$ -value = 0.25) than Lecturers and Senior Lecturers (Cohen's  $d$ -value = 0.17) and Associate Professors (Cohen's  $d$ -value = 0.41). Therefore, Developmental Lecturers perceive quality work environment as less important than Lecturers, Senior Lecturers and Associate Professors, which suggests that the lower the job level, the less important is quality of work environment. These findings contradict Nienaber et al., (2011) who found that the more the senior the level of work, the lower they place importance on their quality of work environment. CoS have an influence on the reward preferences as discussed next.

As reported in Table 5.27, Academics on the January 2012, CoS perceive benefits as more important (Cohen's  $d$ -value = 0.63) than academics on the January 2004, CoS and July 2004, CoS (Cohen's  $d$ -value = 1.70). Therefore, academics on the January 2012, CoS perceive benefits as more important than the academics on the January 2004 and July 2004, CoS. This suggests that CoS have an influence on the academic's preferred rewards. Bussin and Toerien (2015) found that workers with longer years of service value retirement benefits to be more significant which is in contract to this study as academics on the January 2012 CoS are generally known as the employees with fewer years of service than employees on the other CoS.

Based on the above findings, the main findings of this study is that age, level of education, job level and CoS influence reward preferences. The younger the academics

(Generation Y), the more important is base pay and benefits. Also, academics on the January 2012, CoS perceive benefits as important to them. The lower the level of education, the more important is base pay and the less important is performance recognition and career management. The lower the job level, the less important is quality work environment. This study further aimed in Hypothesis 4 to explore whether the UKZN reward categories attract, retain and motivate its academic staff. The findings of the UKZN reward categories that attract, retain and motivate its academic employees are discussed next.

- H4: University of KwaZulu-Natal reward categories attract, retain and motivate its academic employees.

The aim of the UKZN rewards offered to academics is to attract academics of high calibre by offering rewards that make academics want to join the institution, as well as motivate and retain these academics through offering rewards that enforce desired behaviour and reward extraordinary performance.

The findings of this study on the impact of reward categories on the institution's ability to attract, retain and motivate academics show that benefits, quality work environment, base pay and performance and recognition have an impact on the institution's ability to attract, retain and motivate academics as indicated in Table 5.10. Benefits (80.2%) have the highest impact on the institution's ability to attract, retain and motivate academics as indicated in Table 5.10. Quality work environment (71.2%) has the second most impact on the institution's ability to attract, retain and motivate academics as indicated in Table 5.10, followed by base pay (67.6%) in third place and finally performance recognition and career management. The findings of the present study are supported by Phillips and Gully (2012) who mentioned that competitive pay and benefits have been highly rated as the top reward factors that attract and retain the workforce.

The UKZN reward factors that most strongly attract academics to the institution was found to be benefits (91%), followed by base pay (78%) and quality work environment (78%) and then performance recognition and career management (61%) as reported in Table 5.5. These findings are in line with Phillips and Gully's (2012) findings who found base pay and benefits to be highly rated as the top rewards that attract the workforce as this study also found benefits (91%), base pay (78%) and quality work environment (78%) to be highly rated for attracting academics to the institution. In addition, these findings were in line with Bhengu and Bussin's (2012) findings that

quality work environment (24%) is one of the reward factors highly attracts employees to join an employer. In terms of base pay, the findings of the present study are supported by Nienaber et al., (2011) who found that base pay strongly attracts employees to an organisation. Armstrong, Brown and Reilly (2010) also found that base pay influences the attraction and retention of the workforce.

The findings of this study as reported in Table 5.6 show that benefits (84%) strongly retain academics at UKZN, followed by quality work environment (77%), and then base pay (65%), and lastly performance recognition and career management (60%). Similarly, Research by World at Work (2010) and Nienaber et al., (2011) found that performance recognition and career management is a reward that retains employees. In terms of the quality of the work environment and growth opportunities, Bhengu and Bussin (2012) found similar results to this study where these two reward categories, quality of the work environment (36%) and growth opportunities (27%) had the highest impact on retaining and motivating employees. Also, Johns and Gratton (2013) mention that the work environment has an impact on the retention of employees.

The UKZN's reward categories that highly motivate academics were also found to be benefits (80%), quality work environment (78%) and base pay (73%) as reported in Table 5.7. Similarly, Bhengu and Bussin (2012) found quality work environment (33%) as one of the greatest motivators at work. This study also found performance recognition and career management (67%) to motivate academics. These findings are also supported by Nienaber et al., (2011) who found that a conducive working environment motivates workforces to satisfy their careers.

In addition, as shown in Table 5.13, the study found that one of the demographic variables (job level) has a statistically significant relationship with attraction, retention and motivation. Job level ( $p$ -value = 0.01) was found to have a statistically significant relationship with attraction, retention and motivation with its  $p$ -value < 0.05. This suggests that job level has an influence on attracting, retaining and motivation academics. It must be noted that it is the only statistical significant biographic/demographic variable. In terms of job level and rewards categories, Table 5.29 reported that Developmental lecturers perceive base pay as more effective (Cohen's  $d$ -value = 0.62) to attract, retain and motivate academics than Senior Lecturers. Results show that Developmental lecturers perceive base pay as more

effective (Cohen's  $d$ -value = 0.55) to attract, retain and motivate academics than Professors. Furthermore, Developmental lecturers perceive benefits as more effective (Cohen's  $d$ -value = 0.55) than Lecturers in attracting, retaining and motivating academics. Developmental lecturers perceive benefits as more effective (Cohen's  $d$ -value = 0.57) than Associate Professors in attracting, retaining and motivating academics. Lastly, Developmental lecturers perceive benefits as more effective (Cohen's  $d$ -value = 0.86) than Professors in attracting, retaining and motivating academics. Therefore, Developmental lecturers perceive base pay and benefits as more effective to attract, retain and motivate academics than the higher job levels.

Based on the above findings, the main findings of this study is that the reward categories (benefits, quality work environment, base pay and performance recognition and career management) have an impact on the institution's ability to attract, retain and motivate academics. It should also be noted that job level has an effect on attraction, retention and motivation of academics as the Developmental lectures perceive benefits and base pay to be important in attracting, retaining and motivating academics. All these rewards (benefits, quality work environment, base pay and performance recognition and career management) were found to have an impact on the institution's ability to attract academics to the institution. Similarly, they were all found to have the ability to encourage academics to remain working at UKZN. Furthermore, they were all found to have the ability to motivate academics. It is interesting to note that benefits were highly rated as a reward category that highly impacts on the institutions ability to attract, retain and motivates as shown in Table 5.5, Table 5.6 and Table 5.7 respectively. Therefore, benefits were rated as a reward category that mostly attracts academics to the institution, that mostly retains academics to the institution and that most strongly retains academics in the institution. This study aimed in Hypothesis 5 to investigate the implementation of the rewards offered at UKZN in order to find out whether the respondent's perceived the rewards offered to be implemented fairly and consistently or unfairly and inconsistently.

- H5: The implementation of the University of KwaZulu-Natal award system is fair and consistent.

People compare their salaries and benefits, which are the main areas of judging fairness, to others doing the similar work (Eshun and Duah, 2010). Results in Table 5.19 show that out of a total of 111 respondents, only 31% of the respondents perceive the rewards

offered at UKZN to be fair and consistent whereas the majority (77%) of the respondents view rewards offered at UKZN as unfair and inconsistent when implemented. These findings suggest that UKZN needs to find ways to improve their implementation of rewards offered to academics so that when academics compare their remuneration to others doing the same duties, they view their rewards as fair and consistent. Also, the Equity theory (1965) posits that employees are motivated when they view their pay as fair and also equitable to others doing similar tasks in other organisations and putting in the same effort. Ramlall (2004) suggested in order to retain employees, employers should reward employees fairly. Therefore, developing a fair system will assist the institution to attract, retain and motivate employees (Mujtaba and Shuaib, 2010).

Furthermore, the respondents were requested to provide reasons for their choices on why they perceive the rewards offered as fair and consistent or unfair and inconsistently implemented. The themes that emerged from the respondent's reasons were unfair performance management ratings, differences in CoS, fair and consistent rewards, confusing rewards, unfair implementation of academic promotions and unfair and inconsistent implementation of sabbatical leave. As shown in Table 5.20, the most frequently rated theme is unfair performance ratings which indicated that academics are not happy with the way their performance is being rated since the measurements are unfairly and inconsistently done. The next most frequently rated is the CoS. The respondents expressed that different CoS indicate unfairness and inconsistency on the rewards offered. The respondents indicated that bonus performance eligibility depends on the CoS the academic is on which results in unfairness and inconsistency. Unfair implementation of academic promotions and sabbatical leave also emerged as the respondents perceived both to be unfairly and inconsistently applied. The respondents indicated that academic promotions criteria were too rigid which made it difficult for academics to be promoted to the next level of profession. Also, they indicated that Sabbatical leave was granted to some but others are denied sabbatical leave. However, it should be noted that there were some respondents who perceived the rewards offered at UKZN to be fairly and consistently implemented.

The main findings of this study reveal that employees view the rewards offered at UKZN as unfair and inconstant and also as unfairly and inconsistently implemented which does not support the hypothesis.

### **6.3 Conclusion**

This chapter focused on the research results and discussed the research findings based on the descriptive and inferential statistics that were used to analyze and summarise data collected from the respondents. The study also discussed relationships among variables and rewards and discussed the findings in relation to the questionnaire sections such as the demographic information, reward preferences and satisfaction, the impact of total rewards on employees in terms of attraction, retention and motivation as well as the open-ended questions. The distinguished relationships amongst the variables and rewards were also discussed. Some relationships were found and matched to previous studies on rewards. The next chapter will provide conclusions and recommendations that will be useful in improving rewards offered at UKZN.

## **CHAPTER 7**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **7.1 Introduction**

This chapter's objective is to provide the study's conclusion based on the research findings discussed in chapter 6. The aim of the study was to identify the categories of rewards that UKZN academics value and prefer as well as to ascertain how satisfied these academics are with these rewards offered to them by the university. In addition, the study investigated the ability of the rewards offered by the institution to attract, motivate and retain employees together with the influence of demographic variables on reward preferences. Evidence was obtained from the study and recommendations are suggested which will hopefully help UKZN and maybe other HEI's in South Africa to offer effective rewards that are valued by academics and that also attract, retain and motivate academics.

##### **7.1.1 Which reward categories do the University of KwaZulu-Natal academics prefer?**

The findings of this study showed that the younger UKZN academics (Generation Y) prefer base pay and benefits as the most important reward. Also academics on the January 2012, CoS perceive benefits as very important to them. This shows that the CoS and rewards offered by UKZN influences the preference of rewards of academics. Therefore, it can be seen that not all employees value the same rewards. Snelgar et al., (2013) and Schuler and Jackson (2006) state that the "one size fits all" is no longer applicable which means that employers need to pay more attention on the rewards that are valued by employees the most. They need to ascertain why they are valued in order to structure and offer meaningful rewards. According to previous studies, employers perspectives have been used to encompass employee's remuneration packages (Torniskoski, 2011), however, Snelgar et al., (2013) and Nienaber et al., (2011) suggest that employers should be aware of their employees reward preferences in order to structure and offer appropriate rewards that are valued and that will fulfil employee's needs. Furthermore, employers need to investigate why the other rewards are not valued by the academics in order to encompass rewards that are valued into their total reward packages than to just offer any rewards that are not meaningful and not valued by employees.



### **7.1.2 Which reward categories satisfy the UKZN academics?**

The findings of this study showed that the UKZN academics are neither satisfied nor dissatisfied by base pay, benefits, performance recognition and career management. However, the study found that the academics at UKZN are highly dissatisfied by quality work environment. In addition, it should be noted that academics on the January 2012, CoS are satisfied by performance recognition and career management. This shows that rewards offered have an influence on satisfaction of academics as well as the CoS. Therefore, this shows that not all employees are satisfied by the same rewards and not all employees are satisfied by the CoS they are under. Academics on the January 2012, CoS perceive performance recognition and career management to satisfy them more than the academics on the other CoS. These findings indicate that there might be some major differences in the 4 sets of CoS as there was a significant difference on satisfaction based on the different CoS.

### **7.1.3 Which demographic variables influence reward preferences?**

Demographic variables have an impact on the reward preferences and employers should pay attention to the different preferences in order to offer appropriate and competitive rewards. The study found that age, level of education, job level and CoS influence reward preferences. Generation Y was found to view base pay and benefits as very important to them. These findings show that demographic variables (different age groups) have an influence on reward preferences.

The job level was found to have an influence on the reward preferences. The Development lecturers indicated that they perceive quality work environment as less important to them. Therefore, the lower the job level, the less important is quality work environment. This suggests that job level has an influence on reward preferences. The professors preferred a high quality work environment as very important which could suggest that the higher the job level the more important the quality of working environment which is in line with Nienaber et al., (2011) findings. They found that the more senior the employee, the greater importance they place on the quality of their work environment. The level of education was also found to influence reward preferences as academics with Master's and PhD's view performance recognition and career management as a very important reward. These results are in contrast with Snelgar et al., (2013) who found that the level of education did not have an influence on reward preferences.

#### **7.1.4 To what extent do the reward categories offered by UKZN have the ability to attract, motivate and retain academics?**

Base pay, benefits, performance recognition and career management, and quality work environment were found to have an impact on the UKZN's ability to attract, retain and motivate academics. Although only base pay has been known to attract employees to an organisation (Tornikoski, 2011), the results of this study show that benefits, performance recognition and career management, and quality work environment are the rewards in the total reward package that were found to have the ability to attract employees to the institution. Since there is a problem with attracting young academics, the findings of this study can assist institutions to successfully attract them to the academic world by offering what attracts them.

Institutions should pay attention to the rewards that retain key academics and offer them to their academics so that academics can be satisfied and stay longer with the organisation. The main findings of this study show that rewards packages have an impact on the retention of academics since benefits; quality work environment, base pay, and performance recognition and career management were found to have an impact on the institution's ability to retain academics. As suggested by Shoaib et al., (2009) attractive reward packages are one of the significant elements of retention as they satisfy the monetary and non-monetary needs of employees. In addition, Herzberg (1959) advocated that remuneration factors play a vital role in avoiding employee dissatisfaction and must be appropriate in avoiding employees leaving the organisation. Therefore, the institution needs to draw more attention to benefits, quality work environment, base pay, and performance recognition and career management in order to encourage loyalty through offering what the academics value in their total remuneration package.

The main findings of this study show that benefits were highly rated as the reward category that has an impact on the institution's ability to motivate employees. This shows that employees are not only motivated by monetary rewards but by non-monetary rewards as well. These findings are supported by Herzberg (1959) who stated people are not only motivated by monetary rewards but they are also motivated by non-monetary rewards, hence, there is a need for employees to offer a total remuneration package which is inclusive of financial and non-financial rewards. Therefore, it should not be assumed that only money motivates employees. The rewards offered to employees at UKZN should be clearly related to their needs such the need for benefits in order to be motivated.

Therefore, the total reward package can be beneficial to successfully attract staff by offering benefits, quality work environment, base pay, and performance recognition and career management. It can retain staff by offering benefits, quality work environment, base pay, and performance recognition and career management. Furthermore it can motivate academics by offering benefits, quality work environment, base pay, and performance recognition and career management which are all part of the holistic total reward package. Since there is a war for talent (Bussin and Toerien, 2015), the findings of this study can assist the institution to understand the reward preferences of academics as well as what attract, retains and motivates them to the institution in order to win the competition for talent. Moreover, the findings of this study can assist institutions to come up with effective and competitive total reward packages that are valued by their staff and that are according to the academics needs and individual reward choices.

#### **7.1.5 Is the implementation of rewards offered by UKZN perceived as fair and consistent by the academics?**

Overall, the UKZN academic staff's perceptions of the rewards offered to them was found to be unfair and inconsistent as the main findings of this study revealed that the majority (77%) of the respondents view rewards offered by UKZN to be unfairly and inconsistently implemented. According to Parkes (2008) organisations need to be aware of individual needs in order to offer appropriate rewards that are implemented in a fair way for all employees. Should the rewards offered be inappropriate and be unfairly implemented, it might result in academics leaving the institution and joining the competitors. Furthermore, according to Price (2001) when employees view their pay to be fair, it improves employee's satisfaction and motivation within the place of employment. As this study found the implementation of the performance management system, differences in CoS, confusing rewards, unfair implementation of academic promotions and unfair and inconsistent implementation of sabbatical leave as the main issues raised by the academics, it is highly important to correct these inequities as they could impact negatively on the institution in terms of attraction, retention and motivation of its academics.

## **7.2 Recommendations**

It is important to come up with strategies to address the results of this study as discussed below.

### **7.2.1 Attract, retain and motivate**

The institution needs to find out why academics are highly attracted, retained and motivated by benefits only when other rewards such as base pay, performance recognition and career management and quality work environment attract, retain and motivate them but not as highly as benefits. By engaging with academics on rewards offered, for instance, by conducting employee satisfaction surveys, the institution will be more aware of academic staff views. It will also assist the institution to understand what their employee's value and what they do not value, which will assist the institution to come up with creative ways of improving on the rewards offered to its academics in order to attract, retain and motivate them. The institution should also make sure that they pay more attention to what is currently working to attract, retain and motivate academics and improve on those rewards such as benefits in order to keep attracting, motivating and retaining good academics.

### **7.2.2 Reward implementation**

The majority of the respondent's indicated that the rewards offered to them by UKZN are unfairly and inconsistently implemented. It is recommended that UKZN finds ways to improve on the implementation of rewards offered to academics so that they are consistently and fairly implemented across the university. Following UKZN reward policies and applying them across the institution could assist the institution to be viewed as fair and consistent in the implementation of rewards. Those who are found to be subjective and do not comply with policies should be held accountable. The following section presents the rewards viewed as unfairly and inconsistently implemented at UKZN as discussed:

#### **7.2.2.1 Performance management**

Academics pointed out that performance management is unfairly implemented as the ratings are biased, not objective and that they are impossible to achieve. Furthermore, the respondents pointed out that the university is no longer allowing academics to obtain monetary reward from grants that they attract. They feel that this is unfair because management think that the most important thing that motivates academics to seek grants is to increase their income rather than being recognised as productive in terms of research. In addition, the respondents expressed that they were not satisfied about how their PUs were measured and thought it would be fair to separate the teaching ratings from the research ratings. They suggested that there ought to be rewards for all employees and thereafter there should be rewards for PUs. Therefore, it is recommended that the university address the issues raised by the academics by looking at how other South African institutions handle their performance management ratings and how they

make sure that the ratings are objective and not biased. Also, the institution needs to pay attention to how other institutions in South Africa reward research outputs from academics (papers published, master's and doctoral graduates) as other institutions could be rewarding academic in the form of an extra income that goes into their personal accounts or monthly salary. This will assist the institution to motivate its academics.

#### **7.2.2.2 Sabbatical leave**

The university also needs to look at its sabbatical leave as academics raised concerns. The respondents raised issues that they felt that the sabbatical leave was not fairly implemented as some staff members were granted sabbatical leave regularly while other staff members were constantly refused sabbatical leave. This suggests that there is a problem that needs to be looked into on why there is a view of unfairness in the granting of sabbatical leave. According to Shore (2004) employees do not react and tolerate rewards inequity in the same manner. Some academics might leave the institution when they feel that they can no longer tolerate the inequity of sabbatical leave. Therefore, addressing the issues will assist the university to retain and motivate its academic staff as sabbatical leave is an important aspect of the academic's development, growth and research output. It is also an important aspect of the university as when the academics publish the university meets its goals of being a leading institution in academic excellence and research. It is recommended that the Sabbatical leave Policy is used consistently across the University as this will discourage any subjectivity and inconsistencies when granting sabbatical leave. Those line managers who are found to not follow the Sabbatical Policy should be held responsible.

#### **7.2.2.3 Conditions of service**

Some respondents expressed that the four different sets of CoS cause unfair and inconsistent implementation of rewards. Most respondents argued that performance management rating is disadvantageous as only the academics on the 2012, CoS receive performance bonuses. Therefore, it is highly recommended that the university has one set of CoS which could assist with rewards consistency and fairness as the different CoS do not offer the academics similar benefits. It is recommended that UKZN benchmark with other top ranked institutions and the market to find out what their CoS offer in order to come up with a single set of CoS that is market related. Furthermore, it is important that UKZN engages with its academics to find out what they value in their different sets of CoS in order to create one set of CoS that is valued by the majority of academics.

#### **7.2.2.4 Academic promotions**

The respondents expressed that there was unfair implementation of academic promotions. They indicated that the way the academic promotions are implemented is unfair as the manner in which academic promotions are undertaken is subjective, too rigid and that it is impossible to meet the ratings. Therefore, the university needs to look into the manner the performance ratings are conducted and address them in order to motivate academics. Academics need to feel that they are being acknowledged properly. Otherwise they might be lured into joining other institutions that will assess and reward their performance objectively.

#### **7.2.3 Factors affecting academic reward choices**

One of the important parts of the study was to find out the factors that affect the academic reward choices. The economic situation and family needs were rated the highest which suggests that the economic situation and family needs impact on their decision when selecting a reward choice. This suggests that the institution needs to pay attention to the economic situation and the academics family needs as they have an influence on the reward choices of academics. This will assist the institution to offer rewards that are valued by the academics in order to attract, retain and motivate them. Another important part of the study was to find out what rewards are not offered at UKZN but which academics would like to receive. The respondents indicated that they would like to receive benefits (first preference) and variable pay (second preference). This suggests that the institution needs to investigate the benefits and variable pay and improve these rewards since they are already part of the remuneration package offered at UKZN.

#### **7.2.4 Future studies**

It has been noted that there is scarce research literature on the employee's reward preferences in South Africa for both academic and professional services staff in HEI's. Future studies need to investigate both academic and professional services staff reward preferences as they are both deemed critical to the institution success, since the academics cannot work without the assistance of professional services staff. This should include the administrators who are in charge of the student's administration and Human Resources staff who recruit academics and ensure that they are paid appropriately. Future studies also need to look into the different sets of CoS offered at UKZN and investigate how employees feel about them. Management needs to investigate which CoS they value the most. This research did not investigate the effect of the interaction between the demographic variables. Future studies are recommended to investigate interactions between the demographic variables such as race, gender, personality types and culture. In addition, this study did not investigate the effect of culture and rewards.

Another recommendation is that future studies need to investigate whether fair treatment and fair rewards influence to employee motivation.

### **7.3 Conclusion**

In summary, the study's main findings showed that academics are not only attracted, motivated and retained by monetary rewards but they are motivated by non-monetary rewards as well. According to this study's findings, the total reward package can be beneficial to successfully attract, retain and motivate by offering benefits, base pay, performance recognition and quality work environment which is all part of the holistic total reward package. Since there is a war for talent (Bussin and Toerien, 2015), the findings of this study can assist the institution to understand the reward preferences of academics based on demographics as well as what attracts, retains and motivates them. This will ensure that the institution wins the competition for talent. Moreover, the findings of this study can assist institutions to come up with effective total reward packages that are valued by their staff and that are according to the academics needs and reward choices. Furthermore, the recommendations can assist the institution to address the issues that were raised by the respondents in order to keep their employees fulfilled and loyal to the organisation.

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